

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Conference Centre at the Princes Park Community and Football Stadium, Darenth Road, Dartford, Kent DA1 1RT on Monday, 20 April 2009.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr K A Ferrin, MBE, Mr G K Gibbens, Mr P M Hill, OBE, Mr A J King, MBE, Mr K G Lynes, Mr R A Marsh and Mr L B Ridings

IN ATTENDANCE: Mr P Gilroy (Chief Executive), Mr M Austerberry (Interim Executive Director, Environment, Highways and Waste), Mr D Cockburn (Executive Director, Strategy, Economic Development & ICT), Ms L McMullan (Director of Finance), Mr O Mills (Managing Director - Adult Social Services), Ms M Peachey (Kent Director Of Public Health), Mr K Abbott (Interim Joint Managing Director, CFE) and Ms J Edwards (Director of Policy and Resources, Communities Directorate)

UNRESTRICTED ITEMS

15. Minutes of the Meeting held on 30 March 2009

(Item. 2)

Subject to noting some textual amendments, the Minutes of the meeting held on 30 March 2009 were agreed and signed as a true record.

16. Revenue & Capital Budget Monitoring Exception Report

(Item. 3 – report by Mr N Chard, Cabinet Member for Finance and Lynda McMullan, Director of Finance)

(1) This exception report highlighted the main movements since the third full monitoring report to Cabinet on 30 March 2009 and was based on the February 2009 Monitoring Returns.

(2) During the course of discussion, Mr Chard said that the budget continued to move in the right direction and the gross revenue position (excluding schools) was currently showing a small underspend. The County Council would continue to seek full recovery of its Asylum costs and Mr Chard said he welcomed the recent news that local authorities such as Kent were likely to recover a substantial proportion of the money deposited in Icelandic banks. Ms McMullan said that with regard to Asylum costs the County Council was likely to receive some £3m as a result of a Special Circumstances bid. She also said that it was widely predicted that as part of the budget to be announced on 22 April 2009 there was likely to be an increase in efficiency targets. With regard to the Capital Budget, Ms McMullan said that this continued to be closely monitored.

(3) Mr Carter said that the continuing deficit to the County Council on Asylum costs remained unacceptable and the County Council together with other councils in a similar position would be writing once again to the Government expressing the need for it to resolve this situation as a matter of urgency. Mr Carter also referred to the

letter received from Ernst and Young, the appointed administrators to the Heritable Bank. This letter said that based on current economic conditions it was expected that the County Council could recover some 70 to 80% of its investment. Therefore, good progress was being made to recover this money and with the County Council being treated as a preferred creditor there were also positive indications that it would recover a substantial amount of its money deposited in Glitnir and Landsbanki.

(4) Cabinet then noted the latest forecast Revenue and Capital Monitoring position for 2008/09.

17. Annual Audit and Inspection Letter

(Item. 4 – report by Mr Paul Carter, Leader of the Council and Mr Peter Gilroy, Chief Executive)

(Claire Bryce-Smith and Darren Wells of the Audit Commission were present for this item)

1) This report detailed the Annual Audit and Inspection Letter issued by the Audit Commission. The Inspection Letter provided an overall summary of the Audit Commission's assessment of the Council drawing on the most recent Comprehensive Performance Assessment, the findings and conclusions from the Audit of the Council for 2007/08 and taking account of other inspections undertaken since the last Annual Audit and Inspection Letter.

2) In presenting the Inspection Letter, Claire Bryce-Smith said that the County Council had continued to sustain its strong improvement record from an already high base. It was one of only 26 councils in the country to achieve both the highest, four star rating for overall performance under the Comprehensive Performance Assessment Framework, as well as highest direction of travel judgement, "improving strongly". In addition the "good" performance had been sustained across the four component service blocks applicable to the County Council and the Inspection letter also confirmed that the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. It also had sound, effective arrangements across all areas of user resources and overall was assessed as "performing strongly".

