

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 12 December 2016.

PRESENT: 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

ALSO IN ATTENDANCE: Mrs Crabtree

UNRESTRICTED ITEMS

1. Apologies

(Item 2)

Apologies were received from Mr Paul Carter, KCC Leader and Cabinet Chairman. Mr John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement took the Chair in his absence. As a result Mrs Crabtree, Deputy Cabinet Member for Finance and Procurement was in attendance to speak to item 4, Revenue and Budget Monitoring.

Apologies were also received from Mr Gary Cooke, Cabinet Member for Corporate and Democratic Services and David Cockburn, Corporate Director of Strategic and Corporate Services.

2. Declarations of Interest by Members in Items on the Agenda for this meeting

(Item 3)

No declarations of interest were received.

3. Minutes of the Previous meeting

(Item 4)

The minutes of the previous meeting, held on 31 October 2016, were agreed as a correct record and signed by the Chairman accordingly.

4. Revenue and Capital Budget Monitoring Report - October 2016-17

(Item 5)

Cabinet received a report providing the budget monitoring position up to 31st October 2016-17 for both revenue and capital budgets, including an update on key activity data for the council's highest risk budgets.

Mrs Crabtree, Deputy Cabinet Member for Finance and Procurement was in attendance to introduce the report for members. In particular she referred to the following information:

Revenue Budget:

- i. That the forecast revenue pressure was currently £7.484m, after Corporate Director adjustments, increasing to £8.295m when roll forward requirements were added. Mrs Crabtree expressed concern at the position and reminded members of the importance of managing the position to at least a balanced position.
- ii. Pressures remained in the areas of support for Unaccompanied Asylum Seeking Children, SEN transport and Waste budgets, partially offset by improvements within Financing Items, Children's Disability and GET management & support budgets.
- iii. Senior management had worked together to identify common areas where spend could be reduced and remained committed to achieving a balanced position by year end without imposing an authority wide moratoria. Actions would include holding vacancies for non-essential posts and director level authorisation for those posts that were recruited to would be required.

Mr Andy Wood, Corporate Director for Finance and Procurement, spoke to the item; in particular he referred to the following:

- i. That everything that could be done, without causing problems for the future, or compromising the performance of statutory duties, was being done.
- ii. That the budget contained areas of underspend that could be utilised to manage any overspend such as the budget allocation for redundancy costs which was unlikely to be fully utilised and could be used to reduce any overspend if necessary.
- iii. That previous prudent action to create and maintain healthy reserves meant that if the year did end with a small overspend it could be met by utilising these funds.

Cabinet and Corporate Directors discussed the report and the following comments were made:

Mr Peter Oakford, Cabinet Member for Specialist Children's Services reported that the Council had been invited to bid for funds for extraordinary spending in the area of asylum and a bid would be submitted before Christmas but he was not optimistic that the full £2million overspend would be mitigated.

Mr Roger Gough, Cabinet Member for Education and health Reform addressed the matter of pressures on the SEN Home to School Transport budget. Demand had been and continued to be higher than expected and work continued to address this.

Mr Graham Gibbens, Cabinet Member for Adult Social Care and Health, spoke about the continued pressures on the Social Care budget. He informed members that the problems experienced at Kent were affecting council's nationally too. He highlighted as evidence of the problems being faced, the pressure reported on the Mental Health budget, the smallest of the four Adult Social Care budgets, which was currently forecast at £2.7million.

Mr Mathew Balfour, Cabinet Member for Environment and Transport, supported comments made by Mr Wood regarding maintenance of assets and concurred that

saving money on these areas of work would ultimately cost the council more money and was therefore a false economy that should not be undertaken.

Mr Andrew Ireland, Corporate Director for Social Care, Health and Wellbeing reiterated Mr Gibbens comments regarding the existing pressures on social care budgets nationally and the impact on them of pressures experienced by the NHS on healthcare budgets. He warned members that further pressures could be experienced as, although there was some provision within the social care budget to manage the impact of winter on older people, it would be a difficult task to remain within it, in light of the pressures being experienced by the NHS.

