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Date: 1 April 2010

Dear Member

CORPORATE POLICY OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 8 APRIL 2010

I am now able to enclose, for consideration at next Thursday, 8 April 2010 meeting the following report that needs to be included with the papers for this item.

Agenda No	Item
B2	<u>Total Place</u> (Pages 1 - 46)

Yours sincerely



Peter Sass
Head of Democratic Services & Local Leadership

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Total Place Pilot Kent

Final Report

5 February 2010

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All reports and background research documents are available on request.

1.0 Executive Summary

21st Century Kent – a Blueprint for Success

Total Place Executive Summary

“Logic will get you from A to B but imagination will get you everywhere”

At the heart of this proposition is the citizen both as a consumer and shaper of future public services. They are our first and last consideration.

The annual public expenditure in Kent is £8.25 billion. It also holds over £5 billion of capital assets.

In addition to an improved customer experience and ability to target resources more effectively, this proposition will potentially deliver:

- Significant savings through the Gateway theme – based on the recent analysis of one process (redundancy) that shows a £2.2 million (one third) saving, predicted savings are in the region of tens of millions of pounds across the public sector in Kent. This supports the Asset Management theme and the Gateway principles will also enable savings across channels of access and the transformation of professional services.
- Revenue savings of approximately £40 million across Kent through the rationalisation of assets.
- Based on the global asset base of approximately £5bn and the Swale Deep Dive, indicative gross capital receipts suggest £720-£780m could be achieved over the next five years. Our current broad evaluation suggests £200m-£280m net savings given the current focus on asset management through “Putting the Front Line First: smarter government”. Further analysis is required on the gross/net figures (including moving costs) and this is work in progress.
- Significant revenue savings over the next ten years through the Cliftonville West and Margate Central theme (figures to come following local analysis).
- With the estimated conservative cost of £7 million on inspection and regulation, we believe with a root and branch review and a more proportionate system, we could save up to 50% of this figure locally. The national government savings by rationalising this whole system would be vastly more significant across the country.

Given the extraordinary economic circumstances, doing nothing is not an option. This proposition represents an opportunity to radically change the way public services are offered, procured and delivered across the public sector. It offers local and central government significant revenue and capital gains over the next five years whilst at the same time improving quality and outcomes from public services. This is profoundly important at a time when public resources are reducing.

The vision is to unlock the massive potential of the county’s economy, environment and people through an ambitious programme of transformation across all sectors of public services including the voluntary sector.

As part of this vision, this proposition outlines three practical themes that deliver both improvement and savings to the public sector:

1.1 Gateway

Gateway puts the citizen first and improves their experience of public services. Access to public and voluntary sector services should be simple, friendly, non-stigmatising and effective. The Gateway programme, which has been active since 2005, is achieving this by providing a single point of access across the three main channels – face-to-face, telephone and online. The vision is for coherence and includes the aspiration to move towards a single non-emergency number and a single web portal in addition to the physical Gateway network.

Gateway is a strategic plank of public policy in Kent with demonstrable outcomes both for citizens and organisations and offers the potential for significant savings as evidenced in this report. It is a strong working partnership.

1.2 Margate Central & Cliftonville West

The vision is to transform and regenerate an area of high deprivation and dependency with totally disproportionate public costs on a small number of people in disadvantaged communities into a flourishing coastal town with a strong identity, sense of community and independence. The proposition challenges public policy of both local and central government and fundamentally alters the way in which public services will be targeted within traditional statutory services. It also creates a strategic housing vehicle to drive forward the radical changes necessary.

1.3 Asset Management

The underpinning principle to this theme is that assets exist to enable access and service delivery to the people of Kent. It is estimated that the Kent public sector economy (including central government) has in the region of £5 billion (book value) of property assets, with annual running costs in the region of £300 million.

This proposition offers both central and local government significant revenue and capital savings by rationalising that estate, managing it more effectively and ultimately underpinning the continued modernising and transformation of public services. It presents an aspiration to explore radical vehicles to drive the maximum savings and greatest return.

These are three very different themes but there is a clear coherence about their outcomes:

- bold and brave transformational change, based on sophisticated customer intelligence
- measuring value from the customer's perspective rather than the professional or provider perspective
- 'lean thinking' approaches to process redesign
- relentless attention to efficiency gains and making assets work harder
- challenging cultural and regulatory obstacles, both locally and centrally
- building on collaborative working relationships to focus delivery on 'our place' and to meet our objectives for the people of Kent
- expenditure profiles on each of the key themes are interdependent and need to be open to analysis and further challenge to secure maximum benefit

The overall outcome for the customer is that together we deliver more and better than the sum of the parts.

In addition to these three radical themes, all of which have application across not just the Kent economy but nationally, recommendations are made about ways to reduce the cost of inspection and regulation, which currently stifle innovation and the law of unintended consequences apply, both in terms of cost and outcomes.

Kent has always been an innovative and imaginative county with a real sense of place. It is a key part of the UK's only global super region, the Greater South East. It is the UK's front door. Its history of innovation sets these propositions into its longer-term planning for the future. We believe that taking many small steps will deliver a radical vision and long-term sustainable efficiency gains.

2.0 Background: Kent – ‘The Place’

2.1 Our place and people

The Total Place pilot covers the administrative area of Kent County Council and 12 District Councils - home to some 1.4 million people.

A vibrant and dynamic county, it contains two of the south-east's four designated growth areas and is the main link between the UK and mainland Europe, with two international rail stations, the world's busiest passenger ferry port, two growing airports and the Channel Tunnel. Finding acceptable sites for the housing growth expected of Kent presents challenges for planners and causes concern for residents. Kent is also widely known for the quality of its countryside and landscape, and has a wealth of historic, cultural, leisure and educational facilities.

Kent has a service-based economy with significant numbers of people employed in health, social care, education, retail and tourism, and a predominantly small and medium-sized business sector which is thriving. It has a growing base in the creative industries and in sectors such as pharmaceuticals and bio-sciences. Kent businesses contribute £19.3bn per annum to the national economy. A quarter of the Kent workforce is qualified to at least NVQ level 4, but this trails both the national average and the average for the south east. The percentage of those with no qualifications, although below the national average, is higher than for the south east as a whole. Kent has no dominant centre of population but a network of 18 towns, the largest of which is Maidstone. Agriculture remains important but is not a significant employer. An above average proportion of the population lives in rural areas. Car ownership in Kent is also higher than the national average.

Kent's communities are diverse. We have 19 areas amongst the 10% most deprived in England as well as the most affluent postcode in England. Kent also has one of the largest Sikh communities outside London. The health of people in Kent is generally good; but there is a more than 16 year gap in life expectancy between certain wards. Kent is a relatively safe place to live, but public perception of the level of crime is still an issue – especially in relation to the links between alcohol, anti-social behaviour and crime. The success of the Port of Dover and the Channel Tunnel is reflected in the fact that HGV traffic through Kent is growing at 8% each year, placing a strain on the infrastructure.

The population of Kent has grown over the last ten years by more than the average for both the south east and the country as a whole and that growing population and increasing prosperity places demands on the environment, transport, housing and public services. The population is ageing and over the next few years Kent expects to have one of the UK's highest increases in the number of people aged 85, together with a fall in the number of under-18s. The accuracy of all estimates and forecasts of population is currently vulnerable to the rapid changes resulting from migration.

2.2 Challenges Facing Kent

Kent is a large and diverse county. Some challenges are experienced across Kent as a whole, but many are localised, reflecting Kent's diverse economy, geography and history.

Population The population is rising by 0.7% a year – faster than the rest of the South East and England. Kent has greater proportions of young people (5-14 years) and older people (50 plus) than the national average. Our population is getting older and living longer. This brings great opportunities, as well as challenges.

