

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held at Sessions House, County Hall, Maidstone on Monday, 16 June 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 W Gough, Mr M Hill, Mr A J King, OBE and Mr K G Lynes and Mr C Wells.

OFFICERS: Mr P Gilroy (Chief Executive), Mr G Badman (Managing Director of Children, Families and Education), Ms M Blanche, (Senior Policy Manager – Asylum & Migration), Ms A Honey (Managing Director, Communities), Ms C Lwin (Co-Director Regeneration and Economy) was present on behalf of the Managing Director for Environment and Regeneration, Mr O Mills (Managing Director for Adult Social Services) and Mr M Lemon (Head of Policy) was present on behalf of Meradin Peachey Director of Public Health .

UNRESTRICTED ITEMS

1. Minutes of the Meeting held on 12 May 2008
(Item 2)

The Minutes of the meeting held on 12 May 2008 were agreed as a true record.

2. Revenue & Capital Budget Outturn 2007-08 and Associated Matters
(Item 3)

(1) The report set out the provisional Revenue & Capital Budget Outturn for 2007-8. It detailed where Revenue projects had been rescheduled and/or were committed and where there was under or overspending. Details for the proposals for the use of the part of the Revenue Budget under spending were provided which reflected the projects where there was already a commitment of spending in 2008-09.

(2) The report also included details of:-

- (a) the re-phasing of the projects funded from the Performance Reward Grant;
- (b) Final Monitoring of Key Activities for 2007-08;
- (c) the year end prudential indicators and impact on reserves; and
- (d) the report included details of Capital Budget Outcomes and Achievements in recent years.

(3) Mr Chard congratulated Members and officers for achieving a £7.889m provisional outturn against portfolio budgets and noted the £4.984m increase in school reserves.

(4) Cabinet noted that the pressure on Asylum was now being shown as breakeven, pending the outcome of two Special Circumstances bids for 2007/08.

(5) Mr Badman expressed the view that the increase in school reserves was not specifically a Kent issue but was being replicated elsewhere nationwide. He added that having looked at the formula and the reasons why an underspend was occurring he could not find an explanation. Mr Badman then said that he had commissioned some work to

explore with staff why these underspends may be arising and to look at the Direct Schools Grant formula as one of the funding elements.

(6) Mr Carter said that with rising fuel costs and the impact of these increases on County Council services it would be prudent to take this into account when recommending the apportionment of the £5m underspend to the July meeting of the Cabinet.

(7) Mr Ferrin spoke of the pressures on his portfolio including inflationary pressures, interest rates etc. These pressures had already had a significant impact on a whole range of raw materials. He added that analysts were finding it difficult to predict the National Inflation Rate and he urged Cabinet to bear this in mind as the County Council move towards agreeing a new three year settlement with the Government in 2009.

(8) The Chief Executive said that together with Mr Chard and Ms McMullan a comprehensive paper would be prepared for Cabinet which would be shared with the Informal Member Group Budgetary Issues.

(9) Mr Carter also said that it would be useful to have a report at the September meeting of Cabinet on how working in partnership with District Councils and other public bodies that the Local Area Agreement 1 had been a success.

(10) Cabinet agreed to:-

- (a) note the provisional outturn position for 2007-08;
- (b) agree the requests for roll forward of part of the 2007-08 revenue underspending into 2008-09 as detailed in Appendix 1 to the report to fund existing commitments;
- (c) note that the remaining underspend will be allocated at the July meeting of Cabinet following a review of the expected impact of the current economic conditions upon Kent County Council's services in 2008-09;
- (d) note the re-phasing of the projects funding from the Performance Reward Grant as summarised in Appendix 2;
- (e) note that the final monitoring of the key activity indicators for 2007-08 as detailed in Appendix 3;
- (f) note the final monitoring of the potential indicators for 2007-08 as detailed in Appendix 4;
- (g) note the impact of the 2007-08 provisional revenue budget outturn on reserves;
- (h) note the capital budget outcomes and achievements in recent years as detailed in Appendix 5;
- (i) note that the 2008-09 Capital Programme will be adjusted to reflect the re-phasing and other variances of the 2007-08 Capital Programme;
- (j) note that contrary to the school's previous forecasts, the school's revenue and

capital reserves have increased by some £22m;

- (k) agree that a report on the impact of the current economic conditions be prepared for a future meeting of the Cabinet and shared with the Informal Member Group Budgetary Issues; and
- (l) a report on the success of Local Area Agreement 1 be prepared for the September meeting of Cabinet.

