

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 17 September 2012.

PRESENT: Mr P B Carter (Chairman), Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr A J King, MBE, Mr J D Simmonds, Mr B J Sweetland, Mr M J Whiting and Mrs J Whittle

ALSO PRESENT: Mr Leslie Christie (Member for Gravesham and Northfleet)

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr M Burrows, (Director of Consultation and Communications), Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr A Wood (Corporate Director of Finance and Procurement), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr G Wild (Director of Governance and Law) and Mrs L Whitaker (Democratic Services)

UNRESTRICTED ITEMS

1. Minutes of the Meeting held on 9 July 2012 *(Item 3)*

The minutes of the meeting held on 9 July 2012 were agreed and signed by the Chairman as a true record.

2. Revenue & Capital Budgets, Key Activity and Risk Monitoring 2012-13

(Item 4 – Report by Mr J Simmonds, Cabinet Member for Finance & Business Support and Mr A Wood, Corporate Director of Finance and Procurement).

Cabinet received a report of the Member and officer named above. Mr Simmonds introduced the report to Cabinet and in particular referred to the following details contained within it pertaining to the revenue Budget:

- That the current underspend had increased since the report taken to cabinet in July to £3.297m
- That this figure was expected to further increase to £4.568m following the implementation of management action within the ELS and BSP&HR portfolios.
- That Specialist Children's Services continued to face budgetary pressures owing to the continuing rise in demand for services.
- That the Asylum budget was predicted to break-even following positive discussions with other Councils and UKBA. However caution continued to be exercised until the outcome of

arrangements in place for those young people who were considered to have 'All Rights Exhausted' were known.

- That the Adult Social Care budget was forecast a £3.5m underspend and that this was largely a reflection of a fall in demand for direct payments and other services.
- That savings had been realised on debt charges as a result of the decision taken to use cash flow to enable no new borrowing to have occurred in the first quarter of 2012-13.

Mr Simmonds continued to describe the key points within the report pertaining, this time, to the Capital Budget as follows:

- That the capital programme currently forecast a variance of - £6.290m, but he reminded Cabinet members that this was set against a total budget of £621m that stretched over a three year period, 2012 – 2015.
- This variance was partially attributable to delays in Planning and other functions; in particular he highlighted Drovers Roundabout and the Multi Agency Strategic Hubs.

Mr Simmonds brought to the attention of Cabinet the successful completion of three projects, delivered on time and within budget and providing excellent services and recreational benefits to the people of Kent, namely the Kent History and Library Centre, East Kent Access phase 2 and the A2 Cyclopark.

In drawing to a close Mr Simmonds referred Cabinet to further information of interest on reserves, staffing levels, debt maturities, levels of debt owed to Kent County Council and the settling of debts by KCC. On this last point Mr Simmonds reported that the Council had struggled, on occasion, to meet its deadlines for payment and that this was under review. Options being considered were centralisation of payment services and / or e-invoicing

Mr Simmonds urged cabinet to agree the recommendations contained within the report, which would enable technical actions to be completed such as virement of monies, which were needed following the conclusion of the directorate restructure in April 2012.

In conclusion he reiterated the positive nature of the messages contained within the report.

In response to a question from the Leader the Director of Finance and Procurement reported that in the two and a half months from the end of the quarter referenced in the report, trends had continued in the same manner, and that this was consistent with the prediction of an approximate underspend of £5m at year end.

The Cabinet Member for Specialist Children's Services, Ms Whittle, addressed cabinet in relation to the overspend reported within her Portfolio. She offered assurances that work was being undertaken both in-house, and with partners and providers in order to reduce costs and achieve benefits for children in receipt of those services.

In addition she welcomed the news of the successful negotiation of costs for All Rights Exhausted children in the asylum system and reported that work would continue to ensure that these negotiations came to a practical fruition. The Leader of the County Council, Mr Carter, reported that lobbying of Home office ministers continued to ascertain a firm commitment that KCC would not be liable for the cost of ARE young people who remained in the country after 13 weeks, but this was yet to materialise.

The Cabinet Member for Environment, Highways and Waste, Bryan Sweetland, echoed praise already received for the East Kent Phase 2 project and commended the strategy and implementation involved. In light of this success, and the reshuffle at central government level that had seen 3 of 4 transport ministers changed, he argued that KCC's bid to build the extension to the A21 be further pursued. The Leader of the County Council, Mr Carter endorsed that view and hoped that government could be persuaded of the benefits of local procurement and local delivery.

