

KENT COUNTY COUNCIL

CABINET SCRUTINY COMMITTEE

MINUTES of a meeting of the Cabinet Scrutiny Committee held at Invicta House, County Hall, Maidstone on Wednesday, 21 March 2007.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Mr A R Bassam, Mr J R Bullock MBE, Mr C J Capon, Mr B R Cope, Mrs T Dean, Mr J B O Fullarton, Mr C Hart, Mr P W A Lake, Mr C J Law, Mrs M Newell, Mr R J E Parker, Mr J E Scholes, Mrs P A V Stockell and Mr C T Wells.

ALSO PRESENT: Ms A Harrison (for item D1)

IN ATTENDANCE: Mr J Wale, Assistant to the Chief Executive and Mr S C Ballard, Head of Democratic Services.

UNRESTRICTED ITEMS

61. Minutes
(Item A2)

- (1) The Committee noted that the detailed costings for the pilot scheme for Assisted Travel for 11-16 Year Olds (Minute 59(2)(f)) would be reported to the next meeting of the Informal Member Group on Budgetary Issues.
- (2) RESOLVED that the Minutes of the meeting held on 20 February 2007 are correctly recorded and that they be signed by the Chairman.

62. Informal Member Group on Budgetary Issues – 8 March 2007
(Item A3)

RESOLVED that:-

- (a) the recommendation of the Informal Member Group in Note 2(5) that the Cabinet Member for Finance be requested to commission work to identify the reasons why some schools were much more financially successful than others, so that the lessons could be disseminated more widely within Kent schools, be endorsed;
- (b) the remaining notes of the meeting of the Informal Member Group on Budgetary Issues held on 8 March 2007 be noted.

63. Cabinet Scrutiny Committee – Standing Report to March 2007
(Item A4 – Report by Assistant to the Chief Executive)

RESOLVED that the report on the actions taken as a result of the Committee's decisions at previous meetings, and the updated report on progress with Select Committee Topic Reviews, be noted.

64. Children's Centres – Approval to Name Next Nine Sites (Decision 07/00942)
(Item D1)

Mr Parker declared a personal interest in this item as an LEA governor of Lawn Community Primary School.

Mrs Dean declared a personal interest as a member of the steering committee of the Children's Centre to be sited at St James' School, West Malling.

(1) Dr T R Robinson, Cabinet Member for Children and Family Services; Miss S J Carey, Lead Member for Education and School Improvement; Mrs A Gamby, Head of Early Years/Childcare; Mr K Abbott, Director, Finance and Corporate Services; and Ms J Smith, Quality Assurance Co-ordinator, Early Years and Childcare, Children, Families and Education Directorate, attended the meeting to answer Members' questions on this item, which covered the following issues:-

Criteria for Site Selection

(2) In answer to a question from Ms Harrison, Mrs Gamby explained that Round 2 Children's Centres were required to reach out to children under 5 in the 30%, and ideally the 50%, most disadvantaged areas (Super Output Areas) in the county. While sites had been and were being identified so that the first 52 Round 2 Children's Centres met this criterion, they were not being selected in order from most deprived area to least.

Process for Site Selection

(3) In answer to questions from Ms Harrison and Dr Eddy, Ms Smith circulated a flow-chart illustrating the process for site selection. Each Children's Centre had to serve 800 under-8s so this determined the geographical area covered. However, Ms Smith explained that a Children's Centre was not just a physical building. It was actually the provision of the full range of Children's Centre services throughout an identified catchment area. Mrs Gamby explained that the site selection process illustrated in the flow-chart had been introduced in October 2006 and had evolved since then as and when potential improvements had been identified.

Involvement of Local Members

(4) In answer to questions and comments from Ms Harrison, Dr Eddy, Mr Bassam and Mr Parker, Mrs Gamby said that her team had originally thought that engagement with District Consortia (step 4 in the flow-chart) would include consultation with local Members. When it was realised that this was not happening, local Members had been specifically added at step 7. Miss Carey gave some examples of where local members had taken an active role in the selection of children's centre sites and assured the Committee that the Cabinet Member for Education and School Improvement welcomed input from local Members and would be delighted to hear from any Member who knew of potential sites in their area.