3. Consideration of the draft KCC Annual Plan 2008-09 and process for publishing the final approved version

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

(1) The Cabinet had before them the latest draft of the Kent County Council Annual Plan 2008-09 which would be before the County Council for approval on 19 June 2008. The Governance and Audit Committee checked the compliance of the Kent County Council Annual Plan with the statutory requirements prior to its publication by delegating this to a cross-party group of the Governance and Audit Committee which met on 4 June 2008.

(2) The Annual Plan would once again be published on a CD. The CD would also include the Vision for Kent, Towards 2010, the Kent Agreement, Supporting Independence documents, Medium Term Plan, the Children Families, Health and Housing Education Directorate Annual Review, Kent Adult Social Services – Active Lives and the People of Kent.

(3) Copies of the Kent County Council's Annual Plan are sent to all Members of the County Council, the Authority's principal partners and relevant voluntary organisations, senior Kent County Council managers and external auditors amongst others. Copies would also be sent to all libraries and KCC offices, open to the public as in previous years. A copy of the Annual Plan would be available on the County Council's website by the end of June.

(4) Cabinet agreed to note the arrangements for publishing the Kent County Council Annual Plan 2008-09 and to recommend the Draft KCC Annual Plan 2008-09 to County Council for approval on 19 June 2008.

4. Policy Framework

(Item 5 – Report by Mr Paul Carter, Leader of the County Council and Mr Peter Gilroy, Chief Executive)

(1) The Policy Framework had been reviewed and the following amendments had been suggested by the Communities Policy Overview Committee:-

- (a) to include the Kent Strategy for 2012 Olympic Games; and
- (b) the Childrens & Young People Plan.

(2) Suggested deletions from the Policy Framework were:-

- (a) the Adult Education Development Plan;
- (b) the Young Person's Substance Mis-Use Plan: and

(c) the Trading Standards Food Service Plan.

(3) Cabinet agreed that the revised list of Plans and Strategies which constitutes the County Council's Policy Framework be submitted to the County Council for approval and the County Council Constitution be amended accordingly.

5. Better Days for People with Learning Disabilities in Kent

(Item 6 – Report by Kevin Lynes, Cabinet Member for Adult Social Services and Oliver Mills, Managing Director for Kent Adult Social Services) (Dee Watson, Business Change Manager was present for this item)

(1) The Cabinet had before them a revised copy of the document Better Days for People with Learning Disabilities in Kent. The document restated the current Member-agreed strategy for the modernisation of learning disability day services.

(2) The report also restated the refreshed and accessible strategy for consultation "What Makes a Good Day" and the questionnaire. It also provided brief details and outcomes of the consultation on the programme.

(3) Cabinet noted that the findings of the consultation were presented to and discussed at the Adult Social Services Policy Overview Committee on 29 January 2008 and attached final documents were presented to and approved by the Kent Partnership Board for people with learning disabilities on 8 May 2008.

(4) Cabinet commented that there should be on-going monitoring of this work by the Adult Social Services Policy Overview Committee.

(5) Mr Mills informed Cabinet of the presentation on 'Valuing People Now' which would be evaluated in a year's time.

(6) Cabinet:-

(a) agreed and approved the document "Better Days for People with Learning Disabilities in Kent"; and

(b) noted that Kent Adult Social Services would monitor levels of satisfaction with services from both people with learning disability and family carers as changes are implemented.

6. Ashford's Future: Proposed Formalisation of the Ashford's Future Partnership Board and the related incorporation of a Special Purpose Vehicle

(Item 7 – Report by Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director, Environment & Regeneration) (Mike Bodkin, Head of Urban Regeneration was in attendance for this item)

See Record of Decision on Pages 9 -11.

7. The Education and Skills Bill

(Item 8 – Report by Mr Mark Dance, Cabinet Member for Operations, Resources & Skills and Mr Graham Badman, Managing Director, Children, Families, Health & Education)