RECORD OF DECISION

CABINET Revenue and Capital Budgets, Key Activity and Risk Monitoring 17 September 2012	
1.	That the latest monitoring position on both the revenue and capital budgets be noted.
2.	That the changes to revenue cash limits within the ELS portfolio as detailed in section 1.1.1 and 1.1.2 of annex 1, be agreed.
3.	That the realignment of revenue budgets within the ASC&PH portfolio as detailed in section 1.1.1 and 1.1.2 of annex 3, be agreed.
4.	That the realignment of revenue budgets within E&E directorate affecting the EH&W and R&E portfolios as detailed in section 1.1.1 and 1.1.2 of annex 4, be agreed.
5.	That the changes to revenue cash limits within the BSS directorate affecting the R&E, BSP&HR, F&BS & D&P portfolios as detailed in section 1.1.1 and 1.1.2 of annex 6, be agreed.
6.	That the residual pressures currently forecast within the SCS portfolio, and the management action required within the ELS & BSP&HR portfolios to address them, be noted.
7.	That the changes to the Capital programme, detailed in section 4.3 of the report, be agreed.
8.	That the latest Financial Health Indicators and Prudential Indicators as reported in appendix 2 and appendix 3, be noted.
9.	That directorate staffing levels as at the end of June

	2012, be noted.
REASON	
2.	To reflect adjustments made to cash flows that have resulted from changes in policy, or delivery models, in accordance with the Council's constitution, Appendix 4, Part 7, 7.20.
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1. 6. 8. 9	For noting only.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

3. Treasury Strategy Update

(Item 5 – Report by the Cabinet Member for Finance and Business, Mr John Simmonds and the Corporate Director of Finance and Procurement, Mr Andy Wood)

Cabinet received a report of the Member and officer named above, the purpose of which was to detail, and seek agreement to, changes to the Council's Annual Treasury Strategy as originally agreed by Cabinet in January 2012. Mr Simmonds introduced the report to Cabinet and in particular referred to the following details contained within it:

- That the current economic climate continued to provide challenges for treasury management and the important balances to be made between risk and return.
- That the Government's Debt Management office was currently offering very low interest rates of approximately 0.2%. In addition, ratings agencies had

undertaken various reviews of financial institutions, and indeed countries, which had affected the investment landscape.

- In light of this Kent County Council's ratings criteria for those organisations in which it would invest, had been reduced to A+ to A- in light of rating reviews and available returns. This would enable continued investments without it being necessary to use the DMO. A Multi-Party Treasury Advisory Group had been established in order that in the current volatile financial climate all of the council's current and future investments were tightly monitored.
- That the council's current investments were considered to be sound and in particular officers were confident that investment in Santander was wholly safe given the separation between the UK and European entities.
- That £55m of cash reserves had been utilised in order to settle debts matured this year. This decision reflected the disparity between interest rates on cash and on borrowing.
- That initial research was being undertaken into investments in other countries, particularly in Australia and Canada as alternatives to K banking investments should ratings fall further in the future. Agreement was sought for banks from both countries to be added to the agreed counterparty list with certain conditions detailed within the report and recommendations.
- That in order to establish the Local Authority Mortgage Scheme intended to help local residents to purchase homes KCC would need to invest monies in Lloyds bank for a minimum term. The actual deposit was not yet known but there was a maximum liability of £12m. Formal agreement for this course of action was sought and detailed within the report and recommendations.

Following a question from the Leader of the County Council, Mr Carter, regarding the figures quoted within the report, the Corporate Director for Finance and Performance confirmed that they were separate from the Pension Fund which had its own banking arrangements and treasury management strategy. Therefore any strategy agreed today would be relevant only to the main KCC budget.

Mr Dance further elaborate on this theme and reported conversations that took place at a recent meeting on local authority investment that had taken place in London. Here it had been reported that Canadian firms had used pension fund monies to invest in long term projects expected to return profits, such as infrastructure projects, and that this would be of benefit to the efforts to create economic upturn England should the rules be adjusted to allow it.