Funding of Children's Centres

(5) In answer to a question from Mr Law, Mrs Gamby explained that the DfES had allocated capital funding of £9.1m to the County Council for the provision of 52 Round 2 Children's Centres, an average of £177k per Centre. In addition, the DfES provided revenue funding of approximately £180k per year for each Children's Centre as part of the general Sure Start grant. This grant was for the day-to-day operation of each Centre. The

services delivered from the Centres continued to be funded by the agencies providing those services.

Decision-making Process

(6) In answer to questions from Ms Harrison and Dr Eddy, Mrs Gamby confirmed that, although the DfES was aware of the 9 new sites for Children's Centres named in Decision 07/00942, the County Council had not yet formally sought DfES approval to them. She explained that DfES approval was more to do with bringing together the core services into a Children's Centre rather than just identifying a site.

KCC Press Releases about Children's Centres

(7) In answer to a question from Mrs Newell, Miss Carey and Mrs Gamby explained that press releases were normally issued at the time that the Cabinet Member took the decision to agree a proposal to name new sites, even though they were still subject to approval by the Sure Start Unit at the DfES. Prior to the press announcement, the Children's Centre's host (eg a school or other facility) and the local Member were informed, but local Sure Start workers would not normally be informed because they were not directly connected to the new Children's Centre.

Children's Centre for Cliftonville West

(8) In answer to a question from Mr Hart, Ms Smith confirmed that Cliftonville West was due to have one of the 52 Round 2 Children's Centres but there had been great difficulty in identifying a suitable site. Efforts were continuing. Cliftonville West already had a Children's Centre manager, even though a site for the Centre had not yet been identified, to arrange for the various elements of the Children's Centre service to be delivered from different buildings, and to publicise the availability of the services to local families.

Offsite Day Care Facilities

(9) In answer to questions from Mrs Dean and Mr Smyth, Mrs Gamby said that in the case of partial core Children's Centres, where day care facilities were provided offsite by existing providers, it was not possible to insist that those providers reserve places for local children because they could simply choose not to participate in the Children's Centre project. However, under the 10-year Children's Strategy, LEAs were required to promote the sustainability of childcare so, in theory, there was no limit on the number of day care providers who could be attached to a Children's Centre. Miss Carey added that the County Council was keen to ensure that day care facilities were available to all children in each Children's Centre area.

(10) RESOLVED that:-

- (a) Dr Robinson, Miss Carey, Mrs Gamby, Mr Abbott and Ms Smith be thanked for attending the meeting and answering Members' questions;
- (b) progress with the establishment of Children's Centres be welcomed;
- (c) concern be expressed to the Cabinet Member for Education and School Improvement and the Managing Director, Children, Families and Education, that local Members had not been kept sufficiently informed about the identification of sites for Children's Centres in their own electoral divisions;

- (d) the Cabinet Member for Education and School Improvement and the Managing Director, Children, Families and Education, be urged to ensure that, for all future work on the identification and establishment of new Children's Centres, local Members be fully involved from the outset so that their local knowledge can be used to assist with the identification of sites;
- (e) the Cabinet Member for Education and School Improvement and the Managing Director, Children, Families and Education, be urged to explore ways, including lobbying the DfES, to include extra day care provision in any Children's Centre where local providers were not meeting the demand from the area served by the Centre;
- (f) the Cabinet Member for Education and School Improvement and the Managing Director, Children, Families and Education, be urged to ensure that KCC press releases on the naming of new Children's Centres be clear as to whether the Children's Centres concerned have been proposed by KCC, agreed by KCC or agreed by the DfES;
- (g) in view of the significance to local communities of the opening of a Children's Centre, the Cabinet Member for Education and School Improvement and the Managing Director, Children, Families and Education be recommended to treat future proposals as Key Decisions and publicise them in the Forward Plan of Key Decisions for up to four months in advance of the formal Decision being taken to send the names of proposed sites to the DfES for approval.

