

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 11 January 2010.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mrs S V Hohler, Mr A J King, MBE, Mr K G Lynes, Mr R A Marsh and Mr J D Simmonds

IN ATTENDANCE: Mr P Gilroy (Chief Executive), Mr M Austerberry (Executive Director, Environment, Highways and Waste), Mr D Cockburn, (Executive Director, Strategy, Economic Development and ICT), Ms A Honey (Managing Director, Communities, Ms L McMullan (Director of Finance), Mr O Mills, (Managing Director – Adult Social Services) and Ms R Turner (Managing Director) Children, Families & Education)

UNRESTRICTED ITEMS

1. KCC Response to Recent Severe Weather

(i) Before the commencement of formal business Mr Carter and Mr Chard briefed Cabinet on the County Council's response to the recent severe weather. Whilst there were lessons to be learnt the Council's plans to keep open the County's strategic routes and services had worked well in the face of some severe and testing weather conditions. The Council was continuing to work in close collaboration with the Kent district council's, the Police and the other emergency services, the NHS, the media, the voluntary and private sectors and more recently the army to ensure that as far as was possible the Councils response and the actions that needed to be taken were timely and proportionate.

(ii) Mr Chard said an action plan was already in place to deal with expected additional potholes and work had already commenced with an additional budget of some £1m being allocated for that purpose.

(iii) Mr Carter said he wanted any necessary repairs to be undertaken swiftly and effectively and, within the terms of existing contracts, wanted to see as much of this work as possible allocated to Kent based tarmac firms. Mr Carter said he also wanted to clarify the legal position of businesses and individuals who under took to clear snow from the front of their own premises where they joined the public highway.

(iv) During the course of discussion several members of Cabinet spoke about the work and effort of KCC's gritting crews, staff from across its Directorates, including those in schools who, together with other bodies and agencies and individuals from across the wider Kent community had contributed in many different ways to keep the counties vital roads and services open and available. Mr Gibbens spoke in particular about the work and extra effort undertaken by staff in Kent Adult Social Services, carers working for domiciliary care agencies, apetito, (the contractor which delivers community meals), the 4x4 SE Response, (who are volunteers who use their vehicles to assist health and social care) staff in the emergency planning

unit and the Contact Centre in ensuring services were maintained to elderly and vulnerable people.

- (v) In noting the comments made during the course of the discussion Cabinet placed on record its thanks to all those members of staff who had worked so tirelessly to keep roads and other services open. Cabinet also placed on record its thanks and appreciation to all those from across the wider Kent community who had worked with the Council in order to mitigate the effects of the weather. In moving forward as well as allocating an additional fund of some £1m for repairing potholes on weather damaged roads for which KCC was responsible, it was agreed that a report would be submitted to a future meeting of Cabinet reviewing the Council's response to the challenges the severe weather had presented. This review would also seek to clarify the legal position of businesses and individuals who under took to clear snow from the front of their own premises where they joined the public highway

2. Minutes of the Meeting held on 30 November 2009

(Item 2)

The Minutes of the meeting held on 30 November 2009 were agreed and signed as a true record.

3. Revenue & Capital Budget Monitoring Exception Report

(Item 3 - Report by Mr John Simmonds, Cabinet Member for Finance; and Lynda McMullan, Director of Finance)

(i) Mr Simmonds said that the main point to note from this report was that after management action a revenue under spend of £4.454m (excluding schools and asylum) was projected by year end. Overall there was £12.050m capital expenditure that was more likely to occur after 31 March 2010, offset by a real variance of £4.7m (which had been addressed in the draft budget and medium term plan recently published for consultation).

(ii) Mr Simmonds also said there were a number of significant pressures that would need to be managed if the Council was to have a balanced revenue position by year end. The current underlying net revenue position by portfolio after the implementation of assumed management action, compared with the net position reported last month was set out in the report. Mr Carter said he remained cautiously optimistic that the ongoing discussions the Council was having with the Government regarding Asylum costs would soon reach a satisfactory conclusion.