3) Mr Gilroy said that it was of considerable credit to KCC staff that the outcome from the Inspection was so positive with the overall direction of travel continuing to be strong and with improvements being shown in all priority areas. He said he believed this was the best set of figures which the County Council had had from such an Inspection and he placed on record his thanks to all members of staff for this achievement.

4) Mr Carter and Mr Lynes also spoke about the positive messages which the Inspection Letter contained and on behalf of Cabinet thanked all members of staff for their hard work and commitment.

5) Cabinet then:-

(a) Noted the Audit and Inspection Letter; and

- (b) Placed on record its thanks to all Members of staff for their continuing hard work and commitment to the County Council.

18. Kent Credit Union

(Item. 5 – report by Mr K Lynes, Cabinet Member for Regeneration and Claudette Forbes, Interim Director of Economic Development)

(Mr John Simmonds together with Caroline Hooper and Emily Haswell were present for this item)

(Mr Graham Gibbens declared an interest in this matter on the basis that his wife is a founder Member and Loans Officer for the District of Canterbury Credit Union. He therefore took no part in the discussion on this item)

(1) This report sought agreement to the interim governance structure for the proposed Kent Credit Union.

(2) Mr Lynes said that the County Council had already committed a one off spend of £250k to assist in the establishment of a Credit Union. The proposal had also been considered in some detail by an Informal Member Group (IMG) chaired by Mr John Simmonds, and the Business Plan had been robustly challenged at all stages of its development. Mr Lynes said the principles of the Credit Union were very much in line with the Council's "Backing Kent People" campaign and he commended the report and its recommendations to Cabinet. Mr Lynes said that the establishment of a Credit Union would help vulnerable people living in challenging circumstances and he believed it would make a real difference to people's lives.

(3) Mr Simmonds said that the Credit Union would be a key part of the Council's social care and Supporting Independence Strategy and would help people who were disadvantaged and unable to get access to credit at reasonable rates. He said for the proposal to be successful it was essential that other partners became involved such as district councils, the business community, housing associations, the Citizens Advice Bureau and representatives from existing Credit Unions. In concluding his comments Mr Simmonds said it was essential to have in place robust governance arrangements and three years funding had to be secured prior to an application being made to the FSA. Mr Simmonds said that he firmly believed establishing a Credit Union would make a significant difference and he commended these proposals to Cabinet.

(4) Caroline Hooper said that the establishment of a Kent Credit Union had been discussed with the FSA and the Business Plan was now out for consultation. The Shadow Board had already held one meeting and work was in progress to develop a Memorandum of Understanding with two of the existing three Credit Unions within Kent with work progressing on developing a third with the other Credit Union. In addition a number of Housing Associations had promised to make a financial contribution and approaches were also being made to district councils as well as the PCTs. Work was continuing to meet the requirements of the FSA to have in place three years of funding prior to an application being made and on that basis it was hoped that the application would be submitted in May of this year. There would be a report back to Cabinet before a final decision was taken to implement the scheme. Mr Gilroy said he supported the establishment of a Kent Credit Union and spoke

about the work which Kent Police, together with Kent Trading Standards, was undertaking in order to target rogue moneylenders.

(5) Following further discussion Cabinet agreed:-

- (a) to the establishment of a Board of Directors to oversee the operations of the Kent Credit Union and agreed that Mr John Simmonds be appointed to act as KCC's representative on this Board.
- (b) to the establishment of a supervisory sub-committee with senior representatives from Kent Trading Standards and the Finance Directorate.

19. Performance Reward Grant: Kent Agreement 1

(Item. 6 – report by Mr Paul Carter, Leader of the Council and Mr Nick Chard, Cabinet Member for Finance)

(Mr Robert Hardy, Director of Improvement and Engagement was present for this item.)