- (1) Cabinet noted that the Education & Skills Bill had been described as landmark legislation. It builds on the aspiration first set out in the Fisher Education Act 1918 (which raised the school leaving age from 12 to 14) that young people should remain in at least part-time education until the age of 18 – a provision that was never enacted as a result of the post World War 1 austerity.
- (2) The Education Skills Bill proposed the implementation of many of the key changes recommended in the 2006 Leitch Review of Skills Final Report: Prosperity for All in the Global Economy – World Class Skills. That report made a series of recommendations, accepted by Government, that increased participation in learning by both young people and adults was essential to realise the Leitch ambition that the UK had achieved world class skills by 2020. This would bring key benefits to young people and adults, employers, the UK economy and wider society.
- (3) One of key Leitch recommendations was that once, the Government's 14-19 diploma reforms were successfully on track, the law should be changed so that all young people must remain in full or part time education or workplace training up to the age of 18.
- (4) At this stage it was very difficult for the County Council to estimate the likely cost implications for increased participation to the age of 18 for Kent. This is because the detailed methodology used by the Department of Children, Schools and Families (DCSF) in estimating the national costs provided in the impact assessment was not clear. The County Council's best estimate was that the cost of increasing participation from the current 74% level of participation in education and training by 17 year olds in Kent (latest available data for 2005) compared to the 76% national level is that this cost could cost around £29m annually.
- (5) The County Council's provisional cost estimate for increased participation by young people with Special Educational Needs (SEN) is that this would cost £623,000 annually (£515,000 for the cost of young people continuing to participate in special schools; £29,000 for those with severe and complex needs and an additional £79,000 for pupils in specialist units attached to mainstream schools).
- (6) The County Council's provisional cost estimate for additional transport costs arising from the increased participation requirement was estimated at £358,000 annually (£173,000 for young people continuing in school sixth forms or Further Education Colleges; £138,000 for those continuing in special schools and £47,000 for those with severe and complex needs or staying on in specialist units).
- (7) There would undoubtedly be significant transport costs for individual schools and colleges in transporting young people between schools and colleges to facilitate local access to the new 14-19 Diplomas being delivered by local consortia arrangements of providers. The additional funding being allocated for the implementation to the new 14-19 Diplomas included the scarcity factor to recognise some of the additional costs of transport in rural areas, but this was likely to be significantly below the additional funding the institutions would need to find for additional minibuses to transport young people between institutions.

- (8) Cabinet noted that total additional annual cost for Kent could therefore amount to £30m.
- (9) Cabinet noted that the main provisions of the Bill, raising the participation age first to age 17 and then to 18 were expected to be implemented from 2013 and 2015 respectively. Most of the other provisions in the Bill would be subject to recommencement orders where Ministers would have a degree of discretion of over what particular provisions are implemented.
- (10) Cabinet commented that the implications of the Education and Skills Bill could not be separated from the demise of the Learning Skills Council.
- (11) Cabinet noted the implications of the Education Skills Bill, including the significant likely future costs which the County Council would have to bear.

8. Annual Governance Statement - Draft

(Item 9 – Report by Nick Chard, Cabinet Member for Finance, Lynda McMullan, Director of Finance and Janet Dawson, Head of Audit and Risk)

- (1) Kent County Council is required to prepare an Annual Governance Statement. The requirement was introduced in the good Governance Framework CIPFA/SOLACE 2007 which sets out six principles of Corporate Governance underpinned by a number of supporting principles and specific requirements.
- (2) The Annual Governance Statement should include an evidence-based overview of how the Authority has adopted the principles of the Framework and that it adheres to its requirements.
- (3) Cabinet noted that the Director of Finance had submitted the Annual Governance Statement along with supportive evidence to the Chief Executive recommending that they sign the Statement for inclusion in the final accounts.
- (4) The Annual Governance Statement would be presented to the Governance and Audit Committee on 30 June.
- (5) Cabinet agreed to note the Annual Governance Statement.

9. Dartford Crossing Tolls

*(Item 10 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways & Waste and Mr Adam Wilkinson, Managing Director, Environment & Regeneration)
(Mick Sutch, Head of Planning & Transport Strategy was in attendance for this item)*

- (1) Cabinet noted the response to the Department for Transport's proposals for tolls at the Dartford Crossing.
- (2) Under present arrangements the County Council had received £1m per annum in supported borrowing for local integrated transport schemes in Kent and Thameside but last year the County Council did not spend this as we were a floor-funded authority.
- (3) With the introduction of a local discount scheme, locally targeted funding (to Kent County Council and Thurrock Council, Essex) would be discontinued and the remaining

profits from the tolls would go towards national transport projects. From April this year, Kent County Council was receiving a twelfth of £1m per month in grant until the local discount scheme is introduced later this year.

(4) In its response the County Council supported the retention of tolls at the crossing at the current levels if urgently needed local and strategic improvement schemes in the County, such as M25 Chevening – Godstone (Junctions 5 to 7), M20 Coldharbour to Wrotham (Junctions 3 to 5) and M25/M26 east facing slip roads at Sevenoaks and funded but considered that if there was no benefit to the wider community in Kent, the tolls at the crossing should be withdrawn.