The growth agenda - Kent faces enormous pressure in the numbers of houses it will have to accommodate to meet government targets. The growth areas in Ashford and Thames Gateway, as well as the ongoing growth in housing across the rest of Kent, will have a significant impact on the county. This provides opportunities to create new, sustainable communities and attract investment, but brings challenges in terms of protecting the environment, integrating new and existing communities and providing the infrastructure to support growth. As well as new growth we have areas that are in need of regeneration, in particular our coastal towns, a major asset yet to reach their full potential.

Economic change - Kent currently has low employment growth, low household income and high deprivation compared to the rest of the south east. Skills levels are below the regional average with 12.2% of the working population having no qualifications.

Environmental and climate change - Kent's unique countryside, coast, natural resources and wildlife remain among its most prized assets, but all face considerable pressure from pollution, water scarcity, development and particularly climate change.

A diverse county - Kent has many distinct and diverse communities, both of interest and of place. There are significant differences in health outcomes, life expectancy, obesity, skills levels and substance misuse across Kent. We need to encourage cohesive communities and ones that are able to deal with change. West Kent overall is more affluent, but this masks pockets of high deprivation and also affordability problems. The area experiences issues such as high levels of commuting to London, the need to protect green belt and relatively high numbers of retired and economically inactive people. Parts of East Kent have major areas in need of regeneration and significant pockets of multiple deprivation, but many assets in the potential of coastal towns, a spectacular environment and a rich heritage.

Engaging communities - increasing the public's involvement in decision making and devolving power to individuals and local organisations is ever more important, hence the huge effort that partners have put into developing customer-focussed services, as set out below.

Promoting Independence - there is an established partnership approach to making a real difference to poorer communities in Kent. It works in the most disadvantaged localities and with the most disadvantaged groups in the population by building bespoke approaches to tackling the issues that lead to those people living lives of dependency.

Responding to the Challenges

The Kent Partnership has agreed and is developing a series of countywide strategies in response to these challenges. These include:

- Kent Children and Young People's Plan
- Living Life to the Full – A strategy for Public Health
- Living Later Life to the Full – A policy framework for later life
- Kent Community Safety Agreement
- Unlocking Kent's Potential – A framework for regeneration
- Growth Without Gridlock – An Integrated Transport Strategy for Kent
- Kent Environment Strategy – A high quality environment for a flourishing Kent
- A Cultural Strategy for Kent – Consensus, Collaboration, Creativity

In addition Kent has agreed a series of Local Public Service Agreements and Local Area Agreements since 2001. The most recent one, 'Kent Agreement 2', for the period 2008 –

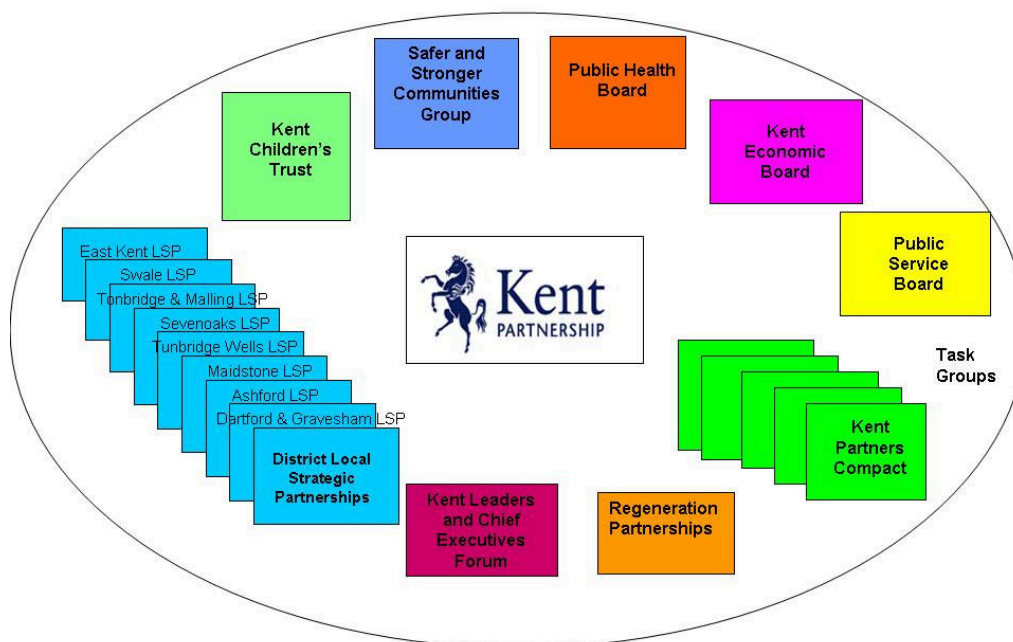
2011, includes 35 targets negotiated with government through the Government Office. Many of these are milestones targets which contribute to the bolder ambitions set out in the *Vision for Kent*.

2.3 Our Partnership

The Kent Partnership, our county-wide local strategic partnership, was formed in 2002 with membership reflecting the whole spectrum of the public realm, business, community, faith and third sector organisations serving Kent. Partners included are:

- | | |
|---------------------------------------|-------------------------------------|
| Action with Communities in Rural Kent | Learning & Skills Council |
| Ashford Borough Council | Maidstone Borough Council |
| Creative Foundation | Maidstone Job Centre |
| Denne Group Ltd | Medway Council |
| Dover District Council | MORI |
| Dover Harbour Board | Natural England |
| NHS Eastern & Coastal Kent | Pfizer Limited |
| Environment Agency | SEEDA |
| Federation of Small Businesses | Sevenoaks District Council |
| GOSE | Swale Borough Council |
| Gravesham Borough Council | Thanet District Council |
| Kent Economic Board | Tonbridge & Malling Borough Council |
| Kent County Council | Tunbridge Wells Borough Council |
| Kent Equality Cohesion Council | University of Kent |
| Kent Fire & Rescue Services | Voluntary Action West Kent |
| Kent Invicta Chamber of Commerce | NHS West Kent |
| Kent Police Authority | Youth House |
| Kent Police | |

Achieving the Vision for Kent and Kent Agreement



The Kent Partnership has four Working Groups which take forward service delivery. These are:

- Kent Children's Trust
- Safer and Stronger Communities Group
- Public Health Board
- Kent Economic Board

Senior representatives of the public sector form the 'Kent Public Service Board'.

There are also eight district-based Local Strategic Partnerships covering the twelve district areas in Kent.

The 2009 Comprehensive Area Assessment judged the partnerships in Kent to be very effective as evidenced by Kent's two green flags (for improving skills to match Kent's growing economy, and for improving access to services via Gateways) and no red flags. Collectively we have a strong track record of successful Kent Agreements, delivering performance reward grant, with a further injection of reward grant expected in 2011. In Kent, partnerships across the public sector, voluntary organisations and the business community are robust and we know we can work together to effect the transformation needed to support people and businesses through the tough financial times ahead.

2.4 Our Vision: Kent's Sustainable Community Strategy

The Kent Partnership agreed its first Sustainable Community Strategy, called '*The Vision for Kent*' in 2002. This was reviewed and re-launched in 2006 following very significant engagement across Kent. A further refresh has just been initiated.

The '*The Vision for Kent*' sets the ambition that the key players in Kent share as they work together to improve the quality of life everyone in Kent. In summary, our vision is that Kent will be a county where:

- a vibrant and successful economy and targeted regeneration are delivered and sustained
- learning is stimulated and supported for everyone – for life, for employment and for enjoyment
- people lead healthier lives and enjoy high-quality services that meet their needs for health, care and well-being
- a high-quality environment and countryside are protected and enhanced for current and future generations
- communities are stronger, safer and confident in the face of change
- residents and visitors enjoy life through an enhanced and accessible range of recreational, sporting, artistic and cultural opportunities
- jobs and services are easily accessible for all sections of the community and congestion and pollution are reduced
- housing needs are met and decent high-quality homes help create attractive, safe and friendly communities

2.5 Kent's Journey towards customer-focused services

We know that increasingly, citizens will access statutory public and voluntary sector services in a way that suits their personal circumstances. We are bringing together access across the public sector through telephone, web or face-to-face, and ensuring that service quality and outcomes are achieved irrespective of the access channel.

