

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 26 June 2017.

PRESENT: Mr P B Carter, CBE (Chairman), Miss S J Carey, Mr M C Dance, Mr R W Gough, Mr P M Hill, OBE, Mr E E C Hotson, Ms D Marsh, Mr P J Oakford, Mr M D Payne and Mr J D Simmonds, MBE

ALSO PRESENT:

IN ATTENDANCE: Mrs A Beer (Corporate Director Engagement, Organisation Design & Development), Mr A Ireland (Corporate Director Social Care, Health and Wellbeing), Mr P Leeson (Corporate Director Children, Young People and Education), Mr J Lynch (Head of Democratic Services), Mr A Scott-Clark (Director of Public Health) and Mr A Wood (Corporate Director of Finance)

UNRESTRICTED ITEMS

1. Apologies

Mr Balfour and Mr Gibbens submitted apologies and Mr Payne and Ms Marsh would be substituting respectively. Mr D Cockburn (Corporate Director Strategic and Corporate Services) also submitted his apologies.

2. Declarations of Interest

No declarations of interest were received.

3. Minutes of the Meeting held on 27 March 2017

(Item 3)

The minutes of the meeting held on 27 March 2017 were agreed and signed as a correct record by the Chairman accordingly.

4. Revenue and Capital Budget Outturn 2016-17

(Item 4 – report of Mr John Simmonds, Cabinet Member for Finance and Andy Wood, Corporate Director of Finance)

Cabinet received a report which provided the provisional revenue and capital budget outturn position for 2016-17, including a final update on key activity for the highest risk budgets.

Mr J Simmonds, MBE, Cabinet Member for Finance, introduced the report. In particular he referred to the following information:

- This was the 17th consecutive year the Council had set a balanced budget. The provisional outturn showed an underspend of £3.77m

- Despite the SEN transport budget overspending by £2.6m, the directorate managed to offset a significant proportion of this pressure and ended the financial year with a net overspend of just over £1m.
- The overall outturn position of Specialist Children's Services was an overspend of £5,465k of which £966k related to Asylum. This pressure had been reduced from earlier forecasts partly due to management action in reducing accommodation costs but also reflected a settlement from the Home office of £766k towards the shortfall in funding.
- There was a small underspend of £241k for Adult Social Care. This was a substantial achievement considering the significant pressures for direct Services.
- The overall position for Public Health was a £3m underspend which had been transferred into the Public Health reserve leaving a small movement of -£0.2k relating to roll forward commitments.
- The GET Directorates outturn position after roll forward requirements was a commendable net underspend of -£255k. This underspend was delivered despite in year pressures of £3m arising from activity led pressures including Waste, Young Persons Travel Pass, Coroners and Highways Asset Management. It was also noted that the cost of disposing of each tonne of waste material was now less than it was five years ago, as well KCC achieving one of the lowest waste to landfill % in the country.
- Strategic and Corporate Services outturn was an underspend of -£1,453k
- The Schools delegated budget had overspent by £23m which was due to £2.219m as a result of 21 schools converting to academy status and taking their accumulated reserves with them, £4.003m use of school unallocated reserves to offset pressures on High Needs and Early Years education, £10.303m use of unallocated reserves to fund in year schools related pressures, particularly growth in both mainstream and high needs pupil numbers, £7.120m use of schools reserves for the remaining Kent schools. As a result schools reserves had reduced from £46.361m to £22.716m
- There was a shortfall in the dividend from Commercial Services of £1.227m which was primarily due to a significant decline in market conditions and a slower growth than anticipated in Connect2staff.
- There was a reported variance with the capital programme of £81m, £77m which related to rephrasing.
- Mr Simmonds paid credit to Directors and their staff for all their continued hard work and stated that budget savings were getting increasing difficult to manage each year.

The Leader, Mr P Carter CBE, also thanked all the staff for their hard work in managing their budgets to enable the council to get to a balanced position overall.

