

KENT COUNTY COUNCIL

CABINET

MINUTES of A meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 15 September 2008.

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 R A Marsh, Mr P M Hill, OBE, Mr A J King, MBE, Mr K G Lynes and Mr L B Ridings

IN ATTENDANCE: Peter Gilroy (Chief Executive), Mr G Badman (Managing Director of Children, Families and Education), Ms A Honey (Managing Director Communities), Ms L McMullan (Director of Finance), Mr O Mills (Managing Director - Adult Social Services) and Ms M Peachey (Kent Director Of Public Health)

UNRESTRICTED ITEMS

1. Minutes of the Meeting held on 4 August 2008
(Item. 2)

The Minutes of the meeting held on 4 August 2008 were agreed and signed as a correct record.

2. Revenue & Capital Budget, Key Activity and Risk Monitoring
(Item. 3)

(Report by Mr Nick Chard, Cabinet Member for Finance, and Ms Lynda McMullan, Director of Finance)

(1) Mr Chard said that there had been a number of virements and changes on the revenue budget and these were detailed in paragraph 3 of the report. He highlighted the allocation of £5.1m contingency which had been set aside from the 2007/08 roll forward under spend as agreed by Cabinet on 4 August 2008. He also said that there had still not been a settlement of the Council's claim for reimbursement of some £4m on Asylum. Mr Carter said that the County Council was continuing to pursue his claim through the LGA together with the other authorities who had also had outstanding claims.

(2) Mr Chard also spoke about the possible impact on the Budget and Medium Term Financial Plan of the significant pressures within the Kent Adult Social Services Older Persons Budget, as detailed in the table on page 43 of the report and this would be subject to a future report to Cabinet. It was also agreed that there would be future reports to Cabinet on the reasons underlying the growth in provision on SEN transport and also what measures the County Council was taking in order to reduce its energy costs.

(3) Cabinet:-

(a) Noted the latest monitoring position on the revenue budget together with the intention to overspend the Kent Highways Services budget by

£1.4m on invest to save schemes in order to produce future savings to assist with meeting the Medium Term Plan inflation issues within the Environment, Highways and Waste portfolio.

- (b) Cabinet also noted that a revised capital programme, to address the impact of the current economic situation would be reported to Cabinet at its meeting in October.
- (c) Agreed the re-alignment of budgets within the Kent Adult Social Services portfolio as detailed in Sections 1.1.1 and 1.1.2 and Annexe 2 of the Cabinet report; and
- (d) Noted that there would be report to a future meeting of Cabinet on SEN Transport and another report on what the Council was doing in order to reduce its energy costs.

3. Autumn Budget Statement

(Item. 4)

(Report by Mr Paul Carter, Leader of the Council, Mr Nick Chard, Cabinet Member for Finance, Mr Peter Gilroy, Chief Executive and Ms Lynda McMullan, Director of Finance)

(1) This report set out the context at both the national and local level within which the County Council's Medium Term Financial Plan would be framed over the next three years.

(2) The report highlighted the three critical issues facing KCC and the rest of local government at the moment as follows:-

- (a) the totality of resources between now and 2011 that are available at a national level for Council services which were set out in the Comprehensive Spending Review 2007;
- (b) how the Council balances increasing demands on its services due to demographic and wider socio-economic change, government imposition of new burdens, climate and environmental change, rising customer service expectations and the Council's own aspirations for continued innovation and improvement in services at a time of nationally and locally constrained resources; and
- (c) how the Council responds and reacts to the "credit crunch" and the more recent rapidly escalating rises in inflation which was now above the target set for the Bank of England by the Government.

(3) Mr Chard also highlighted the issues set out on page 2 of the Cabinet report which detailed the areas of most concern for KCC and its partners. Cabinet noted in particular pressures arising from the way the Dedicated Schools Grant was allocated and Post 16 funding was also highlighted as an area which needed careful consideration and discussion. Also, should the responsibilities of the Learning and Skills Council be transferred to KCC then that would also create a financial pressure.