We are adopting innovative approaches in order to communicate and engage directly with people in Kent, such as:

- KentTV – exploiting broadband connectivity
- Local Boards – new ways of engagement between local politicians and local people
- Web-casting the democratic activity (e.g. committees/boards)
- Co-production with citizens using 'i2i' Insight to Innovation, a tool for gathering and exploring service needs and gaps
- "The House" – a highly successful series of targeted public health innovations aimed at young people
- Children and Families Enterprise (CAFÉ) – intensive and exceptional support service for offenders and their families (winner of the 'Working with Offenders', Justice Awards)
- Community-led planning support – empowering communities to develop action plans based on collective vision
- Social Inclusion Programme – an initiative led by Kent Police to tackle crime and anti-social behaviour amongst young people (winner of the 2009 Tilley Award)
- Kent Connects – short listed for the BCS & Computing UK IT Industry 2009's 'Public Sector Project of the Year'
- Use of web-jamming, social networking and other modern communication tools

We now ensure service design is predicated on customer need, using a wide range of customer insight processes including:-

- local engagement forums supported by both county and district politicians
- multi-agency "place" surveys
- multi-agency Gateway customer satisfaction surveys (National benchmark)
- joint strategic needs assessment
- Customer Insight using Mosaic – a partnership collaboration based on uploaded transaction data providing very rich geographical information and a service framework organised at postcode level
- Kent Crime View

This enables us to personalise services (e.g. Kent Card, Telehealth etc) as well as target resources more effectively.

3.0 Counting / High Level Spend Mapping

3.1 The High level Count

Kent has been undertaking a high level mapping of total public sector spend since 2004/05 and we believe we were one of the first (if not the first) county to undertake such an exercise. This exercise has been aimed at obtaining a clearer picture of total spend in the county by district council area. The survey is a “top-down” and “bottom-up” approach undertaken by asking organisations to complete a return on their total spending in the county by district council area, then cross-checking to total public expenditure reports.

The information has been compiled using a combination of directly allocated spending for some authorities/agencies/services and apportioning expenditure for others according to proxy indicators of spending requirements (see Appendix One). This produces a reasonably accurate picture of total expenditure across the county although the picture gets less precise the more we focus on local areas. We have used the information as a demonstration of potential rather than to influence decision making about spending priorities. The information has been shared across the partners via the Kent Partnership Board and shows the **annual public expenditure in Kent is £8.25 billion. In addition, it holds over £5 billion of capital assets.**

In the time and resources available to us during this first phase of the *Total Place* pilot, we have taken the view we would continue with the methodology and resulting expenditure spreadsheet that is known and familiar to Kent Partnership colleagues. It represents reasonable accuracy rather than precision and offers an efficient and effective method of gathering this data within the pilot timeframe.

3.2 The Deep Dive exercise

As part of the ‘Deep Dive’ exercise, the Kent Partnership is developing a financial counting model to support the Total Place objectives and ongoing strategic decision making. In order to develop and use this model, intensive work has been undertaken to collect and analyse data from multiple sources including all Total Place partners. By using data from the management accounts of individual authorities/agencies rather than published information from financial accounts, we expect to get a much clearer picture of the rationale for decision making and a closer link to outcomes than can be achieved from examining financial accounts.

Analysis has been focused around the three Kent themes, Margate Central & Cliftonville West, Asset Management and Gateway Multi-Channel - using financial data to support the development of sustainable business cases. This has been delivered through the use of analysis workshops involving local partner organisations. By understanding what is being spent at a micro level, the Kent pilot aims to map the relationship between service user needs, expenditure by organisation and place. This will help to identify blockages in the system and drive forward new and innovative ways of working.

This counting approach represents the first step towards the development of a modelling toolkit to support strategic decision making. Better understanding the linkage across these areas and developing dynamic scenario models will allow Kent to make better informed investment and quality improvement decisions.

3.3 The Cost Burden of Inspection and Regulation

Summary

The view is that this is a very important aspect of Total Place in that the current inspectorial and regulatory regime has developed into an industry in its own right. Initial research has identified serious burdens across the sector both nationally and locally. We have to date identified a Kent burden in the region of £7m (see Appendix Two) however this is clearly under-represented at present. Work continues to refine this figure.

Our view is that this burden is totally disproportionate to both risk and value. The current system is not outcome focused and is still based on silo mentality, has major overlaps and is out of control. It needs a root and branch review. Given the current and future economic situation this approach to inspection and regulation is non-sustainable.

This is work in progress, but these are our findings to date:

- The number of inspections that local authorities now face massively impacts on the resources available to provide frontline services for our communities.
- Nationally, inspections and red tape bureaucracy costs around £500-600 million a year, creating a significant financial burden on local authorities.
- This level of interference is completely unnecessary for consistently high performing authorities and eliminates innovation and creativity.
- Earned autonomy for consistently excellent authorities has not been delivered and the promised “freedoms & flexibilities” have not been forthcoming.
- This massive growth in the regulation industry is seriously damaging the innovation and flair of our business communities.
- The overwhelming nature of regulation on the private and public sector, and its insidious encroachment on family life must be halted before it erodes our society, disempowering personal responsibility and accountability.
- In tough financial times, we need to concentrate our efforts on the challenges ahead rather than having the energies of our staff diverted from frontline delivery.

Kent County Council

The burden of regulation and inspection on Kent County Council in 2007/8 alone was **£1.2-1.7 million**.

Health

The cost of regulation and inspection across the whole NHS in Kent during 2008/09 was in the range of **£2m - £2.5m**.

Police

Information received from Kent Police identifies a figure of **£344,500**

District / Borough Councils

Information received from Tunbridge Wells Borough Council identifies a current spending commitment of £222,010. If this were used to estimate the burden across 12 district/borough councils, this would provide an indicative figure of **£2.7m**.

Fire, Central Government services in Kent

No costed information was available in the timescales

This gives a total conservative estimate of the burden of inspection in Kent of £7 million.

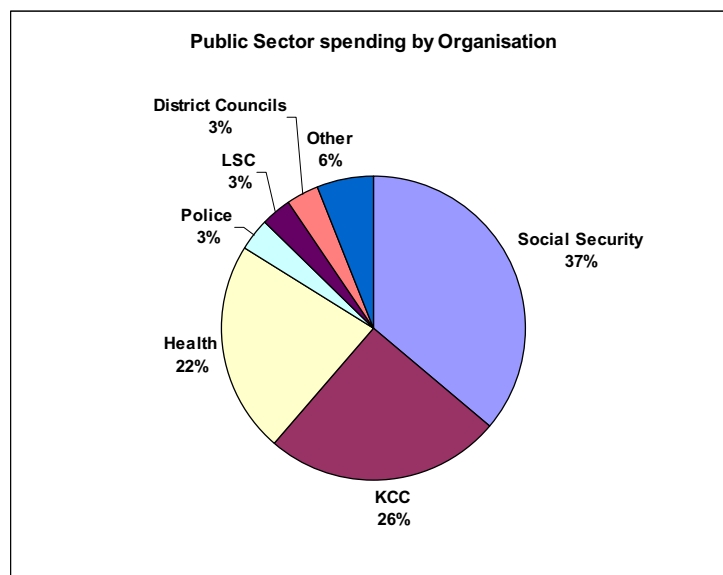
3.4 Counting / High Level Spend Mapping Conclusions

We have concluded that undertaking a regular survey to determine the total public sector spending is a useful exercise if only for information purposes. We have also concluded that where a direct allocation of costs to individual is not readily available that an apportionment on a proxy basis is sufficiently accurate.

We recommend that the analysis should be based on planned rather than actual spend as information on actual spend is too out of date by the time it is available. We have concluded that spend should be categorised using the CIPFA methodology used by local authorities for Government returns (RA and RO).

