

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 18 July 2016.

PRESENT: Mr P B Carter, CBE (Chairman), Mr M A C Balfour, Miss S J Carey, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr P J Oakford and Mr J D Simmonds, MBE

UNRESTRICTED ITEMS

176. Apologies and Substitutions

(Item 2)

Apologies were received from:

Mr Gary Cooke, Cabinet member for Corporate and Democratic Services.

Patrick Leeson, Corporate Director for Education and Young People's Services, who was substituted by Gillian Cawley

177. Declarations of Interest

(Item 3)

No declarations of interest were received.

178. Minutes of the Meeting held on 27 June 2016

(Item 4)

The minutes of the previous meeting held on 27 June 2016 were agreed as an accurate record subject to the following amendment;

Mr Dance, Cabinet member for Economic Development was incorrectly recorded as being in attendance; Mr Holden had attended as his substitute.

The amendment having been noted the chairman signed the minutes.

179. 2016-17 Revenue and Capital Budget Monitoring

(Item 5)

Cabinet received the first budget monitoring report for 2016-17.

The report reflected the position for each of the Directorates based on the major issues arising from the 2015-16 outturn and presented to Cabinet on 27 June.

The issues had not been addressed in the 2016-17 budget build either because they came to light after the budget had been agreed or the demand levels on which the budget had been based had increased since the calculations were made.

Andy Wood, Corporate Director of Finance and Procurement spoke to the item:

- i. He confirmed in response to comments from the Leader that reporting in the future would be streamlined but that key activity data would continue to be reported. It was intended that the new style of reporting would achieve the following aims:
 - That the time taken to produce quarterly reports to cabinet would be reduced from approximately 70 days to approximately 35-40 days from the end of the relevant period allowing a more responsive approach to budget management.
 - That resources required to prepare and produce the reports would be reduced
 - That members would be able to more easily identify the key issues for consideration
- ii. That the first report in the new format would be received by Cabinet in September.

Mr John Simmonds, Cabinet Member for Finance and Procurement introduced the item for members; in particular he referred to the following:

- i. That it was essential to the 2017-18 budget that a balanced, or slightly underspent, 2016-17 budget was delivered. Therefore he was disappointed to report a £7.9million overspend for the first month. He urged members not to be complacent; he acknowledged that at this time last year the 2015-16 budget was showing an overspend but argued that having already made approximately £0.5billion of savings in recent years delivery of balanced budgets, and identification and realisation of savings had become more difficult.
- ii. Paragraph 1.4 of the report addressed reporting issues within Directorates, and identified ways in which reporting could help to make forecasting simpler and more accurate.
- iii. That Specialist Children's Services continued to experience severe pressures currently reported at £4.5million. These areas of forecast overspend related largely to the full year effect of increased activity and expenditure experienced in the last half of 2015-16 on residential and fostering and continued pressure on the staffing budgets based on continuing difficulties in recruiting permanent staff. In addition the adoption/permanency budget (principally special guardianship orders) was also experiencing pressure. Philip Segurola, Director, Specialist Children's Services Social Care, Health and Wellbeing and Peter Oakford, Cabinet Member for Specialist Children's Services had been invited to attend the Budget Programme Board to further consider how these pressures may be mitigated.
- iv. Pressures also remained in the following areas:
 - a. Unaccompanied asylum seeking children's budget
 - b. Adults Social Care and Health - Learning Disabilities and Mental Health budgets
 - c. Growth, Environment and Transport – Young Persons Travel Pass and Waste budgets
- v. That the Capital Budget was on track with no significant variations to be reported.

He concluded by highlighting the matter for agreement, set out in the report:

- i. Movement of £110,000 to the GET budget for weed clearance and other such necessary work that had resulted from a mild winter and wet summer and ring-fencing of a similar amount in future years for such activities should they become necessary.

The Leader expressed concern at the forecast overspend and asked that the matter be discussed further at a meeting of Cabinet Members and Directors, Corporate Board, in order to consider possible future actions as it was crucial that action was taken quickly to address the matters raised.

The item was opened for discussion and the following comments were made and responses to questions received:

Mr Graham Gibbens, Cabinet Member for Adult Social Care and Health commented on the Mental Health budget within Adult Social Care. This area currently showed a forecast overspend of £1.363million. He reminded members that this overspend was in the context of a total spend on Adults Mental Health of only approximately £24million and reflected the high demand for services being experienced.

Mr Peter Oakford Cabinet Member for Specialist Children’s Services spoke to the item; he expressed his disappointment that, despite the good work that Philip Segurola and his team had undertaken to control the budget in 2015-16, pressures had continued to emerge owing to a number of factors reported by the Cabinet Member for Finance and Procurement in his introduction. In particular he mentioned the continued difficulties experienced in recruitment of permanent Social Workers and foster carers and the associated costs created by the use of agency workers and independent fostering agencies respectively.