(iii) Mr Mills briefed Cabinet on the pressures being placed on the KASS budget as a result of people with disabilities being placed in Kent by neighbouring local authorities and other agencies and the actions being taken in order to mitigate these increasing costs.

(iv) Cabinet resolved :

- (a) to note the latest forecast revenue and capital budget monitoring position for 2009-10 and the changes to the capital programme.

- (b) To agree that £11.694m of re-phasing on the capital programme be moved from 2009-10 capital cash limits to future years: and,
- (c) with reference to the discussion on the recent severe weather, to allocate a budget of some £1m for the repair of potholes on those roads for which the County Council was responsible in its capacity as the highway authority.

4. Provisional Local Government Settlement 2010/11

(Item 4 - Report by Mr John Simmonds, Cabinet Member for Finance and Ms Lynda McMullan, Director of Finance)

(i) This report informed Cabinet of the outcome of the provisional local government settlement and KCC's response to the consultation. The report also drew Cabinet's attention to the settlement for KCC compared to other councils.

(ii) Mr Simmonds said whilst the grant settlement was welcome it nonetheless was below the average settlement for County Councils and fell well short of what was needed in order for the Council to meet the pressures which it faced. Ms McMullen said she was pleased to note the government had honoured its previous commitments on Formula Grant and that it had confirmed the data used in the calculation would only be changed in very exceptional circumstances which would help when it came to future financial planning.

(ii) Mr Carter said he was concerned at the possible cost implications for the County Council of the Personal Care at Home Bill currently going through Parliament and a report on this matter would be submitted to the next meeting.

(iv) Cabinet resolved to note the provisional local government settlement and KCC's response to consultation.

5. Treasury Management Strategy

(Item 5 - Report by Mr John Simmonds, Cabinet Member for Finance and Ms Lynda McMullan, Director of Finance)

(i) This report set out a Treasury management Strategy for 2010-11. CIPFA had defined Treasury Management as "The management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

(ii) Mr Simmonds briefed Cabinet on the contents of the report and the range of actions the County Council had and was undertaking in order to ensure the Treasury Management Strategy now being presented reflected the changing financial circumstances since Iceland and was compliant with CIPFA's Code of Practice.

(iii) Following discussion Cabinet resolved to agree the Strategy and to add Nationwide to the counterparty list with a maximum limit of £20m.

6. Kent Academies Batch 2 Procurement

(Item 6B – report by Mrs Sarah Hohler, Cabinet Member for Children, Families & Education Directorate and Ms Rosalind Turner, Managing Director (Mr Grahame Ward, Director of Resources, CFE and Rebecca Spore, Head of BSF, PFI and Academies Team were present for this item)

(i) KCC is at the forefront of local authorities developing Academies to provide the opportunity and resources to transform the life chances of disadvantaged communities, delivering a new learning infrastructure, enhanced curriculum opportunities and key skills for life and work. In continuing this work this expressions of Interest had been submitted to and approved by the DCSF to establish the following schools which would form the Batch 2 Academies project:

- Skinners' Kent Academy, Tunbridge Wells.
- Knole Academy, Sevenoaks
- Christchurch Academy, Dover
- Duke of York Royal Military Academy, Dover
- John Wallis Church of England Academy, Ashford.
- Astor of Hever, Maidstone

(ii) During the course of discussion Mr Carter said he supported the concept of Academies and wanted to see them playing an integrated part of providing a successful mixed economy of education across the county. Mr Ward said in relation to the Duke of York Academy that the County Council's Capital Programme made no provision for the development costs so the Council was positively looking for those to be provided for by the Government. Cabinet placed on record the fact that the Council would not itself be in a position to pay for any of the capital costs associated with the development of the Duke of York Academy.

Cabinet resolved:

(i) to agree to the submission of the Outline Business Case (OBC) for the Skinners Academy to the DCSF and Partnerships for Schools (PFS) based on the affordability parameters set out in the Cabinet report and upon approval of the OBC to undertake a mini competition to appoint a contractor from the National Framework to deliver the Batch 2 Academies.