The total planned revenue spend in Kent on public services in 2008/09 is £8.25bn. £4.3bn is spent by locally accountable bodies (elected councils, fire and police authorities and PCTs), £3.35bn is spend by government departments and the remainder by non departmental public bodies. This equates to approx £5,900 revenue spend per head of population. The largest single area of spending is in social security payments £3.3bn, followed by Health £1.9bn and Education £1.5bn. Total capital spend for 2008/09 is £700m

The most significant omission (and we believe it is potentially very significant) is expenditure by the Ministry of Defence. The significance of this only became apparent during our very initial work on mapping the asset base of the public sector in Kent in connection with the asset management strategy sub-theme in the Kent *Total Place* project



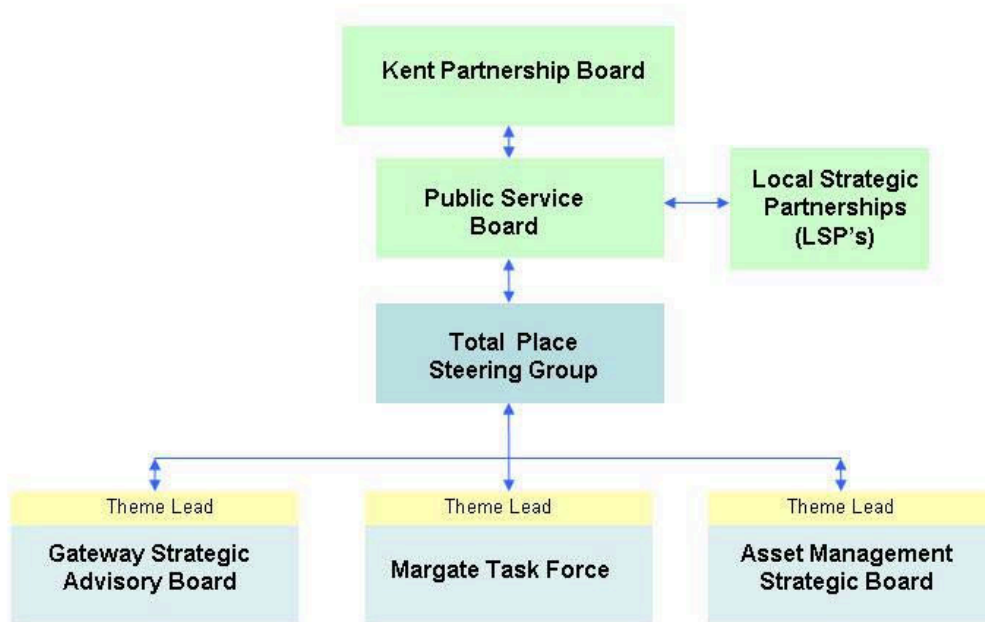
3.5 Next Steps

Our intention is for the information to be used to inform spending decisions and in order to achieve this, valid comparisons need to be available. These need to include performance and outcome information as well as benchmarks with other authorities. It is therefore essential that information is collected on a consistent basis.

We will continue to undertake a regular survey and intend to carry out an update in 2010/11.

4.0 Governance of the Total Place pilot within Kent

Total Place (Kent) – Governance Structure



Governance of the Total Place pilot programme was provided through the structure outlined above. The multi-agency nature of these Boards provided a natural 'home' for the Total Place themes as discussions were well established and had been ongoing for some time.

The exception to this is the Asset Management Strategic Board which was formed as a direct result of the Total Place pilot programme.

5.0 The Gateway Theme

Gateway puts the citizen first and improves their experience of public services. Access to public and voluntary sector services should be simple, friendly, non-stigmatising and effective. The Gateway programme, which has been active since 2005, is achieving this by a single point of access across the three main channels – face-to-face, telephone and online. The vision is for coherence and includes the aspiration to move towards a single non-emergency number and a single web portal in addition to the physical Gateway network.

Gateway is a strategic plank of public policy in Kent with demonstrable outcomes both for citizens and organisations and offers the potential for significant savings as evidenced in this report. It is a strong working partnership.

5.1 Rationale

The Gateway initiative provides access to integrated public and voluntary sector services which are simple, friendly and effective and puts the customer first. The Gateway programme aims to achieve this by providing a single point of access across three main channels – face-to-face (f2f), telephone and online.

The vision is for coherent access, including the aspiration to move towards a single non-emergency number and a single local web portal in addition to the physical and mobile Gateway network.

By taking this approach, public sector organisations in Kent are able to rationalise their front and back-office processes, and achieve reductions in their physical estate whilst enhancing relationships with citizens and improving customer satisfaction.

Experience to date gained through customer insight work and intelligence gathering indicates that customer satisfaction levels are and will continue to be high with this approach (satisfaction levels in excess of 90% currently reported).

To sustain and improve these levels of satisfaction, it is critical that the Gateway service model continues to evolve and integrates Central Government agencies such as DWP (JCP etc). The added profile and visibility of Gateway through the Total Place pilot has begun to open-up this potential.

The importance of Gateway as a theme is as follows:

- The Gateway approach first and foremost considers the customer and their needs as the primary driver for change
- Establishing simple shared access environments simplifies the customer journey, improving efficiency and effectiveness
- The Gateway approach enables the release and disposal of assets that are no longer required
- Builds strong local 'delivery partnerships' - responsive to strategic aims (e.g. Margate Task Force)
- Close to citizens and place

5.2 The Gateway Programme

The Gateway offering is not just about grouping sets of public services in one building. The concept is fundamentally deeper than this and is focussed on harmonising complex processes and improving customer experience of public and voluntary sector services. This is achieved by ensuring cross-referrals are made appropriately when required thereby easing and demystifying access to an increasingly complex yet diverse range of services.

The potential for significant cashable savings and efficiency gains is being exposed through a key Gateway initiative – ‘service hubs’. A specific analysis of the existing process pathway relating to unemployment and subsequent redesign reveals possible savings of £2.2 million on that one process alone, which if scaled up across other processes leads to the potential for tens of millions of pounds savings (see Appendix 3.3). The implementation of the DWP led ‘*Tell Us Once*’ pilot in six district areas has indicated local savings of £500k per annum.

The Gateway brand is gaining recognition and a very positive reputation both locally and throughout Kent. The Gateway experience provides the environment and opportunity to align a significant number of related transactions or processes currently delivered from multiple locations.

Existing ‘services’ can appear fragmented and inefficient to citizens who resent the burden placed upon them to ‘comply’ with the perceived bureaucratic processes. The Gateway experience aims to be non-stigmatising, non-threatening and accessible.

There has been significant frustration at local level regarding the engagement of central Government Department representatives in service model development for Gateway. While the impact of the recession is acknowledged, where the adversity could have been the driver for innovation and creativity, in reality existing resources have been further constrained. Until recently, for example, it proved impossible to engage local Jobcentre Plus colleagues in joint exploration of service improvement opportunities through shared work stream development.

Following a letter from the Chief Executive of Jobcentre Plus to Chief Executives of Total Place pilot areas expressing Jobcentre Plus' willingness to *"establish the extent to which we can flex our core business model to meet differing levels of need at a more local level where there is a robust case for doing so"*, local discussions to map out customers journeys and explore service improvement opportunities have now begun. These will build on DWP Pensions and Disability and Carers Service (PDCS) commitment to train some Gateway staff in Pensions Credit activity.

DWP commissioned partners such as Maximus (New Deal) and RBLI (Pathways to Work) have also become active delivery partners working through a number of Gateway locations across the county.

Citizens recognise the synergy and added efficiency of linking aspects of Jobcentre Plus service delivery during their Gateway visit. Fundamentally the service models appear diametrically opposed with JCP driven by process efficiency, a customer channel strategy which regards face to face contact as a premium (most expensive) service line, and tight 'command and control' national performance frameworks.