It was RESOLVED

| CABINET | |
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| Revenue and Capital Budget Outturn 2016- 2017 | |
| 1. | That the report including the provisional outturn position for 2016-17 for both the revenue and capital budgets be noted. |
| 2. | £589.4k of the 2016-17 revenue underspending is rolled forward to fund existing commitments, as detailed in section 2 of Appendix 1. |
| 3. | £2,066.1k of the 2016-17 revenue underspending is rolled |

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| | forward to fund re-phasing of existing initiatives, as detailed in section 3 of Appendix 1. |
| 4. | £518.5k of the revenue underspending is rolled forward to fund the bids detailed in section 4 of Appendix 1. |
| 5. | £597.6k remainder of the 2016-17 revenue underspending is transferred to the earmarked reserve to support future years' budgets to help balance the 2018-19 budget gap. |
| 6. | £44.389m of capital re-phasing from 2016-17 outturn be added into the 2017-18 and later years capital budgets, as detailed in Appendix 2. |
| 7. | The proposed capital cash limit changes outlined in Appendix 3 be agreed. |
| 8. | The contributions to and from reserves as reflected in Appendix 6, which includes all appropriate and previously agreed transfers to and from reserves 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, is fit for purpose enabling necessary actions to be taken. |
| ALTERNATIVE OPTIONS CONSIDERED | None. |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

5. Revenue and Capital Budget Monitoring Report 2017-18

(Item 5 – report of Mr John Simmonds, Cabinet Member for Finance and Andy Wood, Corporate Director of Finance)

Cabinet received a report which reflected the position for each of the Directorates based on the major issues arising from the 2016-17 outturn.

Mr J Simmonds, MBE, Cabinet Member for Finance introduced the report and advised that the early forecast revenue pressure of over £8m was clearly a concern and needed to be managed down. It was not unusual for the first forecast of the year to be on the pessimistic side and for comparison the initial forecast for the same period last year was £7.9m. However it was getting increasingly difficult year on year to balance the budget.

The majority of the £73m of savings were on track. When the 2017/18 budget was set it was planned to increase the General Reserves by £3.9m to reflect the growing risk environment. However since then a number of risks had reduced and it was proposed that the additional £3.9m contribution to the reserves budgeted for in 2017/18 was not now necessary and instead be earmarked for further pot hole repairs across the county, with the remaining £0.9m being declared as an underspend in the current year to partly offset reported pressures elsewhere.

The forecast for Specialist Children Services was showing a budget pressure of £0.3m

The current predicted pressure on the Asylum Service was £4.2m and this was based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children (UASC) and Care leavers grant rates had not yet been confirmed by the Home Office and therefore it had been assumed that they would continue to be paid at the rates agreed for 2016-17. Discussions were continuing with the Home Office but until there was written agreement from the Home office we were forecasting this pressure.

In relation to Education and Young People, the Education part of the Directorate was forecasting a balanced budget at this stage. However the Dedicated Schools Grant (DSG) reserve ended the 2016-17 financial year in deficit for the first time and this was now an area of concern for the Council. The main reasons for this were in relation to the higher pupil growth than expected, particularly in relation to pupils with Special Educational Needs.

The authority had agreed with the Schools Funding Forum to retain a reserve of £5m for in year growth. It was noted we now had to meet the costs for students in the age range 19-25 but without any additional DSG funding from Government.

The initial forecast for Adult Social Care and Health Directorate indicated an overall pressure of £3.349m which related wholly to the slippage of some savings in the 2017-18 budget, mainly relating to transformation. It was anticipated that this pressure would reduce over the next few weeks as decisions could be implemented and alternative savings could be found to offset any remaining slippage.

The capital programme 2017-18 had an approved budget of £261.303m (excluding schools and PFI0. This did not yet include roll forwards reported as part of the 2016-17 outturn report but to date there were no known variances to report on.

Mr Andy Wood, Corporate Director of Finance reported that over half of the overspend related to Asylum Service. The UASC grant paid by the Home office reduced once a child turned 16 therefore leading to an increasing pressure as the child got older if the cost of support was not reduced, which was not always possible. The shortfall in the grant rate to support for Care Leavers was not dissimilar to previous years but the overall pressure was greater due to higher numbers of young people.