(ii) to delegate authority to the Director of Capital Programme and Infrastructure, CFE and the Head of the BSF team, CFE in consultation with the Cabinet Member for CFE, the Managing Director of CFE and the Leader to proceed with the mini competition as described in the Cabinet report, including entering into necessary documents with PFS to enable access to the PFS National Framework within the affordability parameters set out within the report.

(iii) to note that a recommendation would be made to Cabinet as to the appointment of the Preferred Bidder and final confirmation will be sought to submit the Final Business Case, the affordability position and to proceed to contract award in respect of the Batch 2 Procurement and the Skinners Academy. Regular progress updates will be made to the BSF, PFI and Academies Programme Board.

(iv) to note in relation to the Duke of York Academy that the County Council's Capital Programme made no provision for the development costs so the County Council was positively looking for those to be provided for by the Government.

Should the Government not meet those costs then the Council would not itself be in a position to proceed with the development of the Duke of York Academy.

7. Kent Building Schools for the Future Wave 5 Part 1

(Item 7– report by Mrs Sarah Hohler, Cabinet Member for Children, Families & Education Directorate and Ms Rosalind Turner Managing Director – Children, Families & Education Directorate)

(i) This report provided an update on (a) current activity in respect of Kent's first Local Education Partnership (LEP1) and its Wave 3, 4 and 6 projects; (b) the current position in respect to Wave 5, LEP 2 establishment and (c) an update on LEP1, Waves 3,4 and 6.

(ii) Mr Carter and Mrs Hohler gave a presentation which provided an overview of the work being undertaken to deliver Wave 5. The Building Schools for the Future Programme was providing transformational education opportunities through the construction of modern schools delivering modern curriculums and placing the school at the heart of their community. The programme was also a key component of the Kent Secondary Schools Strategy with Academies being an important part of the Council's aim of providing a mixed economy of educational opportunities across the county.

(iii) Following discussion Cabinet resolved to note the current progress in respect of Local Education Partnership 1 and also the progress in respect of the Wave 5 Building Schools for the Future proposal and the procurement of Kent's second Local Education Partnership, as detailed in the Cabinet report.

8. Kent Freedom Pass - Progress Update

(Item 8 - report by Mr Nick Chard, Cabinet Member for Environment, Highways & Waste)

(i) Mr Chard said that since its inception the Kent Freedom Pass had been an outstanding success. Uptake had been high, with over 21,000 passes now on issue with around 600,000 journeys being made each month with *Freedom* Passes. Feedback from young people and parents had been positive and data collected suggested 30% previously travelled to school by car. *Freedom* was however being run at a significant cost to the County Council with every £50 pass issued in 2008/09 actually costing the Council some £390. Amongst a number of pressures, the Council was being pressed to make the scheme available to young people attending out-of-county schools and to extend *Freedom* beyond academic year 11.

(ii) Following discussion Cabinet resolved:

- (a) to endorse the updated Freedom Scheme as set out in Appendix 1 of the Cabinet report.
- (b) to extend the scheme to include all young people living in Kent and attending schools in Kent as well as outside of the County in academic years 7-11 at an estimated cost of £170k per annum at 09/10 prices.

These changes would apply from September 2010 with provision for the necessary funding being included in the draft Medium Term Financial Plan for Environment and Waste.

9. Decisions from Cabinet Scrutiny Committee - 9 December 2009

(Item 9 - Report by Mr Alex King – Deputy Leader and Mr Peter Sass - Head of Democratic Services and Local Leadership).

This report set out the decisions from the Cabinet Scrutiny Committee held on 9 December 2009 and the responses made as appropriate by the Cabinet members. Cabinet agreed the report and noted that the matter relating to the Reception Closure Programme would now be discussed at the meeting of the Corporate Policy Overview and Scrutiny Committee taking place on 14 January 2009. If following that meeting there should be a wish to make changes to these officer decisions then that would be reported back to the Cabinet.

