

## KENT COUNTY COUNCIL

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### CABINET

MINUTES of a meeting of the Cabinet held at The Margate Media Centre, 11-13 King Street, Margate on Monday, 14 July 2008.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr G K Gibbens, Mr P M Hill, Mr A J King, OBE, Mr K G Lynes and Mr C Wells.

ALSO PRESENT: Mr R L H Long TD, and Mr R F Manning.

OFFICERS: Dr I Craig (Director of Operations, Children, Families and Education) was present on behalf of Mr G Badman; Managing Director of Children, Families and Education; Ms A Honey (Managing Director, Communities); Ms L McMullan (Director of Finance); Mr O Mills (Managing Director for Adult Social Services); Ms M Peachey Director of Public Health) and Mr A Wilkinson (Managing Director, Environment and Regeneration).

### UNRESTRICTED ITEMS

#### 1. **Declarations of Interest**

No declarations of interest were made by any Cabinet Members with regard to any item on this agenda.

#### 2. **Minutes of the Meeting held on 16 June 2008** *(Item 2)*

The Minutes of the meeting held on 16 June 2008 were agreed and signed as a correct record.

#### 3. **Presentation by Mr C Wells, Cabinet Member for Children, Families and Educational Achievement, relating to the Working Neighbourhood Fund** *(Item 3)*

(1) Mr Wells stated that he was delighted to give this presentation to Cabinet following the Government's recent announcement that Thanet had been assessed as being eligible to receive over £4m of Working Neighbourhood Funds over a three year period from 2008-2011. He stated that this represented a new phase of targeting resources to the most deprived areas of the country and that he hoped to see a step change in outcomes through partnership working in order to reduce levels of worklessness and benefit dependency; decrease the proportion of children in households without work; and add value to mainstream programmes and funding.

(2) Mr Wells stated that the delivery of the funding would be focussed on the following groups:-

- Those of school leaving age and NEETs (Not in Education, Employment or Training)

- Those in school but at risk of not achieving
- Those on out of work benefits – priority groups with Job Centre Plus
- Those within employment but have no qualifications or low skills

(3) It was noted that the outcomes from this important work would contribute to the achievement of a number of specific performance measures within the KA2 strategy indicators; specifically those relating to economic success and learning for all. The work would also contribute to the achievement of several DCSF targets, such as those relating to recognised qualifications for young people and Looked After Children. Mr Wells acknowledged in his presentation, that the outcomes that both KCC and Thanet District Council would be working towards could not be achieved without the ongoing excellent co-operation that exists amongst a number of public, private and voluntary sector partners.

(4) Mr Wells stated that there was sufficient capacity and expertise within KCC to deliver innovative approaches to reducing NEETs and realistic progression routes in the locality, together with inspirational activities for learners at risk of not achieving in school and upskilling those in employment with recognised qualifications.

(5) Mr Carter echoed the comments of Mr Wells in welcoming these essential additional funds for Thanet and assuring the people of Thanet that KCC would do all it could to support the achievement of the key outcomes referred to in the presentation. In particular, he spoke about the County Council's plans to expand the Kent Apprenticeship Programme for young people aged 16+, with a target of 400 apprenticeship placements for young people in Thanet over a three year period. He also spoke about the Pre-Apprenticeship Programme for young people aged 16+ with no qualifications; an employment and 'skills match' service for employees and employers; work placement mentoring and "Fighting Fund" eg equipment and transport costs; and short courses, incremental learning opportunities and a skills framework.

(6) Mr Carter also stated that he wanted to help to broaden opportunities for Thanet residents to pursue employment and training opportunities outside Thanet with the potential idea of the introduction of shuttle buses to help people get to employment opportunities in Mid and West Kent and back each day.

(7) Mr Wells stated that a strategy to improve work readiness in Thanet was due to be presented to TDC's Cabinet on 7 August 2008 and that either he or Mr Dance would be present for that meeting.

(8) Finally, Mr Carter stated that KCC would follow progress keenly to ensure the achievement of these important outcomes for the people of Thanet.

(9) Cabinet agreed to note the presentation and endorse the actions that would now begin to achieve the desired outcomes.