The overall position was not sustainable and we cannot keep being in this situation at the start of each year. Discussions were ongoing with the Home Office and officers would continue to press for every penny the council was entitled to.

The Leader, Mr P Carter, CBE stated that the Government had a new Minister in charge with Brandon Lewis along with a new team of civil servants. He welcomed the new money that was being put into fixing pot holes across the country during the summer so that repairs could be completed to a high standard by the end of Sept.

Mr Roger Gough , Cabinet Member for Children, Young People and Education reiterated the point about the fall in reserves for DSG. The growth in High Needs pupil numbers was likely to continue into 2017-18 along with other known

commitments. The Directorate had embarked on a fundamental review of its DSG High Needs budget with the aim of making amendments to the various processes so that in future the annual commitments could not exceed the annual funding that the council received from the Department for Education. In addition the review was looking to establish a realistic repayment plan so that the reserve returned to a surplus as soon as possible. This review would need to be agreed with the Schools' Funding Forum in due course.

It was RESOLVED

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| CABINET | |
| Revenue and Capital Budget Monitoring Report 2017- 2018 | |
| 1. | That the initial forecast revenue and capital budget monitoring position for 2017-18, and the revenue forecast pressure needs to be eliminated by year end be noted. |
| 2. | That the proposal to no longer make a contribution of £3.9m to reserves but to use £3m to fund further pot hole repairs and the remaining £0.9m to be declared as an underspend in 2017-18 to offset reported pressure be agreed. |
| ALTERNATIVE OPTIONS CONSIDERED | None. |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

6. Quality Performance Report, Quarter 4, 2016/17

(Item 6 – report of Miss Susan Carey, Cabinet Member for Customers, Communications and Performance and Mr David Cockburn, Corporate Director, Strategic and Corporate Services)

Cabinet received a report containing the latest quarterly performance information relating to key areas of performance for the authority.

Mr Richard Fitzgerald, Business Intelligence Manager- Performance was in attendance and introduced the item for members. Of the 39 key performance indicators 23 were rated green – target achieved or exceeded and 14 were rated amber – below target but above the floor standard so the direction of travel in the quarter was positive.

Miss Susan Carey, Cabinet Member for Customers, Communications and Performance highlighted the following:

- Customer Centre – Good performance was maintained for call answering and caller satisfaction. Phone calls volumes to the contact centre had reduced over the year with improved transaction processing automated direction of calls and improved digital content on the website.
- Economic Development and Communities – Jobs created and safeguarded from regional growth fund loan schemes were nearly 4,000 jobs which was close to target. The No use Empty programme continued to deliver ahead of target. Library usage had been above expectations in the last year.

- Environment and Transport - core service delivery for highways and waste was on or above target for all indicators. Performance for diversion of waste from landfill had been particularly strong in the year, exceeding EU Directive targets set for the year 2020.
- Education and Young People – Ofsted inspection results for Schools and Early Years were on or above target.
- Specialist Children Services – Ofsted inspected in March and the outcome was that the service was good. The total number of children in care had now reduced below the national average, with previous unaccompanied asylum seeker children arriving in 2015 now starting to move into the care leavers service. Case file audits were judged as good or outstanding and children returning to child protection plan were both ahead of target.
- Adult Social Care – Contacts resolved at first point of contact fell in the quarter but remained ahead of target. Clients referred to enablement increased but remained behind target. The number of adults with learning disability in residential care continues to reduce with more clients now supported in the community with increased independence.
- Public Health – Health checks completions showed further improvements and met target. Access to the GUM services remained ahead of target continuing to achieve at the 100% level.

The Leader, Mr P Carter, CBE stated that the council needed to set up monitoring for delayed transfers out of hospitals as this was having a big impact and we needed to work with our health care partners to improve this. The Ofsted outcome would be discussed at County Council in July. He thanked Andrew Ireland and all his staff for their hard work in achieving this result.

It was RESOLVED that the report be noted.