(4) The report further highlighted concerns arising from the continuing grey area in responsibility between the NHS and Local Authorities for the provision of some aspects of health and social care. The transfer of functions from health to KCC needed to be properly funded as failure to do so would present the County Council with a major risk. There was a particular risk associated with the costs arising from the transfer of responsibility for the long term disabled to local authorities and this would have to be included as a specific pressure in the Medium Term Financial Plan. With regards to reserves the report said that the Director of Finance and the Council's external auditors have as required, considered the level of general reserves which currently stand at £25.8m to be sufficient to meet the balance of risk.

(5) Following further discussion Cabinet:-

- (a) noted the key conclusions from the report as set out in the summary;
- (b) that KCC had developed and strengthened its policy-led budgeting still further in order to ensure that it optimised the allocation of constrained resources to meet local priorities;
- (c) noted the financial planning risks for KCC as set out in paragraph 92 onwards of the Cabinet report;
- (d) agreed that as part of the development of the Medium Term Financial Plan the responsibility for the long term disabled would be included as a specific pressure.
- (e) the proposed Medium Term planning milestone dates set out in Appendix 1 of the Cabinet Report be noted.

4. Annual Audit and Inspection Letter

(Item. 5)

(Report by Mr Paul Carter, Leader of the Council and Mr Peter Gilroy, Chief Executive)

(1) The Annual Audit and Inspection Letter issued by the Audit Commission in late March 2008 was presented to the County Council's Governance and Audit Committee on 30 June 2008. The Annual Audit and Inspection provides an overall summary of the Audit Commission's assessment of the Authority, drawing on Audit, Inspection and Performance Assessment work.

(2) Mr. Carter said that the key message identified by the Audit Commission was that the County Council was improving strongly and continued to make significant improvements against local priorities. The Council could therefore be rightly pleased with the outcomes of the Annual Audit and Inspection Letter and he placed on record Cabinet's thanks to officers for the part they had played in the Council achieving such a strong and positive report.

5. National Indicator Set

(Item. 6)

(Report by Mr Paul Carter, Leader of the Council and Mr Peter Gilroy, Chief Executive)

(1) This report provided an update on the new National Indicator Set and gave the name of those officers who would be leading on the areas covered by the indicators. Mr Gilroy said although the number of targets which local Government has to work towards had been reduced through the new streamlined arrangements for Local Area Agreements, nonetheless the amount of information which local authorities still had to collect placed a significant load on local authorities in the way they had to manage and produce this information. He said he was also concerned that some of the indicators were very subjective and he wondered whether they could be reliably collected and measured on a like for like basis with other authorities.

(2) Following further discussion Cabinet noted the list of national indicators.

6. Select Committee: Accessing Democracy

(Item. 7)

(Mrs C Angell and Mr D Brazier were present for this item)

(1) Mrs Angell as Chairman of the Select Committee said that its work had found pockets of good practice but more needed to be done. She said it was important to build on what was already around and look at different ways of doing things. Localism and how people accessed democracy had to be at the top of the agenda and people needed to know that the opinions which they expressed would be listened to and acted upon. Mrs Angell said that the Select Committee also discovered that KCC employees were not always aware of the role of Members or what they needed in the way of support in undertaking their constituency duties. Also consideration needed to be given as to how local people would like to take the democracy agenda forward – one size did not fit all – and therefore Kent County Council and elected Members needed to use innovation and be flexible in order to achieve best outcomes. Mrs Angell said the Select Committee also believed that secondary schools should be encouraged to embrace democracy and to help achieve this school councils should be encouraged to operate through out the age range and therefore this should also include primary schools. The Select Committee also believed that all elected Members should be involved in Schools Democracy week and links between school councils, KCC and district, town and parish councils should be promoted. Mrs Angell also highlighted the Select Committee's recommendation that the opportunity for participatory budgeting from devolved discretionary funds should be provided within the next budget year, with delivery mechanisms to be determined, and a sum of underpinning monies be provided to enable local people to determine how the resources should be spent.