RECORD OF DECISION:

CABINET DECISIONS on Treasury Strategy Update 17 September 2012	
1.	That the addition of the Australian and Canadian banks, specified in the appendix to the report, be agreed.
2.	That in relation to the additions to the Counter party list agreed at 1. a limit of £25m in any one bank and a total of £50m in any one country, be agreed.
3.	That a 5 year deposit in Lloyds TSB to a maximum of £12m, in order to establish the Local Authority Mortgage

	Scheme, be agreed.
REASON	
1.	In order to increase options for investment should the rating agency further reduce the ratings of UK banks.
2.	In order to protect new investments from economic downturn in the countries named or from institutional failure at any of the named banks.
3.	In order to fulfil the terms required by Lloyds and facilitate the establishment of the scheme.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

4. Quarterly Performance Report, Quarter 1 2012/13

(Item 6 – Report by the Cabinet Member for Business Strategy, Performance and Health Reform, Mr Roger Gough and the Corporate Director for Business Strategy and Support, Mr David Cockburn)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to provide the latest quarterly figures, relating to key areas of the council's performance. Mr Gough introduced the report to Cabinet and in particular referred to the following details contained within it:

- That Key Performance Indicators had been refreshed in order to better reflect the council's priorities.
- That 'Lead indicators' had been tested and reported for the first time. These indicators were intended to focus on the 'demand' side of council provided services in order that peaks or troughs in that demand might be better predicted and, therefore, managed.
- Qualitative indicators were currently being developed and would be added to the report for Cabinet at the earliest opportunity.

Mr Gough assured Cabinet that although the report was somewhat dated by the time it was considered by Cabinet work began immediately on its production to rectify red status indicators. He particularly cited the Contact Centre issues included within the report, as an example where good work was already underway.

Performance Manager for the Department for Business Strategy and Support, Mr Richard Fitzgerald was asked by the leader of the County Council, Mr Paul Carter to comment. He added to Mr Gough's comments that the Cabinet Committees recently introduced as part of the council's new governance arrangements were being fully and effectively utilised by allowing consideration of more detailed dashboard

information, in a more timely fashion, further strengthening the council’s performance management mechanisms.

To further that end, the Leader of the County Council, Mr Paul Carter reported that he had agreed with the Leader of Hampshire County Council that each would provide for the other a light touch peer review of performance management structures, actions and reporting.

CABINET DECISIONS on Quarterly Performance Report, Quarter 1, 2012 / 13 17 September 2012	
1.	That the information within the report be noted.
REASON	
1.	The report was for information only – no decision required.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

5. Kent County Council Equality Policy Statement and Objectives

(Item 7 – Report by the Cabinet Member for Customer and Communities, Mr Mike Hill and the Corporate Director for Customer and Communities, Mrs Amanda Honey)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to seek agreement of the new Equality Statement and Policy Objectives for Kent County Council produced in response to the implementation of the Equality Act 2010. Mr Hill introduced the report to Cabinet and in particular referred to the following details contained within it:

- That Kent County Council must adhere fully to the Equality Act in order to provide the right services for residents and in order to protect the council from legal challenge and possible costs.
- That an essential part of this work would be to ensure that all reports received by Cabinet contained an Equality Impact Assessment in order that decisions could be taken with full knowledge of the potential impacts for all residents of Kent. Furthermore decisions taken without evidence of Equality Impact assessments having been conducted could be open to Judicial Review and costly delays.

The Leader of the County Council, Mr Paul Carter, asked the Director of Communications and Engagement, Mr Matt Burrows to comment further. He echoed Mr Hill’s comments regarding the imperative to produce Equality Impact Assessments for all decisions and in addition he highlighted the need, detailed further

in the report, for the council’s decisions and resulting actions to have clear and measurable objectives. Six objectives had been devised and recommended and detailed within the appendix of the report for consideration.

In conclusion he drew to the attention of Cabinet to the positive internal and external consultation that had taken place in the production of the recommendations before it today, and the more general improvements in this area which continued to further engage members of the public in the decision making process at Kent.

The Leader of the County Council, Mr Paul Carter, welcomed the intention of the Equality Impact Assessments but proposed that they be named locally as Customer Impact Assessments. Following advice for the Director of Legal and Governance, Mr Geoff Wild, that this would not put the council at risk so long as the ‘Customer Impact Assessments’ met the requirements of the Equality Act 2010, Mr Carter agreed to take the decision away for discussion between members and officers, whereby proposals would follow should it be decided that this would better reflect the intention of the council in producing these documents.