7. Special Educational Needs and Disability (SEND) Strategy 2017-2019

(Item 7 – report of Mr Roger Gough, Cabinet Member for Children, Young People and Education and Mr Patrick Leeson, Corporate Director for Children, Young People and Education)

Cabinet received a report which set out how the County Council was delivering its policy for children and young people with special educational needs and fulfilling its statutory duty towards them.

Mr Roger Gough, Cabinet Member for Children, Young People and Education introduced the report and said that this built on the 2013 Strategy. The following points were highlighted:

- The number of children and young people with Education, Health and Care Plan and SEN statements has increased from 6272 in 2013 to 7043 in 2016. At the same time we had increased the number of maintained specialist places so that more Kent children and young people with SEND could attend a good local school that could meet their needs.
- By February 2016 15,000 more children were attending good or better Kent schools when compared to the position in 2014.

- Through a partnership with 12 lead Special Schools we had steadily increased the expertise in mainstream schools with 97% reporting the Local Inclusion Forum team had a positive impact.
- The new 20 week statutory assessment for Education and Health Care Plans had been firmly embedded.
- A key part of the commissioning strategy had been to meet a wider range of special educational needs in mainstream schools and as a result we had increased support and places for children in mainstream with Autism Spectrum Disorder, Behavioural, Emotional and Social Needs and Speech language and communication Needs. Through a substantial building programme additional places had been delivered in our Special Schools and satellite provision located in mainstream schools.
- It was anticipated that the demand for specialist places would continue to grow. Despite the introduction of high needs funding to provide specialist support without the need for an EHCP, we had yet to see a reduction in the requests for statutory assessment.

Mr Patrick Leeson, Corporate Director for Children, Young People advised that as we continued to see high needs funding increase, and indications were that the National Funding formula would cap this, the aim was to work in partnership with schools to develop more effective ways to use high needs funding in mainstream schools.

It was RESOLVED

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| CABINET | |
| Special Educational Needs and Disability (SEND) Strategy 2017-2019 | |
| 1. | That the revised SEND Strategy 2017-2019 be endorsed. |
| REASON | |
| 1. | In order that the council can set out its policy and fulfil its statutory duty towards children and young people with special educational needs. |
| ALTERNATIVE OPTIONS CONSIDERED | None |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

8. Draft Cultural Strategy

(Item 8 – report of Mr Mike Hill, Cabinet Member for Community and Regulatory Services and Mrs Barbara Cooper, Corporate Director, Growth, Environment and Transport)

Cabinet received a report which set out the shared ambition of all creative partners in Kent. The Strategy would provide a framework for collaborative working and greater focus on innovation, growth, skills and sustainability in Kent’s creative industries over the next ten years.

Mr Mike Hill, OBE Cabinet Member for Community and Regulatory Services stated that the Strategy had been developed by the sector itself following extensive consultation. The Strategy for the period 2017 to 2027 aimed to support the continued growth of the creative and cultural sector by making effective use of public and partner investment.

It was RESOLVED

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| CABINET Draft Cultural Strategy | |
| 1. | That the strategy document be endorsed and would be submitted to County Council in July to adopt |
| REASON | |
| 1. | In order that the council can set out its cultural strategy policy. |
| ALTERNATIVE OPTIONS CONSIDERED | None |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

9. Leaders Announcement on Fire Risk Assessments

The Leader, Mr P Carter, CBE announced that following the dreadful fire last week in Kensington and Chelsea he had immediately asked for a full risk assessment to be carried out on approximately 500 public buildings in Kent. The initial report identified that 155 of these buildings had some form of cladding on them.

DCLG were advising authorities to focus on buildings of 10 storeys or more. However the Leader stated that he wanted all buildings with cladding on to be looked at in Kent. This included schools, libraries, care homes as well as residential premises.

He would like to work closely with Kent Fire and Rescue and its Chief Officer Ann Millington to find out what tests have been conducted on what buildings and materials and which products had failed so we could use the information when looking at our buildings.

London Fire Brigade needed to share the test information they had with other authorities so that they could all learn from this.

He had also asked officers to risk assess where the most vulnerable residents were housed in these building in Kent. He would keep Members informed as to progress.