Prior to the Total Place Pilot dialogue between some of the key players (e.g. Gateway, JCP etc) has been constrained by a perceived lack of freedom to address profound differences in the service models. The added impetus of the Total Place pilot programme has led to more constructive local dialogue with some central government partners, with positive indications for future involvement. Key partners such as HMRC, Land Registry and Job Centre Plus

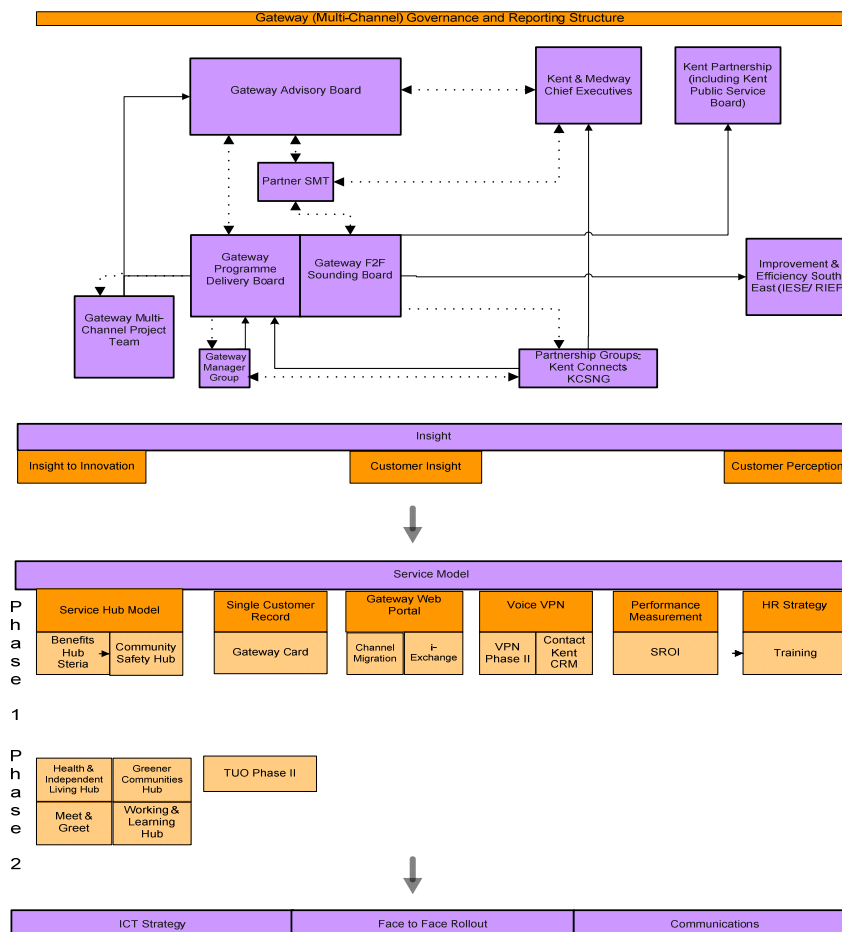
have begun to engage meaningfully and local dialogue is more constructive, with positive indications for future involvement

5.3 Gateway – Governance and Approach

This initiative was launched in 2005, with the opening of the Ashford Gateway Pilot. The first strategy was published in 2007. Governance for Gateway Multi-channel is described in the following diagram. The executive boards have representation of multi-agency partners operating across Kent. During the Total Place pilot, it was agreed that the Gateway theme would continue to report through the existing Gateway Advisory Board.

Kent County Council has spearheaded the development of the Gateway model and has relied on the cooperation of key partners to take this strategy forward across Kent. A collaborative approach has been developed that enables partners to participate fully on interpreting the Gateway methodology and approach in their location (place). A key component of this approach has been shared ownership of the project at the point of service delivery.

Governance and Programme Structure for Gateway delivery



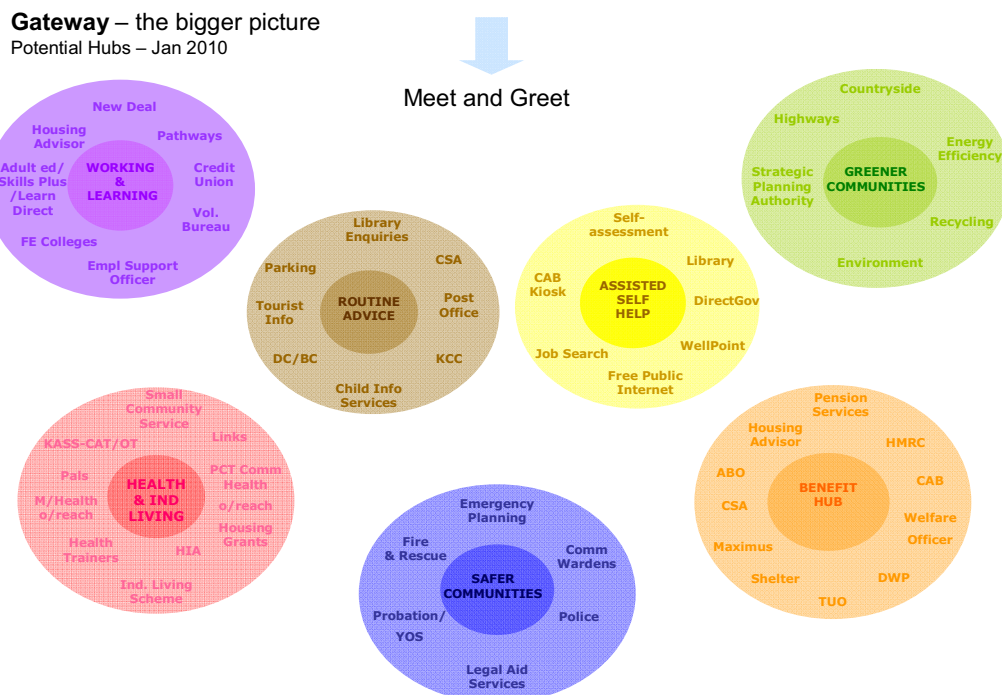
Underpinning the partnership between county and district/borough councils are formal agreements that articulate the aims, acknowledge the financial accountability within the partnership and provide clear statements of the operational responsibilities.

The shared investment of time and expertise has created a learning partnership with the vision, commitment and capability to deliver continuous improvement. Within the governance structure, smaller best practice groups explore change issues on behalf of the network and present options for improvement. Confidence within the partnership is such that there is recognition that our fundamental aim - to improve customer experience – will require the radical re-engineering of outdated, organisationally-focused and inefficient processes that no longer reflect customer choice in a modern society.

Our current Gateway thinking centres on the establishment of ‘Service Hubs’. These represent the fundamental building blocks of the Gateway model. A hub will comprise of agencies or key representatives that have most adjacency in resolving a complex enquiry. For the customer the journey or process becomes transparent, maximises the opportunity for cross-referral, and demonstrates efficiency and improved effectiveness.

Currently work streams are progressing for face-to-face (f2f), telephone and web channels, building on the learning from customer experience, and striving for the same quality and efficiency across all three channels, improving customer choice.

There are five key service hubs as indicated below. None of these groupings are mutually exclusive, and provide partner agencies with a different environment through which they can identify and explore opportunities for closer working and effective referrals processes. (Meet & Greet provides a triage service to ensure that citizens achieve service fulfilment for routine transactions and are offered supported self-serve opportunities wherever possible for future enquiries).



A combined team of service representatives drawn from across the partnership have constructed a detailed journey map of the customer journey in relation to unemployment ‘as is’, and have subsequently determined that a radical re-design of multi-agency processes would provide the potential for significant efficiency savings to be realised. An initial breakdown of the approach, the journey maps and potential cost efficiencies can be found in Appendix 3.3

We are utilising the customer survey information** with Gateway face-to-face in combination with the Customer Profile work stream. This is an EU funded development which will provide a 'Customer Insight' template for all Kent partners.