(2) Mr Brazier said the researches of the Select Committee had shown that there was a significant proportion of people who did not understand democratic structures. He said some of the recommendations may appear well worn but they nonetheless remained relevant and valid. Mr Brazier said that whilst the report contained some recommendations related to the Localism Agenda that was not because this was fashionable but because it was essential for the healthy future of

democracy. Mr Brazier also said that if the administration was willing to accept that elected Members, with appropriate training where that might be necessary, were capable of exercising significant devolved powers and resources and could co-operate with other tiers of local government then may be the current failure of engagement could, to some extent, be corrected. Mr. Brazier also said that the Council for all its emphasis on communication was still misunderstood and considered remote. That view needed to be dealt with by having more better trained, motivated and diverse elected Members who were able to say yes to people on matters of local issues. Mr Brazier also spoke about the possibility of having a dedicated Member of Cabinet promoting the Democracy and Localism agenda and who could work with a permanent Committee of Members to ensure KCC was seen as being in the vanguard of local engagement and activity. In conclusion, Mr Brazier said he hoped the recommendations within the report would be acted upon and taken forward. Both Mrs. Angell and Mr. Brazier paid thanks to the Members of the Committee, to its officers and also to those witnesses who had given evidence.

(3) Mr King said that when he had met with the Select Committee he had been impressed with its energy and depth of research which had been undertaken. He said he did not think it would be possible to immediately implement all the recommendations but the report was central to a range of other activities and formed part of a jigsaw of other work aimed at improving the role of Members and improving local engagement. Other Members who spoke also welcomed and endorsed the report and it was said all 84 Members of the Council had to be committed to taking findings forward. It was also said that it was important to note that the County Council was already undertaking a range of measures to improve communication through innovations such as web casting and Kent TV. There was a need to look at how Members are supported in their role and what training they may need and this very much tied in with other strands of work.

(4) In concluding the discussion, Mr. Carter thanked the Select Committee for its work and said that this had to be seen as part of a wider picture which included the work being currently undertaken through the Informal Member Groups on Member Development and Member Information. All these streams of work needed to be brought together and discussed collectively so that Members of the Council could have the opportunity to consider the total picture and how these matters should be taken forward.

7. Review of Specialist Unit and Designated Provision in Mainstream Schools - Update. Leader School Implementation *(Item. 8)*

(Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills, Mr Leyland Ridings, Cabinet Member for Children, Families and Educational Standards and Mr Graham Badman, Managing Director for Children, Families, Health and Education)

(Joanna Wainwright, Director Commissioning (Specialist Services) was present for this item)

(1) This report provided an update on the progress of the implementation of

Lead School Provision and sought approval to proceed to consultation on the delegated funding proposals. The report also asks Cabinet to note the capital implications for some provisions.

(2) Joanna Wainwright said that the implementation of Phase One of the Review would commence in September 2008 in the Local Children's Services Partnerships in Ashford, Shepway, Dartford, Gravesham and Swanley. The emphasis of this provision was very much on the multi-agency integration and co-ordination of services and provision for children and young people, including drawing on the valued expertise of special schools. In addition to the evaluation of Phase One, an ongoing process to evaluate all lead schools and informal development plans would be put in place.

(3) Work would now commence in supporting lead schools in Phase Two and officers would continue to meet with those identified to ensure implementation takes place smoothly.

(4) Following further discussion, Cabinet:-

- (a) noted the progress of the Unit Review and the timetable as detailed in paragraph 5 of the Cabinet report;
- (b) noted the schools identified as lead schools in Phase Two;
- (c) noted the outcome of the Phase One lead schools self-assessment of state of readiness;
- (d) noted the additional revenue and capital implications for Phase One and Phase Two would be addressed through the Medium Term Financial Plan;
- (e) agreed to proceed to consultation on the funding formula in the Autumn Term; and
- (f) agreed to the implementation of Phase Two subject to further review as part of the Medium Term Plan process.

8. KCC Strategy for Early Education and Childcare (0-5 Years)

(Item. 9)

(Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills, Mr Leyland Ridings, Cabinet Member for Children, Families and Educations Standards and Mr Graham Badman, Managing Director for Children, Families and Education)

(1) This report presented to Cabinet the draft Strategy for Early Education and Childcare (0-5 years) and also reported on the positive outcomes of the consultation on the strategy and sought formal approval.