RECORD OF DECISION

CABINET DECISIONS on Kent County Council Equality Policy Statement and Objectives 17 September 2012	
1.	That the Equality Policy Statement and Objectives, be agreed.
2.	That a timeframe of four years, from October 2012 to September 2016 for the objectives agreed at 1. be agreed.
3.	That the receipt of a report detailing the objectives agreed at 1. by all committees of the council, be agreed
4.	That a requirement to include actions intended to meet the objectives within each departmental annual business plan and priorities, be agreed.
5.	That continued consideration of the Annual Performance Report by Cabinet, be agreed.
REASON	
1.	In order to fulfil the requirements of the Equality Act 2010 and further improve services for all residents of Kent.
2.	In order that objectives can be reviewed at the end of an agreed fixed period to ensure that they remain relevant to the residents of Kent and the objectives of the Council.
3.	In order that there is a defined path for the information and requirements within the report to be disseminated to all directorates. This is intended to ensure that all directorates work with the correct equality performance indicators.
4.	In order that all directorates fully consider and disclose in a uniform

	fashion the work that they are undertaking to meet the requirements set out in the Policy statement and agreed objectives.
5.	In order that Cabinet continue to be fully informed about the progress of the council in meeting the requirements of the act and the needs of the residents of Kent and maintain an overarching view of departmental work in this area.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

6. Commissioning Plan for Education Provision 2012-17

(Item 8 – Report by the Cabinet Member for Education, Learning and Skills and the Corporate Director for Customer and Communities, Mr Patrick Leeson)

Cabinet received a report of the above named Cabinet Member and officer, the purpose of which was to seek agreement of Kent County Council's new Commissioning Plan for Education Provision 2012 - 2017.

The Leader of the County Council, Mr Paul Carter, introduced the item; he described the aim of the plan, which was to provide an adequate supply of school places for children in Kent, addressing some of the issues that had occurred in previous years, particularly where spikes of demand had occurred in particular localities. This plan he hoped, would provide sensible solutions to such issues not only countywide, or in district areas but also in smaller community localities. In addition he hoped that the dissolution of the Audit Commission would reduce the pressure on Councils to limit surplus places to such an extent that the choices of parents in the future might be affected.

Mr Whiting introduced the report to Cabinet and in particular referred to the following details contained within it:

- That there were three main aims of the Plan:
 - The effective provision of local school places for local people
 - Provision of more choice for parents
 - Improvement in the standards of education provided by all of the counties schools.
- These aims reflected the responsibilities of the Local Authority in terms of education provision in a much changed educational sphere.
- In addition the plan sought to deliver other goals of the County Council including those relating to parental preferences, namely, 85% of all parents having received their first preference of school and 95% of parents having received their first or second preference. The provision of parental preference being aided by maintaining a 5–10% surplus of school places in each phase of education.

- Challenges resulting from the aims detailed above had been identified within the report; in particular he referred to the need for 10,000 new primary school places required in the relatively short term and 3,200 new nursery places for entitled 2 year olds by September of 2013.
- The plan would be continuously reviewed at County and District level to ensure that it was fit for purpose and amended if necessary to better meet local needs as they develop.

The Leader of the County Council, Mr Paul Carter, sought further information on the following points:

- how the Cabinet Member and officers had taken steps to define and provide for the smaller localities that had been described
- how the plan would continue to provide school places in response to external influences, particularly new housing developments in particular localities that may already be running at capacity in terms of education provision.
- How any continued provision in such circumstances would be made affordable for the council particularly in those localities where CIL or Section 106 agreements might deliver less value than in other more affluent areas

In response Mr Leeson reported:

- (a) That localities had been, and would continue to be, defined in terms of distance travelled to school and that this was different depending on the phase of education in question. However, the definition would also include preferences expressed by parents, for example, where there were significant numbers choosing to attend a school other than the nearest available.
- (b) In order that the council might become more responsive to such choices the plan would be revised on a yearly basis to identify and respond to such trends.
- (c) That the council had little influence over the choices that developers in the County made to develop in certain areas and not in others. However the plan would seek to make assumptions about what might be expected in the short term, although the current financial climate made even short term predictions difficult. This would also be kept under continuous review.
- (d) Positive discussions had been held with district councils regarding the continued prioritisation of educational needs and securing of funds for that provision in planning agreements through SIL and Section 106 agreements.