The Service Delivery Frameworks present a core profile of needs, wants, and service gaps. The frameworks provide the basis for the service hubs appropriate for each Gateway development and provide insight into the development of telephone, online and self-help services.

The Customer Insight approach is enabling partners to develop a common perspective on place, community and service delivery. This core data provides the basis for future commissioning and targeting of services or on order to achieve the key outcomes for citizens.

A snapshot example of the multi-agency Service Delivery Framework 2009

K&M Segment		Type Description	Count of Households in Tunbridge Wells	Percentage of Households in Tunbridge Wells	Housing Benefit Claimants	Council Tax Benefit Claimants	CRM Contact: Phone	CRM Contact: Personal Visit	Council Tax: Band A	Council Tax: Band B	Council Tax: Band C	Council Tax: Band D-H	Council Arrears £100
One	*Kent's most highly educated and financially successful citizens, living in sought after locations.*	15,513	32.90%	Low	Low	Low	Low	Low	Low	Low	High	Low	
				581 / 5373	753 / 6185	290 / 2128	127 / 1030	351 / 3413	771 / 5041	1826 / 12331	12512 / 24338	632 / 3	
Two	*Affluent older workers approaching a secure retirement, living in pleasant private housing*	4,536	9.75%	Low	Average	Average	Low	Low	Low	Above Average	Average	Low	
				393 / 5373	633 / 6185	202 / 2128	61 / 1030	38 / 3413	203 / 5041	154 / 12331	2822 / 24338	117 / 3	
Three	*Young singles and families in steady employment, who enjoy a prosperous lifestyle in relatively small houses*	5,308	11.26%	Average	Average	Average	High	Low	High	High	Low	High	
				655 / 5373	634 / 6185	281 / 2128	244 / 1030	303 / 3413	866 / 5041	3266 / 12331	878 / 24338	546 / 3	
Four	*Young, full nest families that have recently bought modern, spacious housing*	2,684	5.63%	Below Average	Below Average	Above Average	Low	Low	Low	High	Average	Average	
				249 / 5373	235 / 6185	146 / 2128	46 / 1030	17 / 3413	106 / 5041	1177 / 12331	1402 / 24338	202 / 3	
Five	*Immigrants of South Asian descent in a diverse range professions*	143	0.30%	High	High	Low	High	Low	High	Below Average	Low	High	
				34 / 5373	33 / 6185	5 / 2128	5 / 1030	3 / 3413	44 / 5041	33 / 12331	28 / 24338	18 / 30	
Six	*Well qualified young singles and couples, working in professional occupations and living in urban locations*	2,353	6.26%	Low	Low	Average	High	High	High	Below Average	Low	High	
				227 / 5373	213 / 6185	123 / 2128	192 / 1030	363 / 3413	760 / 5041	730 / 12331	1021 / 24338	232 / 3	
Seven	*Disadvantaged young singles renting small properties in unfavourable town centre locations*	1,431	3.16%	Average	Below Average	Low	Below Average	High	High	Low	Low	High	
				200 / 5373	181 / 6185	22 / 2128	28 / 1030	71 / 3413	276 / 5041	130 / 12331	56 / 24338	153 / 3	
Eight	*Deprived families on low incomes with poor employment prospects and a heavy reliance on welfare*	4,713	9.99%	High	High	High	High	High	High	High	Low	High	
				153 / 5373	165 / 6185	348 / 2128	206 / 1030	568 / 3413	745 / 5041	2635 / 12331	478 / 24338	603 / 3	
Nine	*Pensioners and Older people, some of whom are still working, living on limited incomes with high care needs*	3,407	7.22%	High	High	Average	Average	High	High	Below Average	Low	Low	
				1267 / 5373	1315 / 6185	153 / 2128	75 / 1030	889 / 3413	1118 / 5041	881 / 12331	482 / 24338	167 / 3	
Ten	*Affluent older people retired after successful careers with active and fulfilling lifestyles*	904	1.92%	Low	Average	High	Low	Low	Low	High	High	Low	

** Full and detailed customer feedback is illustrated in Appendix 3.4

5.4 Progress to date

The face-to-face Gateway channel has been under development since 2005. The first phase of the roll-out strategy began in 2007 and there are now seven Gateway facilities established in key towns within Kent, with a further six planned. In addition we have established two

Mobile Gateway facilities to provide access to more rural locations, with two more planned. (See Annex 3.1 for illustration).

The footfall through the existing Gateway network of seven locations (full year effect) is anticipated to be in excess of one million.

The Service Mix – 60 partners collaborating through Gateway

Ashford Borough Council	Health trainer	Registrars
Adult Education	Hi-Kent	Sevenoaks District Council
Alcohol services	Isle of Thanet credit union	Shaw Trust
Business Link	KCC contact centre	Shepway District Council
Care Navigator	KCC social care	Sign Video
Canterbury City Council	KCC adult social services	Skills Plus
Centre for independent living - Kent	Kent County Council	Substance Misuse
Chamber of Commerce	Kent Police	Supporting Independence Programme
Citizens Advice Bureau	Kent Supported Employment	Swale District Council
Community wardens	Learn Direct	Tell Us Once
Connexions	Libraries & Archives	Thanet District Council
Dartford Borough Council	Library reading group	Thanet user forum book club
Domestic violence	Maidstone Borough Council	Tonbridge & Malling Borough Council
Dover District Council	Maidstone carers project	Tunbridge Wells Borough Council
NHS Eastern and Coastal Kent	Mental Health care team	Voluntary Action West Kent
European migrant helpline	Next Steps	Water for work well point
Financial assessment benefits officer	NHS	West Kent college
Gravesham Borough council	NHS smoking cessation	West Kent mediation
Fire and Rescue	Occupational Therapy	NHS West Kent
Forget-me-nots	Porchlight	YWCA
Headway	Post Office	
	RBLI pathways to work	

Gateway multi-channel

Since 2008 a number of phone and web initiatives now link Gateway principles to virtual channels of delivery.

Gateway has established links across non-emergency call centres throughout the public sector by extending the use of an existing Virtual Private Network (VPN). By establishing these links, partners have developed efficient call-handling protocols, thereby improving customer experience, building trust between partners and improving the skills of call-handling agents.

The benefits partners are already experiencing include:

- the ability to use VPN in business continuity planning (routing calls to another organisation over the VPN in the event of a technical failure)
- efficiency savings (where agents can directly route specialist calls rather than the call being double handled by the switchboard/contact centre)
- reduced avoidable contact (where agents can answer frequently asked questions on behalf of other organisations)

- through the cultural and operational change that is possible through linking telephony systems, customers' experience of access has and will continue to improve

The cultural and operational change described above is a strategically important fore-runner for Unified Communications, with target delivery in 2012. Unified Communications will build on what is already being achieved through the VPN by offering increased functionality that will improve the offering our customers.

The VPN is now live between Kent County Council, all 12 districts and boroughs, Kent Fire & Rescue and Kent Police and commitment has also been given by NHS Eastern and Coastal Kent and Medway Unitary Authority to be part of this initiative.

The VPN provides an interim platform for the implementation of the Community Safety Hub. The Community Safety Hub is a 'virtual hub', which may ultimately be accessed by a single non-emergency number. The model echoes the *Tell Us Once* approach, enabling customers' to report community safety issues 'once' via a single point of contact. The recipient acts as the 'spoke', transmitting relevant information (with the customer's permission) to the relevant agencies to be dealt with.

For organisations the community safety hub will aim to achieve efficiency savings as a result of business process re-engineering and supporting technological changes to front and back-office systems. Kent Police have expressed a strong will to work more closely on telephone connectivity.

Gateway Multi-channel also has a focus on improving and increasing online transactions. The Web is cost-effective, however, anecdotal information suggests that council websites offer customers the lowest satisfaction rate of all three channels. In order to be effective in persuading customers to migrate to online services, the public sector needs to improve the experience it offers.