(2) Following discussion, Cabinet noted the progress being made and approved the strategy.

9. Excellent Homes for All - Kent Housing Private Finance Initiative (PFI)
(Item. 10)

(Report by Mr Graham Gibbens, Cabinet Member for Adult Social Services and Mr Oliver Mills, Managing Director, Kent Adult Social Services)

(Mr David Weiss, Head of Public Private Partnerships and Property Team was present for this item)

(1) This report updated Cabinet on the new Kent Housing (PFI) Project that KCC was leading on in partnership with 5 district councils.

(2) Mr Gibbens said that the project was to develop up to 212 units of additional social housing across Kent, including up to 160 extra care apartments for older people, up to 36 apartments for vulnerable homeless people, and 16 flats for people with mental health problems. He said that the project was fully funded and he commended the recommendations to Cabinet. Mr Lynes said that the initiative provided many benefits and he paid thanks to officers for the way they had taken this work forward. Thanks was also placed on record to the district councils and other partners for the part they had played in taking this initiative forward .

(2) Cabinet then approved the submission of an outline business case for the project and agreed the recommendation to progress with the procurement of the project, as detailed in the Cabinet Report. Cabinet also approved the signing of a development agreement with the District Councils in order to undertake the procurement in partnership.

10. Decisions from Cabinet Scrutiny Committee - 23 July 2008
(Item. 11)

(Report by Head of Democratic Services and Local Leadership)

(1) This report set out the decisions arising from the Cabinet Scrutiny Committee and invited a response from Cabinet.

(2) In noting the report, Mr Ferrin said that arrangements were now quickly moving forward to establish the proposed Informal Member Group established to consider in more detail the contract involving KCC for the management of motorways and trunk roads in Kent, Surrey and Sussex.

11. Excellent Homes for All – Kent Housing Private Finance Initiative
(Item. 12)

(Report by Mr David Cloake, Head of Emergency Planning)

The Chairman declared consideration of this item to be urgent on the grounds that following the recent incident in the Channel Tunnel, Members needed to be advised as to the current situation and Kent residents advised on what actions were being

taken by the County Council in response to the ongoing situation.

(1) Mr Cloake gave Members a detailed account of the facts as far as they were known resulting from the substantial fire on board a France bound Eurotunnel Freight Train on 11 September 2008. The report stated that the damage caused by the fire was more extensive than that which had occurred in 1996, with several hundred metres of tunnel lining and infrastructure being severely damaged. The estimate was that this would take many months to repair. By good fortune, the train did not come to a halt near a "crossover" and so it was expected that it would be possible to use the other tunnel for two way traffic. As a result of the fire Operation Stack had been invoked to safely manage freight traffic affected by the incident and to ensure that the extra burden on Dover Harbour could be managed in a safe and controlled manner. Additionally, Operation Stack may be required when there was a partial return to service, depending on how limited the service provision was and the level of consumer demand. Mr Cloake said that the County Council would continue to play its part in resolving any ongoing issues or difficulties as needed by its partners.

(2) Mr Ferrin said that the fire had emphasised yet again the need to have a permanent solution to Operation Stack. He said the County Council was taking forward the initial work at its own expense but it could only carry out the development with funding from the Government. In response to a question about what safety improvements had been undertaken, as a result of the recommendations following the 1996 fire. Mr Cloake said he would follow that up and advise Members separately.

(3) In concluding the discussion, Mr Carter said the situation needed to be closely monitored, especially if repairs to the tunnel were to in fact take several months. He said the fire had highlighted the need for the Government to fund a permanent solution to Operation Stack which when brought into use always had a serious impact not only in terms of vehicle movements but in acting as a drag on the Kent economy. The County Council would therefore continue to press the government on that and do all it could to find a permanent solution.

(3) Cabinet then noted the report and thanked Mr. Cloake and his team for the work that they had put in as part of the overall response to the fire.