65. Cancellation of Kent-Virginia Direct Flights Project (previous Decision 06/00799)
(Item D2)

(1) Mr P B Carter, Leader of the Council; Mr A J King, Cabinet Member for Policy and Performance and Deputy Leader; Mr P Gilroy, Chief Executive; and Mr P Raine, Managing Director, Environment and Regeneration, attended the meeting to answer Members' questions on this matter, which covered the following issues:-

Total Costs Incurred or Committed on the Project

(2) In answer to questions from Mr Capon and Dr Eddy, Mr Carter and Mr Raine said that the total costs incurred by all the partners in the project were £825,310, made up as follows:-

	£
KCC	298,560
SEEDA	100,000
Private Sector Contributions	50,000
East Kent Partnership	25,000
Infratil	25,000
Thanet District Council	10,000
Canterbury City Council	5,000
Gravesham Borough Council	1,000
Norfolk Airport Authority	310,750
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TOTAL	825,310

Cost to KCC

(3) In answer to a question from Mr Wells, Mr Carter explained that the County Council's share of the costs came from the Regeneration Fund, which was funded by the investment income from the Kings Hill development. This year that investment income had totalled some £1.5m. Mr Raine explained that the purpose of the Regeneration Fund was to allow the County Council to make one-off investments in projects with a calculated financial risk in order to seek to stimulate economic regeneration.

(4) Mr Carter added that some investments, such as the Kent-Virginia Flights project proved unsuccessful but, in the overall context of the County Council's entrepreneurial activity, unsuccessful projects were small in terms of both numbers and costs.

Potential and Actual Benefits from KCC Involvement in Project

(5) In answer to questions from Mr Capon, Mr Law and Dr Eddy, Mr Carter said that, if the project had been successful in terms of ticket sales, it could have generated up to £5m of revenue from US tourists to Kent. Mr Raine explained that this figure was based on 3,000 US tourists (out of a total of 8,000 travellers) flying into Manston, each staying for three nights in Kent and spending £250 per day.

(6) Mr Carter went on to say that even though the project itself had not been successful, there was a residual benefit in terms of increased awareness of Kent as a tourism destination amongst the residents of Virginia.

Reasons for Terminating Project

(7) In answer to questions from Mr Law and Dr Eddy, Mr Raine explained that Cosmos had supplied ticket sales figures to the County Council and the other partners in the project on a weekly basis. By the time the original contract with Cosmos expired in February, it was decided not to renew it because ticket sales had been lower than expected; no other partners were prepared to share the risks; and so the potential cost to KCC and its Council Tax payers was too high. Mr Carter added that US ticket sales had

undoubtedly been affected by adverse movements in the exchange rate and the downturn in the US economy.

Risk Assessment

(8) In answer to questions from Mr Parker and Mr Bullock, Mr Raine said that a risk assessment had been undertaken by the County Council's consultants as part of the feasibility study before the project commenced and he would circulate this to Members of the Committee.

(9) In answer to a question from Mrs Dean, Mr Raine said that the fact that no airline chose to fund this route commercially did not indicate that it was an unacceptably high risk. It was not unusual for local authorities and other public bodies to contribute to the costs of developing new air routes serving their area, because of the long-term economic benefits such routes would bring. In answer to a question from Mr Smyth, Mr Raine pointed out that the main commercial partner in the project, Cosmos, while not exposed to any financial risk, had been willing to risk its reputation on the project.

Kent County Council/Commonwealth of Virginia Memorandum of Understanding (MoU)

(10) In answer to questions from Mr Parker and Dr Eddy, Mr Gilroy said that the MoU was unaffected by the cancellation of the direct flights project. The MoU was being revamped to establish a longer-term relationship between the County Council and the Commonwealth of Virginia which would include staff exchanges, peer reviews, etc.

(11) RESOLVED that:-

- (a) Mr Carter, Mr King, Mr Gilroy and Mr Raine be thanked for attending the meeting and answering Members' questions;
- (b) the Leader of the Council's decision not to proceed with the project following the meeting on 27 February be recognised as sensible given the lower than expected ticket sales; the fact that no other partners were prepared to share the risks; and the potential cost to the County Council and Council Tax payers;
- (c) the Managing Director, Environment and Regeneration's agreement to provide Members of the Committee with the feasibility study undertaken by the Council's consultants before the project commenced be welcomed;
- (d) the Leader of the Council be urged that, for all future potentially high-risk entrepreneurial projects, a proper risk assessment be undertaken in advance in accordance with the Council's formal risk management procedures. This should be made clear to the responsible project manager at the outset.