**4. Revenue and Capital Budget Monitoring Exception Report: Impact of the Current Economic Situation in the Council and Roll Forward of the Remaining 2007-2008 Underspend**

*(Item 4 – Report by Mr Nick Chard, Cabinet Member for Finance, and Mrs Lynda McMullan, Director of Finance)*

- (1) Mr Chard introduced the first exception report for 2008-09, which identified a number of significant pressures that will need to be managed during the year if the Council was to achieve a balanced revenue position by the year end. It was noted that, as this was the first exception report of the new financial year, it was usual to report a projected overspend but this was before any management action had been agreed. He reassured the Cabinet, however, that the Council's revenue budget had underspent in each of the last eight years and he was confident that the current year's budget would also not overspend.
- (2) Mr Chard referred to the summary table of the forecast revenue pressures, excluding schools, shown in Table 1 on page 1 and 2 of the report. He reported that the projected forecast variance was +£6.762m (excluding asylum) and +£11.762m (including asylum).
- (3) Mr Chard spoke briefly about the cost pressures being faced by the Council with regard to the current economic conditions and stated that a detailed paper was being prepared for consideration at an extraordinary Cabinet meeting on 4 August. It was noted that the paper was likely to recommend sensible management of the additional costs over a three year period, rather than risking an impact on the quality of service delivery if these additional pressures were contained in a single financial year.
- (4) With regard to the position on the Capital Programme, Mr Chard assured the Cabinet that, in the current economic climate, the level of capital receipts due to be realised in the current financial year might not reach the projected level necessary to fund all of the planned projects in 2008/09 and that this situation was being monitored closely and options for dealing with a likely lower level capital receipts were being considered.
- (5) Finally, Mr Chard commended the recommendations to the Cabinet set out in paragraph 6.2 and 6.3 of the report. He assured the Cabinet that the proposed virement and base adjustment within the Children, Families and Educational Achievement Portfolio would not have an adverse effect on the amount of money spent on grants.
- (6) Mr Carter stated that he was eager to see the proposed management action referred to by Mr Chard to enable the revenue budget to be brought back on target. He added that, in the current economic conditions, the Council had an even greater duty to maintain sound financial management and to deliver the lowest possible Council Tax next year. Mr Carter also stated that a number of meetings were currently being held within KCC to consider the impact of increased costs in a number of areas and an agreement would be reached on how to reshape the Council's priorities accordingly.
- (7) Finally, Mr Carter stated that negotiations with the Home Office about the costs of dealing with the impact of asylum were proceeding well. It was noted that, whilst Mr Carter could not give details at this stage, there appeared to be an acceptable solution on the table with regard to the Council's historic debt on asylum and the true costs of asylum going forward from this year. Mr Carter stated that he hoped to be able to make a more detailed announcement shortly.

(8) Cabinet agreed to:-

- (a) note the initial forecast revenue and capital budget monitoring position for 2008/09, and the potential impact of the inflationary pressures on the current and future years budgets;
- (b) agree the revenue virement and base adjustment of £1.863m within the Children, Families and Educational Achievement Portfolio as detailed in Section 2.1.3 of the report; it being noted that the grants to voluntary organisations budget had historically underspent with the saving being used to offset pressures elsewhere within the Children's Social Services, therefore this adjustment would not affect the historic level of expenditure on grants to voluntary organisations but would simply correct a base budget imbalance; and
- (c) agree that the remaining £5.111m of uncommitted 2007/08 revenue budget roll forward be set aside as a contingency against the current economic climate.

**5. Adoption of the Isle of Grain to South Foreland and Medway Estuary and Swale Shoreline Management Plans**

*(Item 5 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways & Waste and Mr Adam Wilkinson, Managing Director for Environment & Regeneration)*

(1) Mr Carter introduced this report, stating that, as the County Council with the longest coastline in the country, it was essential to have a Shoreline Management Plan (SMP), which determines the Coastal Defence Policy. Mr Carter stated that these important plans, which had been developed in consultation with the Environment Agency, elected Members, key interest groups and members of the public, had been prepared to a rigorous standard in strict accordance with national guidance and would assist with the long term planning of the coastline in Kent and inform future plans and strategies of the County Council and its partners. It was noted that the plans had limited implications for people and property and would assist in attracting resources for essential flood defence works in the future.