It was RESOLVED that:

CABINET	
18 July 2016	
1.	The initial forecast revenue and capital budget monitoring position for 2016-17, and the need to eliminate the revenue forecast pressure be NOTED.
2	£0.110m of the uncommitted underspend from 2015-16 (previously agreed by Cabinet in June to be transferred to reserves to support future years budgets) be transferred to the GET budget in order to fund a further weed spray to control weed growth on hard highway surfaces.
3	That future highway winter service underspends resulting from a mild winter, of up to the cost of a second weed spray (currently £0.110m) be ring-fenced, in anticipation of higher than average weed growth in the following growing season. Such underspending to be reflected as a committed roll forward requirement into the following financial year.
REASON	
1.	In order that Cabinet can effectively carry out monitoring

	requirements.
2 & 3	In order that the budget accurately reflects the real time position, is fit for purpose enabling necessary actions to be taken, and can be reflected in the 2015-16 budget as required.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

180. Local Growth Fund Round 3 and Large Local Major Schemes
(Item 6)

Cabinet received a report detailing the launch by Government of two new calls for project proposals that would help to unlock economic growth in local areas.

Sarah Nurden, Strategic programme Manager (KMEP) introduced the item for members. In particular she referred to the following:

1. That there were currently two significant funding opportunities available to the Council:

- a. In the first call, Local Enterprise Partnerships (LEPs) were invited to bid for a share of the third tranche of Local Growth Funding (LGF), worth £1.8 billion across England.

- b. In the second call, LEPs were invited to bid for a share of the Large Local Major Schemes funding, worth £475m across England.

2. Ms Nurden addressed the LGF fund opportunity and reported that:

- a. The Kent and Medway Economic Partnership (KMEP) had met on 14 June and prioritised 34 business cases that had been put forward for consideration. The prioritisation exercise had taken account of various considerations including, value for money, deliverability, total match funding, and the wishes of stakeholders at sub-county level.

- b. 21 schemes were selected to be submitted to Government via SELEP. Of those 21 schemes one had later withdrawn; East Kent Spatial Development

- c. The submission must be made via SELEP as Government had been clear that submissions from each of the federated areas would not be accepted.

3. Ms Nurden then turned to the second opportunity, the Large Local Major Scheme (LLMS) and reported the following:

- a. That there was £475million available nationally and that SELEP had been invited to submit a web tag compliant scheme worth 75m. A web-tag compliant bid was one which met the requirements of the Department for Transport and would be extremely resource intensive to produce. However, an option to bid for development funding in order to produce such a bid was available.
 - b. The matter was discussed at the recent KMEP meeting and it was agreed to seek improvements to Junction 7 on the M2, known locally as Brenley Corner. Ms Nurden explained that Junction 7 of the M2 was located on the strategic European transport route of the A2/M2 that ran from the Port of Dover through to the Midlands and the North of England, via the Dartford Crossing but that the current configuration of the junction regularly created peak hour congestion as traffic on the strategic Highways England road network mixed with traffic on the local road network. Improvement works to this junction were deemed critical to supporting any new Lower Thames Crossing.
4. Ms Nurden continued; she explained that the purpose of the consideration of both matters by Cabinet was to seek endorsement of the list of bids, confirm that KCC would be willing to act as the accountable body for schemes within its geographical boundaries and that delegation of authority to the Council's S.151 officer to write a letter of support for the bids and draw down funding should they be successful was supported.

The Leader thanked Ms Nurden for her introduction and her hard work in difficult circumstances. He expressed disappointment that the federated nature of SELEP was not to be reflected in the way that Government would accept prioritisation of schemes and warned members that the order may change as the list progressed through the various stages required by the current structure. He hoped that the South East would be treated fairly and that any contribution received would reflect the contribution that the area made to economic growth in Britain.

The Cabinet Member for Adult Social Care and Health, Mr Graham Gibbens spoke to the item, he welcomed the news that a development bid would be made to address the issues at Brenley Corner which he believed had worsened significantly in recent years. As a result he believed that it was unrealistic to expect significant further development in the area of Kent beyond it; East Kent, until the issues had been addressed.

The Cabinet Member for Environment and Transport, Mr Matthew Balfour, also addressed the meeting. He assured members that the Directorate was aware of the issues Mr Gibbens and others had described, but was also looking to the future. When a new Lower Thames Crossing was built it would be necessary to relieve HGV pressure on the M20 through the A2/M2 corridor and therefore this and other issues with the supporting infrastructure must be resolved. Strong representations to government and Highways England had been made to ensure that it was understood that a crossing alone would not be sufficient to alleviate current issues and cope with future demand but that the supporting infrastructure must also be fit for purpose.

The Leader agreed that this was a crucial issue for Kent, not only for the current enjoyment of the roads by residents but in order to facilitate future economic growth in the area and therefore the country.

It was RESOLVED that:

1. The Local Growth Fund Round 3 (LGF3) and Large Local Major Scheme (LLMS) bid submissions to Government proposed by the Kent & Medway Economic Partnership be endorsed.
2. That the proposal that KCC act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by the Government to receive LGF3 and LLMS funding be endorsed.
3. That the proposal that authority be delegated to Section 151 Officer to sign on KCC's behalf a grant offer letter or equivalent, where this is required to draw down funds following business case approval be endorsed.

The decision would now be considered by the Environment and Transport Cabinet Committee and on consideration of its comments and the endorsements of Cabinet the Leader would take a formal decision to agree the recommendations.