

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room - Sessions House on Monday, 30 October 2017.

PRESENT: Mr M A C Balfour, Miss S J Carey, Mr P B Carter, CBE, Mr M C Dance, Mr R W Gough, Mr P M Hill, OBE, Mr E E C Hotson and Mr P J Oakford

UNRESTRICTED ITEMS

35. Apologies

(Item 2)

Apologies were received from Mr Gibbens, Cabinet Member for Adult Social Care and Mr Simmonds, Cabinet Member for Finance who were substituted by Mrs Marsh, Deputy Cabinet Member for Social Care and Mrs Crabtree, Deputy Cabinet Member for Finance, respectively.

36. Declarations of Interest

No declarations of interest in items on the agenda were received.

37. Minutes of the Meeting held on 25 September 2017

(Item 4)

The minutes of the previous meeting held on 25 September 2017 were agreed as a correct record and signed by the Chairman accordingly.

38. Budget monitoring - August 2017

(Item 5)

Cabinet received a report providing the budget monitoring position up to 30 August 2017-18 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.

Mrs Crabtree, Deputy Cabinet Member for Finance introduced the report for members she reported that the overall net projected revenue variance as reported by budget managers was a pressure of £13.617m. Corporate Directors had adjusted this position by -£2.391m, leaving a residual pressure of £11.226m. It was imperative that the budget was balanced this year in light of the increasing pressures that would be evident in the next two financial years.

The report set out the pressures experienced by each Directorate and the Deputy Cabinet Member ran through the headlines for members as follows:

- i. Adult Social Care and Health reported pressures of £4.6million predominantly as a result of movement in Direct Payments for adults with learning and / or physical disabilities and older people; and increased costs of nursing and

residential care across all client groups. Early reductions had been promised by Directors and it was hoped that the additional £21.6million recently identified by Government for these services would ease some of the pressure currently being experienced.

- ii. Children's, Young People and Education reported a predicted overspend of £2.5million which included pressures in the areas of educational services, specialist children's services and unaccompanied asylum seeking children. In relation to the latter, Mrs Crabtree reported that another meeting with government was scheduled to consider the matter and it was hoped that a solution would be agreed shortly.
- iii. Growth, Environment and Transport reported a smaller overspend of £500k and were confident that this would balance by year end.
- iv. Finance reported an underspend of £1.4million

Mrs Crabtree continued and reported that the Capital Budget showed a variance £26.8million of which £20.7million was rephasing and £6m was real variance.

Andy Wood, Corporate Director for Finance, spoke to the item, he reported that he was confident that the budget would balance by year-end for the reasons set out in the report and that, therefore, measures to stop key expenditure, such as a moratorium, would not be imposed. Such measures, he explained created a risk to next year's budget that was disproportionate to the risk of overspending in this year and it was a better strategy to continue with the stringent day to day controls that each Directorate already had in place. He echoed Mrs Crabtree's hope that a successful solution to the overspend in the area of asylum could be brokered at the meeting between the Leader and the Minister of State for Immigration the Rt Hon Brandon Lewis.

In conclusion Mr Wood reported that he had seen the most recent budget monitoring figures before the meeting and the direction of travel was positive.

The matter was opened for debate and the following comments were made and responses given to questions raised:

- i. That the Asylum overspend was currently reported at £3.9million. Further funding was included within the budget and the total cost for asylum was approximately £4.8million. The leader reminded members that this overspend was a significant portion of the council's total predicted overspend.
- ii. That the trajectory of the budget was similar to last year which resulted in a final £600k underspend. This was a fine margin on a £900million and could easily be a £600k overspend this year.
- iii. That the pressure on the budget was related to increased or unexpected demand on services and statutory duties.
- iv. That contingency in the budget for a 'hard' winter and the subsequent impact on roads would be held over in the event that weather conditions were good to clear weeds from the road in the following year.

The Leader concluded that it was positive that management action was seeking to address overspends in order to produce a balanced budget and should the outcome of the meeting with the Minister responsible for asylum be positive he was confident that the budget would balance at year end.

It was RESOLVED that:

CABINET Revenue and Capital Budget Monitoring Report August 2017- 2018	
1.	That the changes to the capital programme as detailed in section 5.4 of the report be AGREED
2.	That the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and the need to eliminate the forecast pressure on the revenue budget as the year progresses be NOTED.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

39. MOTION TO EXCLUDE THE PRESS AND PUBLIC

It was RESOLVED That, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

40. Education Services Company - Update (Item 6)

Public minute of exempt item

Cabinet received a report providing an update on progress to implement the proposals for an Education Services Company, following the key decision taken by Cabinet on 27 March 2017 to proceed with that implementation.

Mr Gough, Cabinet Member for Children, Young People and Education, introduced the report for members and reported that good progress had been made in recent months toward establishing and launching the Education Services Company in April 2018, with a number of key implementation workstreams also progressed.

He referred to new information regarding costs and benefits of the model agreed in March 2017 by Cabinet that was now available following the work completed to date and asked Cabinet to consider it.

Following consideration of the matter and comments and questions from members it was agreed that the original decision to implement the Traded Services Company in April 2018 should be considered further and reconfirmed or amended in light of the new information.

It was RESOLVED:

That further consideration of the new information and proposed start date for the company be undertaken and a new decision be taken to confirm or amend the original.

[A Cabinet Member decision will be taken by Mr Gough in the near future]