(1) This report detailed the allocation between Kent County Council and its partners of Performance Reward Grant due under Kent Agreement 1. The report said that the successful achievement of so many Kent Agreement 1 outcomes and the improvement in services that it represented was excellent news and the partners, teams and individuals who had delivered this success were to be congratulated. Receipt of an additional and unhyposhated resource of nearly £18 million to invest in services was excellent news and this sum was likely be bolstered by a further £4.8m-£8.5m that would be claimed in December 2009. Mr Chard said that the success of Kent Agreement 1 meant that KCC would be some £12m-£15m better off and its overall success was as a result of sustained hard work on the part of the County Council and its partners. Mr Carter said, and it was agreed, that some comparative work would be undertaken to look at how Kent had fared in the outcome of its Kent Agreement 1 reward grant in comparison to others across the country. Once this work had been completed it would be reported back to Cabinet.

(2) Cabinet then noted and supported the contents of the report and placed on record its congratulations to KCC staff and those of its partners and the other individuals who had been involved in the successful delivery of Kent Agreement 1 outcomes.

20. Corporate Assessment Performance Improvement Plan

(Item. 7 – report by Paul Carter, Leader of the Council and Robert Hardy, Director of Improvement and Engagement)

(1) This report detailed the final draft Performance Improvement Plan (PIP) which had been prepared in response to the comments and conclusions of the Corporate Assessment report which was published in June 2008. The Improvement Plan summarised the Inspectors' comments and the proposed responses, including the means of monitoring future progress. Most of the Inspectors' comments reflected issues which KCC had itself identified as requiring improvement and the PIP provided the Council with a means of tracking progress. Not all of the Inspectors' comments and conclusions were considered to be valid and so did not feature as proposed actions in the PIP.

(2) During the course of discussions Mr Ridings said, and it was agreed, that the monitoring of the outcomes from the Performance Improvement Plan needed to be undertaken by officers in close collaboration with the appropriate Cabinet Member. Mr Gilroy also said that this work had highlighted some tensions between the County Council and the Audit Commission in the way that public satisfaction surveys were being undertaken and this was an issue which was the subject of continuing discussions with the Commission.

(3) Mr Ferrin referred to the Inspectors' comments relating to waste management and recycling rates. He said that Kent's disposal costs were likely to rise in the Medium Term as a result of a decrease in the availability of landfill and the fact that the County Council had contractual commitments in relation to incineration. The situation was not helped by the fact that there had been difficulties at the Allington Incinerator and that facility was still not operating at full capacity. Mr Ferrin said there had been a fall in the amount of waste arisings and recycling rates were increasing and as a result the County Council would likely meet its set targets on these two matters over the medium term. Mr Austerberry said that the Audit Commissions' comments regarding KCC's costs in relation to waste had to be viewed in the context of particular circumstances related to the South East. He said because of a number of factors KCC was not alone in having higher costs and that other authorities such as Hampshire, Surrey and both East and West Sussex had proportionally higher costs than other authorities outside the South East.

(4) Cabinet then agreed the contents of the draft Performance Improvement Plan and the arrangements and timeframe for future monitoring.

21. Decisions from Cabinet Scrutiny Committee - 8 April 2009

(Item. 8 – report by Mr Alex King, Deputy Leader and Mr Peter Sass, Head of Democratic Services and Local Leadership)

(1) Because of the timing of the April meeting of the Cabinet Scrutiny Committee it had not been possible to circulate this report with the main agenda. Therefore the Chairman declared consideration of the item to be urgent on the grounds that the matters it related to could not reasonably be delayed and therefore needed to be reported and agreed by Cabinet at this meeting.

(2) In considering the report, and in particular the Cabinet Member response in respect of the Kent Freedom Pass, Cabinet for clarity said that whilst it fully supported the review of the existing scheme it could not give, in any form, a commitment to it being extended to the 16-18 year age group because of the significant effect that would have in terms of the budget. Mr Carter said that one avenue that could be explored as part of the review was to look at post 16 Further Education budgets and see if there was any possibility of utilising money which could already be in the system.

(3) Subject to the comments above, and the Chairman of the Cabinet Scrutiny Committee being informed accordingly the report was noted.

22. Dartford Borough Council

Mr Carter, on behalf of the Cabinet, placed on record his thanks to Dartford Borough Council for providing the facilities for this meeting.