(5) As a result of the proposals the net profits from the Crossing currently at £50m per year would increase, yet transport spending in Kent would reduce. The response was also critical of the proposed discount scheme which has chosen to give reduced crossing charges to residents living in an arbitrary area where, say people living in Stanford-le-Hope in Thurrock would benefit yet residents in Gravesend would not, despite being some 4 kilometres cross to the Crossing.

(6) Cabinet noted the report.

10. The Sub-National Review and Kent's Response

(Item 11 – Report by the Managing Director of Environment and Regeneration)(Dick Feasey, Development Planning Manager was in attendance for this item)

(1) Cabinet noted the Government's objectives and proposals for the Sub-National Review and discussed each of the substantial areas of change and what Kent's potential response would be to the Consultation document. The consultation period expired on Friday, 20 June 2008.

(2) During the discussion on this item the Leader informed Cabinet that at a recent meeting of the Leaders in the South East Regional Assembly area (which is cross-party) there was unanimity that any replacement for the Regional Assembly should not be an unelected quango and that 50% of the membership should be elected Members.

(3) Cabinet agreed that the Cabinet Member for Regeneration and Supporting Independence should agree the views to be sent to Government with final wording of such correspondence.

11. Decisions from Cabinet Scrutiny Committee – 21 May 2008

(Item 12 – Report by Head of Democratic Services and Local Leadership)

This report sets out the decisions from the Cabinet Scrutiny Committee held on 21 May 2008 and invited responses from Cabinet.

Exempt Item

(Open Access to Minutes)

Members resolved that, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

13. Local Involvement Network (LINK)

(Item 14 – Report by Mr Graham Gibbens, Cabinet Member for Public Health and Mr Peter Gilroy, Chief Executive) (Mary Blanche, Senior Policy Manager was in attendance for this item)

(Mr Chard made a cautionary declaration on the basis that his wife might be connected with one of the organisations) who might have tendered to be the Host Organisation for the LINK)

See Record of Decision on Pages 12 and 13.

**KENT COUNTY COUNCIL
RECORD OF CABINET DECISION**



DECISION TAKEN ON

Cabinet
16 June 2008

DECISION NO.
08/01193

Ashford's Future: Proposed Formalisation of the Ashford's Future Partnership Board and the related incorporation of a Special Purpose Vehicle

(Item 7 – Report by Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director, Environment & Regeneration)

(Mike Bodkin, Head of Urban Regeneration was in attendance for this item)

(1) The Ashford's Future Delivery Board is an informal partnership comprising the key organisations with a role to play in delivering successful, sustainable growth in Ashford. The founding partners comprise of Ashford Borough Council, the County Council, the South East England Development Agency (SEEDA) and English Partnerships (EP).

(2) Whilst the informal partnership had worked effectively to date, the Ashford growth area was entering a new phase of delivery. Given the scale of infrastructure that is needed to be provided to support the doubling size of the town, it was acknowledged that Ashford's Future Partnership would need to adapt and strengthen its programme and project management capacity. Accordingly, it was proposed that the current arrangements be revised to ensure the efficient delivery of key projects and the securing of resources.

(3) Cabinet noted that it was proposed to rename the current Ashford's Future Delivery Board (AFDB) to The Ashford's Future Partnership Board (AFPB) and to put in place revised membership arrangements. The AFPB would continue to be a public sector-led partnership retaining the responsibility for developing and championing the overall programme of development for Ashford.

(4) A Partnership Agreement between the four founder partners, Ashford Borough Council, Kent County Council, SEEDA and EP would be established through a formal (though not a legally binding) decision making framework and would replace the existing informal arrangements on which the partnership had been operating. Partner decisions would include the formal approval of the programme for development and agreeing funding priorities, committing founder partners to support the growth agenda, the allocation of Growth Area Funding and similar monies and in the future – tariff funding.

(5) The AFDB had also agreed on the incorporation of a company limited by guarantee to act as a Special Purpose Vehicle (SPV) to support the delivery of the Ashford's future programme. The company would have four public sector directors and four private sector directors including a private sector chairman, Robyn Pyle.

(6) The founding partners were each in the process of seeking their necessary approvals to participate in the SPV and revised AFPB. The proposed SPV would ensure:-

- (a) the delivery of key projects to include bringing forward town centre sites where a number of different partners are involved in delivery, addressing a number of infrastructure constraints, (including transport and flood risk management) and provided a more focussed better co-ordinated and better resourced structure. Attached to the report was a list of priority projects for the SPV which had been endorsed by the AFDB; and
- (b) to provide a programme management function on behalf of the AFPB. In this role, the SPV would ensure that all organisations with a responsibility for projects were identified in the Partnership's Programme for Development, were delivered on time and on budget and would report to the AFPB.

