

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 23 January 2017.

PRESENT: Mr P B Carter, CBE (Chairman), Mr M A C Balfour, Miss S J Carey, Mr G Cooke, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr P J Oakford and Mr J D Simmonds, MBE

ALSO PRESENT:

IN ATTENDANCE: Mr A Ireland (Corporate Director Social Care, Health and Wellbeing), Mr P Leeson (Corporate Director Education and Young People's Services) and Mr A Wood (Corporate Director of Finance and Procurement)

UNRESTRICTED ITEMS

8. Apologies and Substitutions

(Item 2)

Apologies were received from David Cockburn, Corporate Director of Strategic and Corporate Services and Andrew Scott Clark, Director of Public Health

9. Declarations of interest

(Item 3)

No declarations of interest were received.

10. Minutes of the Meeting held on 12 December 2016

(Item 4)

The minutes of the meeting held on 12 December 2016 were agreed and signed by the Chairman accordingly.

11. Revenue and Budget Monitoring - November 2016-17

(Item 5 – Report of Mr John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement and Andy Wood, Corporate Director of Finance and Procurement).

Cabinet received a report detailing the latest 2016-17 budget monitoring position.

Mr John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement introduced the item for members. In particular he referred to the following:

- A forecast pressure of £5.51m was reported which would increase to approximately £6m if roll forwards were applied
- Further funding toward the cost of supporting Unaccompanied Asylum Seeking Children (UASC) was expected from the Government. This was expected to relieve the pressure by around £1.9m, although historically the

Government had not been prompt in issuing such payments. He reiterated, the previously reported concern that even with additional funding there would be a significant increase in cost as those UASC reached the age of 18 because of the resultant care leaver commitments inherited by KCC at that point. Members continued to lobby government on this matter.

- Overall there had been an improvement of £2m in the month.
- Rigorous controls continued to operate in order to achieve a balanced budget, such as holding vacancies, working with staff to stop non-essential expenditure and officers continued to undertake work focused on increasing income generation
- SEN transport continued to report an overspend, currently estimated at £2.7million, which was the subject of detailed investigation by officers as to the source and potential solution.
- That savings targets allocated to the Young Person’s Travel Pass budget, of £500,000 were proving difficult to achieve.
- That the Finance Department reported an estimated underspend of £3.3m
- There was capacity within the council’s reserves to manage any overspend but pressure was being maintained to bring the budget back into balance.
- The Capital programme was showing a variation of £28m largely as a result of rephasing of projects

It was RESOLVED

| CABINET Revenue and Budget Monitoring - November 2016-17 | |
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| 1. | That the forecast revenue budget monitoring position for 2016-17 and the seriousness of the position, and the capital budget monitoring position for 2016-17 to 2018-19 and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year be noted. |
| 2. | That the changes to the capital programme as detailed in section 6.4 of the report be agreed. |
| REASON | |
| 1. | In order that Cabinet could properly conduct its monitoring activities. |
| 2. | In order that the Capital budget accurately reflected the real time position and met fully the needs of the council. |
| ALTERNATIVE OPTIONS CONSIDERED | None. |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

12. Budget 2017/18 and Medium Term Financial Plan 2017/20

(Item 6 – Report of Mr John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement and Andy Wood, Corporate Director of Finance and Procurement).

Cabinet received the draft budget for 2017-18 and Medium Term Financial Plan (MTFP) 2017-20 which was to be presented to County Council on 9 February 2017.

Mr John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement introduced the item for members. In particular he referred to the following:

- That Cabinet should have regard to any amendments arising from debate of the budget by Cabinet Committees.
- That the decision on the level of Council Tax precept would also be taken by the County Council on 9 February 2017.
- That 2017-18 would be an even more challenging budget to deliver. Additional spending demands continued to accrue and combined with a ‘flat cash’ approach from government and against the background of lost government grants would ensure that further savings and income generation would be essential to delivering a balanced budget. It was estimated that £78million of savings would be necessary, which given cumulative savings since 2010 would be very challenging. By the end of 2017-18 the Council would have delivered over £600m in savings over 7 years/
- He welcomed the additional one off payment of £6.2m for social care support included in the latest grant settlement but reported that it also contained a loss of £1.6m in the new homes bonus.
- Government had allowed a total of 6% increase in Council tax over three years towards the cost of adult social care; KCC believed that this should be allocated in three equal tranches of 2%.
- It was proposed to increase the council tax by just under 2%, plus the 2% social care levy. Consultation had been undertaken with the public, businesses, trades unions, care associations and the youth council, there was sympathy for the 2% social care levy so long as it was spent exclusively on those services.

Andy Wood, Corporate Director of Finance and Procurement added the following:

- That of the £66million pressures reported in the proposed 2017-18 budget £51million of those were not negotiable and must be included. In addition, the loss of £46m in Government grants was not within the control of Kent County Council. Therefore, there was £97million loss to mitigate before any other emerging factors were considered.
- County Councils had reported in a recent survey that they intended to use an average of £20million of reserves to balance the 2017-18 budget. That would equate to £30million of Kent County Council’s reserves. Therefore he believed that the intended use of £11m of KCC reserves was appropriate.
- Along with the flexibility to vary the social care levy by a further percent (within the 6% three year maximum), the Department of Communities and Local Government had indicated that tighter scrutiny and control of this levy was to be introduced.

The Leader summed up by restating that achieving this balanced budget in the difficult financial climate had been challenging and he thanked all those involved for their hard work toward this achievement.