(2) Mr Wilkinson echoed the comments of Mr Carter, adding that the preferred management policies and action plan would be the subject of further detailed investigation and consultation over the coming years before implementation. He also noted that SMP's were a living document that evolved as knowledge of the coastline increased and that the plan and policies would be reviewed every ten years.

(3) Mr Chard made reference to the Environment Agency's policy of managed re-alignment of the coastline, which would effectively mean a managed retreat of the coastline in some areas, but nevertheless, he welcomed the possibility of the Council being able to attract additional resources for future flood defence works.

(4) Mr King endorsed the approach set out in the report of maintaining vigilance in this important area and the need to maintain a positive and constructive dialogue with the Environment Agency. He added that he was impressed with the Environment Agency's

approach during the consultations to date.

(5) In response to a question from Mr Carter, Mr Wilkinson stated that he would prefer to report back to Cabinet on the non-critical areas on an annual basis, but reserved the right to report back on the critical areas as and when required.

(6) Cabinet agreed to:-

- (a) endorse and adopt the Shoreline Management Plan, the preferred Management Policies and the action plan; it being noted that the policies to be adopted under the understanding that these will be the subject of further detailed investigation and consultation;
- (b) endorse and adopt the preferred Management Policy as a development planning consideration; and
- (c) request the Planning Applications Committee to note the policies within the SMP and take due regard of the coastal flooding and erosion risk areas when determining planning applications.

## **6. Kent and Medway Mental Health and Social Care NHS Partnership Trust – Foundation Trust Application**

*(Item 6 – Report by Mr Kevin Lynes, Cabinet Member for Adult Social Services and Mr Oliver Mills, Managing Director for Adult Social Services)*

(1) Mr Lynes introduced this report, which sought the Cabinet's endorsement of the Kent and Medway Partnership Trust's (KMPT) application for Foundation Trust status. In supporting the application, Mr Lynes spoke of the excellent working relationship that existed between KCC and the KMPT and introduced Erville Millar, Chief Executive of the Kent and Medway NHS and Social Care Partnership Trust, together with Peter Smallridge, Chairman of the Trust, to comment further on the KMPT application and answer Members questions accordingly.

(2) Mr Mills stated that this was a very important submission to Monitor, the independent regulator for Foundation Trusts. He added that the statutory responsibility for the provision of mental health services would remain with the County Council, but that the application for Foundation Trust status would provide a number of opportunities for the provision of outward looking services.

(3) Mr Erville Millar addressed Cabinet. He stated that the application for Foundation Trust status was important in two ways; firstly, it would place the governance of services more in the hands of local people, and, secondly, as the Trust would be free from the control of the Department of Health and Strategic Health Authority, there would be a number of financial and other freedoms to make both strategic and imaginative policy decisions over a longer period of time. He referred to the earlier discussions under the Working Neighbourhood Fund debate about the expansion of the apprenticeship scheme, stating that there was a much greater likelihood that young people with mental health difficulties would have problems in gaining access to training and employment. He assured Cabinet Members that this was just one of the important linkages between the Trust and KCC that needed to be tackled.

(4) Mr Carter asked Mr Millar what the most important advantages would be of achieving Foundation Trust status in terms of finding solutions to the mental health issues within the County. Mr Millar highlighted the opportunity for greater engagement in governance for local people, who would form a majority of the public governors for the new Trust; the greater opportunities for long term financial planning as the Trust would move to a five year financial cycle; and the ability to reinvest any surpluses into services that would benefit residents in Kent. Mr Smallridge added that it was also important to highlight that a successful application for Foundation Trust status would mean that mental health services within Kent would be managed by existing organisations and individuals in Kent and not from outside the County.

(5) Cabinet agreed to:-

- (a) endorse the application by the Kent and Medway Partnership Trust (KMPT) for Foundation Trust status; and
- (b) note that, subject to Monitor's granting of Foundation Trust status, KCC would enter contractual arrangements with the new Trust which best promoted joint working arrangements to secure better outcomes for people in Kent using specialist mental health services.

## **7. Urgent Matters**

*(Item 7)*

The Leader stated that there were no matters of an urgent nature for the Cabinet to consider.