(7) Cabinet noted the staffing and structure for the SPV including the implications for the County Council which included legal issues, financial implications, partner role contributions and risks.

(8) Cabinet agreed that subject to:-

- (a) a full risk assessment being undertaken by the Chief Executive and the Director of Finance on the consequences of decisions made by the AFDB and the SPV;
- (b) the Director of Law & Governance reviewing and approving the proposed reporting regime of the SPV to the AFPB and being satisfied this facilitates robust scrutiny by the AFPB as Programme Management function; and
- (c) approval of finalised arrangements by EP, SEEDA, Department for Business Enterprise and Regulatory Reform (DBERR) (if required in respect of EP and SEEDA) and the Department of Communities and Local Government (DCLG) in respect of all AFPB and SPV arrangements and in particular in respect of DCLG's funding of such arrangements, that:-
 - (i) the County Council become a member of Ashford's Future SPV;
 - (ii) authorise Kent County Council entry into a Partnership Agreement and Members' agreement as outlined in the report to Cabinet;
 - (iii) to make appointments to represent the County Council on the AFPB and of a representative to attend general meetings of the SPV and exercise the County Council's voting rights as a member of the SPV on behalf of the County Council;
 - (iv) to delegate sufficient authority to such appointees to enable them fully to exercise the rights and discharge the duties relating to such appointments, acting as necessary of such in consultation with the Director of Law and Governance and Director of Finance;
 - (v) to nominate a director on the SPV Board to manage the company on behalf of the company members on such terms as the Director of Law and Governance shall approve;
 - (vi) delegate authority to the Managing Director of Environment and Regeneration in consultation with the Cabinet Member for Environment and Regeneration and the Director of Law and Governance to approve the final versions of the following document on behalf of the County Council:-
 - the SPV Memorandum and Articles Association;
 - the Members agreement;
 - the Partnership Agreement and authorise the Director of Law and Governance to execute those documents on behalf of the County Council.
 - (vii) to request all County Council Managing Directors to consider the implications of the proposed Ashford's Future SPV and programme for development on their service areas; and

(viii) note that a further report will be submitted, seeking approval of the terms of the Ashford's Future Programme for Development for SPV Business Plan.

The reasons for this decision are set out above and in the Cabinet report.

Background Documents: Available from the Author below:

1. Partnership Agreement
2. Memorandum and Articles of Association
3. Members Agreement
4. Accountable Body Procedures – report to ABC Executive
5. Ashford's Future Programme for Development
6. The relationship between the AFPB and the SPV
7. The proposed SPV staffing structure
8. Genecon Report
9. Bell Report

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 signed (Chief Executive)

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 date

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Decision Referred to Cabinet Scrutiny			
YES		NO	
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Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	
S			

Reconsideration of Decision Published

KENT COUNTY COUNCIL
RECORD OF CABINET DECISION



DECISION TAKEN ON

Cabinet
16 June 2008

DECISION NO.

08/01194

Local Involvement Network (LINK)

Item 14 – Report by Mr Graham Gibbens, Cabinet Member for Public Health and Mr Peter Gilroy, Chief Executive) (Mary Blanche, Senior Policy Manager was in attendance for this item)

(Mr Chard made a cautionary declaration on the basis that his wife might be connected with one of the organisations) who might have tendered to be the Host Organisation for the LINK)

- (1) Cabinet considered a paper setting out the two key roles for the County Council in meeting its obligations relating to the establishment of a LINK for Kent. These were:-
 - (a) to stimulate a wide public interest in LINKs and to encourage debate as to what would make an effective LINK for Kent;
 - (b) to appoint a host organisation, to set up and support the creation of a LINK for Kent.
- (2) Cabinet then noted the procurement process which had been undertaken for the host organisation, which because of the size of the contract, had been subject to the European Union rules and had been published in the Official Journal of the European Union.
- (3) Two organisations returned their tender documentation by the return date of 6 April 2008. The evaluation of process of tenders was noted.
- (4) Cabinet agreed that the County Council should:-
 - (a) enter into detailed negotiations with organisation B for the delivery of a LINK service in Kent; and
 - (b) subject to the Chief Executive being satisfied with the detailed terms and conditions the Chief Executive, following consultation with the Cabinet Member for Public Health be authorised to enter into the contract on behalf of the County Council.

The reasons for this decision are set out above and in the Cabinet report.

Background Documents:

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signed (Chief Executive)

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date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published