10. Kent Building Schools for the Future Wave 5 Part 2

(Item 11- Report by Mrs Sarah Hohler, Cabinet Member for Children, Families and Education and Ms Rosalind Turner Managing Director – Children, Families & Education Directorate)

The following is an **unrestricted** Minute of a matter which contained exempt information as defined in paragraph 3 of Schedule 12a of the Local Government Act 1972, as amended.

(i) This report sought approval to progress with the development of Kent's Building Schools for the Future Project (BSF), through the submission of the Wave 5 Outline Business Case to Partnerships for Schools for approval and upon the receipt of Government approvals to undertake a procurement using the Competitive dialogue procedure in accordance with European Regulations to establish a Local Education Partnership to deliver initially Wave 5 projects but also be granted exclusivity over waves 7-15 of the Kent BSF Programme.

(ii) Item 7 on the Cabinet agenda entitled Kent Building Schools for the Future Wave 5 Part 1 provided an update on the current activity in respect of the Council's first Local Education Partnership (LEP1) and its Wave 3, 4 and 6 projects together with the current position in respect to Wave 5, LEP 2 establishment. This report covered the commercial areas surrounding the Wave 5 scheme and the LEP 2 Procurement and set out options in order to secure the investment in all the Wave 5 schemes. The report also put forward recommendations as to what needed to be included as part of the Outline Business Case which had to be submitted to the DCSF. The decision as to the final bidder and the award of contract would be the subject of a further report to Cabinet.

(iii) During the course of discussion it was said, and agreed, that the wider benefits and opportunities of BSF in support the Kent economy are a key strategy priority in Kent. It was agreed that as part of the procurement process Bidders should be required to submit proposals setting out how if they were successful they would contribute to adding value to local communities and the Kent economy.

Cabinet resolved

(a) to note the current progress in respect of Kent's first Local Education Partnership.

(b) to agree the submission of the Wave 5 Outline Business Case (OBC) to the DCSF and Partnerships for Schools (PFS) based on the affordability parameters set out in the exempt report and upon approval to undertake a procurement in accordance to the competitive dialogue regime as set out by European Regulations to select a partner to establish Kent's Second Local Education Partnership (LEP). The LEP would deliver the BSF programme for Wave 5 and have exclusivity over any BSF projects in the LEP 2 area.

(c) to agree to delegate authority to the Director of Capital Programme and Infrastructure, CFE and the Head of the BSF Team, CFE in consultation with the Cabinet Member for CFE, the Managing Director of CFE and the Leader to proceed with the Procurement including the following within the affordability parameters set out within the exempt report:

- a. the issuing of the "OJEU notice"
- b. the issuing of the "Pre-Qualification Questionnaire"
- c. to undertake the evaluation of the Pre Qualification responses
- d. the issuing of the "Invitation to Participate in Dialogue"
- e. to engage in dialogue with prospective bidders
- f. to evaluate responses to the "Invitation to Participate in Dialogue" and shortlist to three prospective bidders
- g. to issue the "Invitation to Continue Dialogue"
- h. to engage in dialogue with prospective bidders, including facilitated discussion with schools
- i. to evaluate responses to the "Invitation to Continue Dialogue" and shortlist to two prospective bidders
- j. to engage in negotiations with two final prospective bidders
- k. issue the "Invitation to Submit Final Tenders"
- l. recommend a Preferred Bidder to full Cabinet for formal ratification
- m. engage in final and concluding negotiations with a Preferred Bidder
- n. recommend that the Cabinet award contracts to the Preferred Bidder, following the satisfactory conclusion of final negotiations.

4. To also note that:

(a) a recommendation would be made to Cabinet as to the appointment of the Preferred Bidder and that final confirmation would be sought to submit the Final Business Case, the affordability position and to proceed to contract award, in respect of Wave 5.

(b) regular progress updates will be reported to the BSF, PFI and Academies Programme Board.

(c) as part of the procurement process Bidders will be asked to put forward proposals setting out how if they were successful they would contribute to adding value to local communities and the Kent economy.