Mr John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement concluded the debate, he confirmed that Cabinet Members continued to lobby the government to address some of the pressures being experienced in Kent and elsewhere and expressed concern for future budgets which would become increasingly difficult to manage without intervention.

CABINET	
12 December 2016	
1.	That the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year be NOTED.
2	That the changes to the capital programme as detailed in section 6.4 be AGREED.
3	That the October monitoring of prudential indicators reflected in Appendix 4 be NOTED.
REASON	
1 & 3	In order that Cabinet can effectively carry out monitoring requirements.
2	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.

5. Chancellor's Autumn Budget Statement (Item 6)

Cabinet received an update on the Chancellor's Autumn Budget Statement from Dave Shipton, Head of Financial Strategy. In provided the following information and analysis:

- i. That the statement continued the government's commitment to 'flat cash' through to 2019/20 and therefore there would be no additional funding to address the additional spending demands discussed in the previous item
- ii. That the Chancellor had reported that £1billion of savings from departmental spending plans may be made available for investment in services in 2019/20.
- iii. The minimum wage had been increased to £7.20 and £7.50 an hour depending on the age of the employee. This would have a very minimal impact on the Kent County Council pay scheme where the lowest wage was currently £7.40 but was likely to have a more significant impact on contract prices where companies contracted to deliver services or schemes employed minimum wage staff.
- iv. Investment of £23billion nationally for infrastructure was announced some of which would be allocated specifically to address traffic congestion.
- v. There would be a further £1.8billion of funding for LEPs of which a broad area in the south (south west, south east and London) would receive £683million.
- vi. Business Tax transitional relief arrangements were announced following the revaluation of Business Tax and may present some difficulties for larger businesses with low profit margins as it was significantly higher than previous transitional arrangements.

Cabinet discussed the matter and the following comments were made:

- i. Mr Graham Gibbens, Cabinet Member for Adult Social Care and Health expressed disappointment that the autumn statement had not addressed pressures on Social Care budgets and called for a clear redistribution of funding, perhaps through the Better Care Fund where changes planned may need to be brought forward to ensure that Social Care was properly funded in the future.
- ii. Mr Mark Dance, Cabinet Member for Economic Development expressed concern that the business rate changes described by Mr Shipton might impact negatively on major employers and presented a risk to jobs.
- iii. In response to a question from Ms Susan Carey, Cabinet Member for Commercial and Traded Services, Mr Shipton reported that it was not yet clear what new responsibilities local government would be expected to manage as a result of changes to the control of business tax receipts, but that the bill was expected to pass early in the New Year.

6. Performance Qtr 2 report 2016-17

(Item 7)

Cabinet received a Quarterly Performance Report for quarter two of 2016/17 providing information about the key areas of performance for the authority.

Mr Fitzgerald, Business Intelligence Manager, Performance was in attendance to introduce the report for members and in particular he referred to the following:

- i. That of the 38 Key Performance Indicators included in the report, the latest RAG statuses were as follows:
 - 21 were rated Green - target achieved or exceeded
 - 15 were rated Amber - below target but above floor standard
 - 2 were rated Red – below floor standard

- ii. That the net direction of travel was positive with 22 indicators improving, 5 having no change and 11 showing a fall in performance.

Cabinet NOTED the performance report

7. Corporate Risk Register

(Item 8)

Cabinet received a report presenting the latest version of the Corporate Risk Register for the Authority.

Mr Mark Scrivener, Corporate Risk Manager and Interim Corporate Assurance Manager, introduced the item for members he advised members that the risk register was a constantly evolving process. This refresh reflected key themes arising from meetings with individual Corporate Management Team, Cabinet Members and Directorate Management Teams during the autumn. Comments arising from presentation of corporate risks to Cabinet Committees and the Governance & Audit Committee during the year had also been taken into account.

Many risks were described as high and that this picture was mirrored elsewhere in the country as a result of the financial pressures that had been discussed at length during the meeting.

The refreshed Risk Register was NOTED.