In order to improve and increase availability of online transactions, partners are collaborating to identify priorities. The options chosen will aim to offer more holistic and complete resolution for customers, across organisational boundaries, to realise benefits for as many partners as possible. For example, one option identified and currently being explored is for customers registering a change of circumstance (e.g. address change) online, applying similar principles to '*Tell Us Once*'.

5.5 Costs/Benefits

The Gateway programme has contributed to significant savings already within KCC and partner organisations. For example:

- An indicative saving of £500k per year across the 6 district areas piloting the '*Tell Us Once*' initiative by reducing the number of transactions involved to register a death from 8 to 1 and linking 26 separate services across six government organisations. This will be expanded county-wide from April 2010.
- Social Return on Investment (SRoI) model of assessment demonstrates the impact of Skills Plus since it has been delivered through Ashford Gateway. The analysis indicates a £15 return for every £1 invested. (see Appendix 3.2 for SRoI details)

- Asset rationalisation will deliver significant savings enabled by the Gateway model.

For example:

- Kent County Council strategy called *Better Work Places* predicts revenue savings in excess of £1 million per year within the next three years
- Savings of £250k pa are predicted by Thanet District Council following the opening of Thanet Gateway

The prospects for future savings are much more significant

Over the last few months we have, with independent advisors, looked in detail at how the Gateway approach could improve the customer experience and the cost of providing front office services to someone who has recently become unemployed. See Appendix 3.3 for journey mapping analysis. That analysis has shown for example;

- that we could reduce the number of assessment forms that person has to complete from 5 to 1.
- reduce the number of visits to the public agencies from 4 to 1.

In doing so, the time taken to deal with that customer is reduced by a third. Subsequent analysis shows that the estimated cost of dealing with face-to-face contact with newly unemployed people in Kent could reduce from the current cost of around £6.6m per year, to £4.4m per year, **a saving of around £2.2m per year on one process alone**. Given this significant increase in efficiency, we have already begun to look at:

- the social return on investment (SROI) that improvements to this service would bring
- potential efficiencies from other transactions and processes undertaken by visitors and staff at the Gateway (the above example on redundancy accounts for less than 20% of all visits)
- the potential savings from back office processes (see below)

If we can save a third of the cost of this one process, which accounts for less than 20% of the footfall in gateways, **can we apply a similar improvement to the other 80%**? Then of course there are visits to other access points outside Gateway. While assuming we can reduce everything by a third could be optimistic, there is clearly scope for further very significant savings (see Appendix 3).

Despite the size of the potential savings from the above in terms of front-office, **the major 'win' from this approach is likely to come from the potential back-office savings**. There is plenty of evidence from other studies that show that the back-office savings often dwarf the front-office ones. If we can truly break down the barriers that have impeded such projects before, such as data protection, assessment protocols, validation of evidence, documentation issues and culture then we could see savings greater than the third from the front-office example above. **We would as an absolute minimum guarantee a 25% reduction, but if Government allows these barriers to be removed, the cost savings and the social return from the Gateway approach is likely to be the biggest single contributor to the Total Place efficiency agenda, probably reaching several tens of £millions in Kent alone**. That in turn, will greatly assist in delivering the Asset management savings also detailed in this report (see Asset Management theme). It is interesting to note that the partnership between central and local government on "Tell Us Once" has begun to remove some of these barriers.

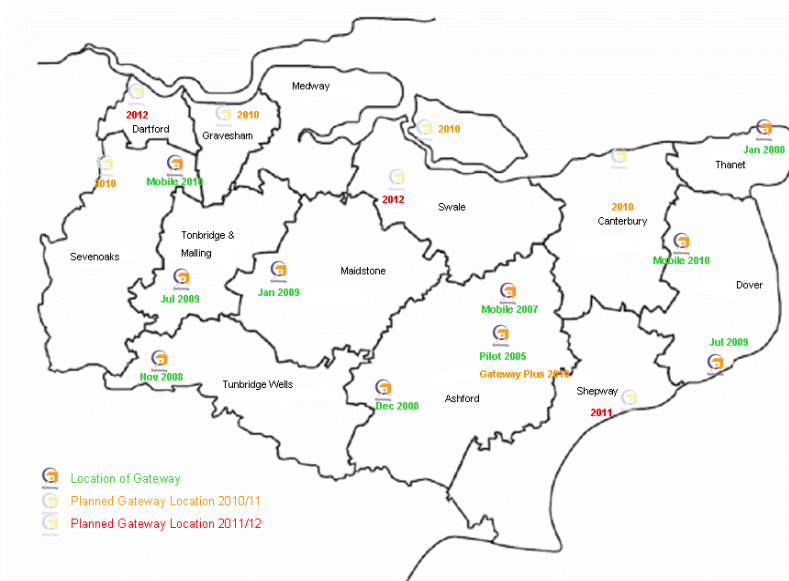
Furthermore, Kent is working on a “channel migration” to create a better quality experience for customers who wish to transact online. If one takes the retail industry as an example, with significant growth in customers transacting online, this will increase yet further the savings possible through the Gateway model from reduced labour costs.

SOCITIM research shows the following typical cost ratios in England per transaction channel:

- Face-to-face - £4.83 to £9.62
- Telephone - £1.28 to £5.57
- Online - £0.22 - £0.56

Finally, through the VPN work on telephone connectivity, the ability to manage “peaks and troughs” more effectively across the public sector increases. Examples here include council tax enquiries and school admissions. The continued development of technology has the potential to support this vision yet further.

5.6 Gateway Roll-out 2009-12



Phase 2 Roll-Out includes new gateway projects in Sheerness, Isle of Sheppey in Swale; Swanley, Sevenoaks; Herne Bay, Canterbury; and Gravesend, Gravesham. Other collaborations include the development of Outreach Mobile service for Migrant and Minority community groups working with Thanet, CFE and Migrant Help Line, and exploring how best to support the implementation of 6 Integrated Offender Management Units (IOMU's) across Kent, as part of the Community Safety Hub.

5.7 Barriers identified through the Total Place pilot

National

- Data ownership, storage, confidentiality, and sharing protocols (a la 'Tell Us Once')
- Existing out-sourced contracts from central government agencies services (eg DWP/JCP) are prescriptive and inflexible
- A new financial model is required for sharing investment needs, benefits realisation and apportionment of costs etc across organisations

- Nationally prescribed performance frameworks create perverse or contradictory incentives for different partner organisations. This reflects the current performance-related regimes within central government departments that do not take into account departmental and local agency cross-over and related performance targets.
- National initiatives that fail to take account of local synergies and opportunities, e.g. DWP requirement on co-locating JC+ with Children's Centres irrespective of other local opportunities and priorities.
- Process-driven delivery models of some national agencies limit the opportunity to redefine and improve key processes. A more holistic and integrated intervention at the earliest point of contact would fundamentally change the perception and experience citizens have of the current 'benefit system'. This also constrains our capability to put the customer at the centre of the end to end processes. This has been a clear issue locally with Job Centre Plus.

Local

- Cultural issues – inability to understand and grasp the differing needs of key players and their service/performance-specific requirements
- The limited freedoms and flexibilities for some local partners to harmonise operating processes that will improve customer experience and outcome, whilst delivering efficiency gains, e.g. simpler and fewer transactions
- The understandable desire of partners for 'own brand' identity preventing a primary focus on the total customer experience
- Inconsistency in the degree of risk partners are willing to take when faced with the opportunity to make transformational changes
- Perceived barriers relating to budgetary constraints and investment including budgetary alignment

6.0 Margate Central and Cliftonville West

The vision is to transform and regenerate an area of high deprivation and dependency with totally disproportionate public costs on a small number of people in disadvantaged communities into a flourishing coastal town with a strong identity, sense of community and independence. The proposition challenges public policy of both local and central government and fundamentally alters the way in which public services will be targeted within traditional statutory services. It also creates a strategic housing vehicle to drive forward the radical changes necessary.