In response to further questioning from the Leader of the County Council regarding the risk that the council faced in relation to basic need allocations from the Department for Education Mr Leeson argued that the more rigorous the planning process and detailed the plan the stronger the County Council's case would be in demanding additional funding where additional needs arose.

The Leader of the County Council in his capacity as Chairman of Cabinet had granted permission for Mr Les Christie local elected member for Northfleet and Gravesend West division to speak to this item.

Mr Christie approached the table and thanked the Leader for the opportunity provided. He urged the Cabinet to consider the following points in taking its decision:

- That the wished the section of the plan affecting his division, Gravesham Primary Commission (P.317-318) to be omitted from any decision to approve the plan and instead authority be delegated to the Cabinet Member for Education, Learning and Skills to approve that particular commissioning at a later date when further discussion had been enabled.
- That this delay was necessary because building an extension to church school to resolve unmet demand for reception year places was not a solution for the whole community within his division. In particular many of the ethnic minority families who made up 17.5% of the population.
- An unwanted consequence in the mind of Mr Christie was that discussions had now begun locally about the possibility of building a Sikh faith school and he believed schools with children from all faith backgrounds were more positive in a time where integration and acceptance should be promoted.
- He welcomed the Cabinet Member for Education, learning and Skill's efforts to discuss with various parties with influence the relaxing of admissions criteria for faith schools to make them more inclusive, but that until an agreement to that effect had been reached long term commissioning decisions such as these should not be taken.
- He asked that decision be deferred to allow the Gravesham members an opportunity to put forward an alternative proposal.

The Leader of the County Council, Mr Paul Carter, thanked Mr Christie for his contribution. He also hoped that discussions with both the Anglican and Catholic diocese would resolve in the long term to make admissions criteria for faith schools as broad and inclusive as possible.

Mr Leeson also responded to some of the points raised. He described the close working relationships that existed between the local authority and the diocese. This relationship, and the school places created by faith schools, was crucial to the provision of sufficient places for children in Kent. He acknowledged that the admission arrangements for faith schools were more or less inclusive depending on the school in question but that the Anglican diocese in particular had a clear intention that all of its schools would be genuine community schools. In relation to the situation in Gravesham in particular, Mr Leeson regarded that it was largely a question of alternatives, of all those contemplated this was the only and best solution.

Mr Sweetland addressed the Cabinet, as elected member for Gravesham East he echoed some of Mr Christie's concerns regarding the situation in that area which he believed did deserve some special attention and imaginative solutions. In particular he urged the Cabinet Member and Corporate Director to exert all possible influence on the schools to relax as far as possible their admissions criteria.

In response to further questioning by the Leader of the County Council, Mr Carter, the Corporate Director of Education, Learning and Skills confirmed that while the diocese would set broad principles for it's schools to as here to the interpretation of these principles into actual criteria for admission was the responsibility of each school. He also confirmed that the plan would be continually reviewed starting with the preferences expressed in this years intake, followed by a mid year review in January to begin to predict the next years preferences.

Area Education Officer, Simon Webb was invited to the table and provided further information about the discussions that had taken place with St Botolphs regarding

their admission criteria in light of the expansion that was at proposal stage at that time. He confirmed that in this years admissions, to the additional places 30% went to children of different or no faith. In addition he urged members not to forget that this solution was a relatively short term on and that new provision would be forthcoming.

RECORD OF DECISION

CABINET DECISIONS on Commissioning Plan for Education Provision 2012 - 17 17 September 2012	
1.	That the Commissioning Plan for Education Provision 2012-2017, be approved.
REASON	
1.	To ensure that a, fit for purpose and responsive plan be put in place in a timely fashion in order that parents and children in Kent can attend their preferred school and receive a high level of education whilst there.
ALTERNATIVE OPTIONS CONSIDERED	Cabinet considered an alternative decision whereby the Gravesham primary School Commissioning Plan was omitted from the decision to approve the full plan, in order that further consideration could be given to alternative solutions to meet local need in that locality. This alternative was rejected after some debate and assurances from officers, when Cabinet was satisfied that sufficient research had been completed to be confident that the commissioning solution contained in the plan could not be bettered.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

7. Other items which the Chairman decides are relevant or urgent (Item 9)

There were no urgent items to be considered.