It was RESOLVED

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| CABINET | |
| Budget 2017/18 and Medium Term Financial Plan 2017/20 | |
| 1. | That the draft budget be endorsed and noted that final |

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| | decision on council tax precept would be presented at the County Council meeting on 9 February to allow time to consider the additional flexibility on the social care levy. |
| REASON | |
| 1. | In order that Cabinet could properly meet its statutory requirements to advise the County Council to set a budget and council tax precept for 2017-18 |
| ALTERNATIVE OPTIONS CONSIDERED | None. |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

13. The Commissioning Plan for Education Provision in Kent 2017-21
(Item 7 – Report of Mr Roger Gough, Cabinet Member for Education and Health Reform and Patrick Leeson, Corporate Director for Education and Young People's Services).

Cabinet received a report on the Commissioning Plan for Education Provision in Kent 2017-21.

Mr Roger Gough, Cabinet Member for Education and Health Reform, introduced the item for members. In particular he referred to the following:

- The plan had been the subject of a County-wide consultation
- The plan looked to find ways to provide places for the rapidly increasing numbers of school children
- The anticipated demand for 23,000 additional school places by 2023 (85 FE for primary, 79 FE for secondary schools) which would include 5% spare capacity to allow for greater parental choice
- The financing of the plan through Government grant for basic need and developer contributions
- The excellent cooperation from Kent schools in supporting the programme
- The impact of the free school programme which added complexities and uncertainties to planning
- Forecasting and monitoring that forecasting was critical to ensure that the long term planning was accurate
- Delivering the necessary building programmes efficiently was vital including securing adequate developer contributions
- Seeking consent from Government to apply maximum flexibility in terms of the free school programme and the interaction between basic need funding and the free school programme

Patrick Leeson, Corporate Director for Education and Young People's Services, emphasised the following points:

- This ongoing programme had been very successful not only in delivering overall numbers of places but also in continuing to provide good quality school places in every locality in Kent
- The fact that this programme would not be possible without the support and cooperation of Kent schools which had been exemplary

- That the authority was approaching tipping point in respect of delivery alongside the free schools programme, some of which schools were a year behind programme which could potentially jeopardise the ability to meet the statutory responsibility
- Challenges in terms of finding new sites and sponsors for secondary schools

In response to questions from Cabinet Members, Mr Roger Gough, Cabinet Member for Education and Health Reform, made the following comments:

- Agreeing that in the light of the size and scale of future provision it was likely that the expansion of existing schools would not be sufficient and that therefore the Authority would need to speak to various partners, including district councils, to secure timely planning approvals
- Noting that the provision of special schools and other specialist provision had been a success
- Noting that prudential borrowing had been an effective method of funding new school building in the past but which was not longer available. Further noting that the Authority was left with the burden of the interest payments from past prudential borrowing even where the school had transferred to academy status.

It was RESOLVED:

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| CABINET | |
| The Commissioning Plan for Education Provision in Kent 2017-21 | |
| 1. | That the Commissioning Plan for Education Provision in Kent 2017-21 be approved |
| REASON | In order for the Council to meet its statutory duty to plan and provide for school places |
| ALTERNATIVE | None. |
| OPTIONS CONSIDERED | The Plan considered a range of alternatives. |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None. |

14. Update on Hospital Delayed Discharges in Kent and Social Care Activities
(Item 8)

URGENCY

The Leader advised that this item was urgent in the light of the ongoing winter problems within the NHS especially as it coincided with the circulation of two virulent influenza outbreaks. He indicated that it was important for the Cabinet to understand the pressures on hospitals and the social care market and on how social services were responding.

(Item 8 – Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing).

This matter had received a great deal of media attention and was therefore drawn to the Cabinet’s attention. Cabinet were invited to consider what had been done by health and social care services to care for local residents. This paper was intended to

update Cabinet on related issues including the hospital delayed discharges position in Kent.

The Leader opened the discussion by reminding Cabinet Members of the numerous and complex issues behind the current crisis including:

- The level of cuts in local government funding compared with the increased demand and whether this needed to be recalibrated against the increases in foreign aid which was due to be significantly increased.
- The need for the Government to revisit the best of the Dilnot recommendations
- The need for the care markets to expand and not contract which would need for the market to be financially viable
- The need to ensure that there was adequate funding for state funded adults as well as those in the independent sector both in domiciliary and residential care
- The Sustainable Transformation Plan that identified that 30% of hospital beds could be freed up for better and cheaper treatment of people in their own homes through greater use of community based services
- Noting that the second stage of funding under the Better Care Fund was part of the “flat cash” funding for local government.

Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing, formally presented the report and raised the following points:

- The current winter crisis was worse than usual in terms of demand including pressure on accident and emergency departments
- The extent and seriousness of illness within many of the older patients attending hospital
- Concern about the flow of patients through hospitals
- Measures that had been implemented – more staff in hospitals, investment in schemes to facilitate discharge, work with partners in emergency plan exercises, seven day working of social care teams, support for increased enablement at home, step up/step down beds, extra care sheltered housing
- Recognition that the NHS had managed to reduce bed occupancy to 85% before Christmas 2016 which had helped prevent the crisis from being even deeper

- In terms of markets there was a real issue in terms of domiciliary care albeit with geographical variations with agencies unable to recruit sufficient staff
- Looking at alternative models for commissioning domiciliary care
- That the problems within this area were fundamental and long term and were not likely to be able to be fixed in the short term

Cabinet Members endorsed the issues raised in the paper

It was RESOLVED:

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| CABINET Update on Hospital Delayed Discharges in Kent and Social Care Activities | |
| 1. | That how KCC and NHS organisations in Kent were working to better address the needs of local people being discharged from hospitals against the challenging care market conditions be noted. |

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| REASON | |
| 1. | To bring the Cabinet up to speed on this important and emerging issue and the actions being taken in an attempt to mitigate it. |
| ALTERNATIVE | None. |
| OPTIONS CONSIDERED | |
| CONFLICTS OF INTEREST | None. |
| DISPENSATIONS GRANTED | None |