6.1 Rationale

This theme aims to address the significant and continuous public policy failure which has resulted in Cliftonville West and Margate Central being two of the most socially deprived wards in the UK.

All public sector agencies who work in Margate and Cliftonville west wards agree that despite their continued focus on this area - things are getting worse.

The collapse of the mass market UK tourism industry in the 1970s left Margate and also other coastal communities with limited employment opportunities and with an expanse of empty hotels.

Subsequently these hotels have turned into low end private rented accommodation, fuelled by the availability of housing benefit and was exploited by the public sector across the South East and the UK. This coincided with the closure of large scale institutions across the UK resulting in local government and other public agencies placing thousands of vulnerable people in sub standard accommodation in these two wards.

This migration has continued until the present day which continues to exacerbate any attempt to regenerate the area.

Against this background the Margate Task Force has been drawn together to look at how to create a new future for Margate, building on the national focus that will be brought to the town by the landmark Turner Contemporary gallery.

This theme is focused on multi-agency intervention by developing an agreed long-term strategy and neighbourhood plan shaped and directed through community engagement, for addressing the significant issues faced in the Cliftonville West and Margate Central wards.

Most spend goes on 'high cost' individuals and families. A range of conflicting drivers have, in effect, created and reinforced this complex and volatile cocktail as a result of failed public policy and professional practice, locally and nationally. It is agreed that if nothing changes, the cycle of deprivation will continue. The decline in the standards of accommodation will accelerate and the potential for a serious incident is likely to increase with all the consequential adverse impact and stigmatisation. The demand on support services is unsustainable. Without an overt focus on tackling the issues (which are further detailed below) in the wards, the regeneration of Margate as a whole will be seriously affected.

6.2 The profile of Margate Central and Cliftonville West

Through intensive discussions at all levels – from top decision-makers to local community leaders – we have more incisive and accurate demographic and financial data. A list of studies from which the following data is drawn is included in Appendix Four.

The combined **population** of Cliftonville West and Margate Central wards is **12,300** residents, representing 9.5% of total population of Thanet District. These are recognised as two of the most deprived wards in the country, as evidenced by the IMD results (Margate Central 63rd and Cliftonville West 118th out of 8214 wards in England). The wards include 5 Super Output Areas (SOA) ranked as the most deprived in Kent, of which 2 are the most deprived in South East England and in the most deprived 1% nationally.

As stated, Margate has suffered from a **long history** of other agencies such as local government and the health service, in Kent, London and nationally (as far afield as Scotland) **placing their vulnerable children, adults and families** in the overabundance of cheaper and poorer accommodation of Margate. The House of Commons Select Committee for Communities and Local Government chaired by Dr Phyllis Starkey MP received evidence on these practices in Margate and made recommendations to CLG to take more effective action. This is added to by the number of prisoners released from Kent prisons which are either directed to or find their own way to Margate as the “home” of cheap and anonymous accommodation (Prison review – KCC)

At the heart of this problem is the over-supply of mainly **substandard private rented accommodation**:

- As high as 88% in certain areas compared with 28.5% average in Thanet and 13% nationally.
- The estimate is 6,565 dwellings of which 2,586 have category one hazards under the Housing Health and Safety Rating System.
- 45% of households are single-occupation.
- 58% of properties are flats compared to the Kent average of 16%.
- 34% annual ‘churn’ - the transient nature of the residents of the two wards makes it extremely difficult to understand “who is behind the doors” and also to make a lasting impact on the area.
- Levels of home ownership are around 10% and falling.

These two wards have some of the **worst crime rates** in Kent with a combined crime rates of 247.3 per 1000 population, set against the county average of 71.3 per 1000 population (see Appendix Seven).

Violent crime - Margate Central had **471** and Cliftonville West had 386 compared to the ward average of **133** in Thanet. This is just over **three** times the average.

Burglary linked to local problematic drug users, accounts for 153 crimes a year in Cliftonville West alone and 66 crimes in Margate Central against a Thanet ward average of 33. Combined Burglary rate for these two wards is 17.8 compared to 8.2 across Kent

Average **life expectancy** in Margate Central is 72.7 years (2004 -2008 pooled data) - 17 years shorter than the best in Kent. Life expectancy at birth for males in Cliftonville West is 69.2, almost 18½ years below the best county average. Key killers for this population are circulatory disease (highest mortality rates in Thanet) and all cancers. Further work on this is in progress (Triple Aim report)

745 of Incapacity Benefit claims were for **mental and behavioural disorders** from a total of 1390 in the area (53.7%).

Approximately 34% of all GP referrals in Thanet to secondary mental health services emanate from these two wards.

The per capita spend across the PCT is £1571 per capita whereas in Margate it is £1935

- On **acute hospital care alone** the PCT spends an average of £440 per head of population for these two wards, compared with £361 per head of population for the PCT area as a whole. Local analysis of the differences between normal residences and houses of multiple occupancy (HMOs) show greater prevalence of mental health, substance abuse and skin problems and whilst prevalence of chronic illness (eg angina, chronic obstructive pulmonary disease) were similar, excess prescribing costs were found indicating more frequent exacerbations.
- A high proportion of Margate Central and Cliftonville West population use Accident and Emergency sites across NHS Eastern and Coastal Kent particularly the Queen Elizabeth Queen Mother hospital in Thanet. There are a high number of repeat attendees for minor conditions (some more than ten times per annum) and a **high proportion of GP unregistered patients come from these two wards** .

Thanet has 13,400 **Housing Benefit** claimants. The highest in Kent after Thanet is Swale with 9,850. 28.8% of all Thanet's Housing Benefit claimants live in these two wards - an estimated 3787 claimants (57.65% of total households in two wards). This in an area with very little affordable housing.

Working age population on benefits

Margate Central

38.9% on benefit – second worst in Kent
9.9% on Disability Living Allowance
18.7% on Incapacity Benefit – worst in Kent

Cliftonville West

39% on benefit – worst in Kent
9.4% on Disability Living Allowance
18.5% on Incapacity Benefit – second worse in Kent

Approximately 15% of KCC's **children's social work cases** in Thanet are found in these two wards. This includes a disproportionate number requiring statutory intervention.

In Kent there are 2,948 **Looked After Children (LAC)**. This figure is made up of 1,195 Kent children, of which 264 are placed in Thanet and 25 are placed in these two wards. Unaccompanied Minors (Asylum) account for 253, of which 19 are placed in Thanet, with 0 placed in these two wards. Other Local Authority LAC placed in Kent are 1,500 of which, 267 are placed in Thanet and 45 in these two wards.

Kent also supports 9,876 children under Section 17 (Children In Need). 1,000 of these children are in Thanet, with 155 placed in these two wards.

There are also 16 private and voluntary children's homes in Thanet.

Of the 2036 school aged pupils in the area, 53 (2.6%) have a **Statement of Special Educational Needs**. This represents 9.2% of all Thanet's children with a Statement (678).

Adult Social Care

There are over 200 people who receive significant Adult Social Care services including 140 elderly, 60 with learning disabilities and 13 with physical disabilities.

There are 98 units of accommodation (funded through Supporting People) in the area, equivalent to 26% of the Thanet total of 434. In total, there are 10 accommodation-based Service Providers comprising of 98 units funded by SP, of which 5 providers are for people with learning disabilities (35 units), 3 providers are for people with Mental Health Problems (20 units), 1 provider for young people at risk (23 units) and 1 provider for homeless families (20 units).

There are 4 Residential Homes in the wards for mental health and another 4 in the rest of the district.

Thanet has the lowest **average house price** in Kent (£164,263). There are 3029 empty dwellings (4.8% of total dwellings) of which 1429 (2.67%) are long term empty (within the two wards, 16% of housing stock is empty, 50% long term), resulting in an excess of cheap properties on the market available to buy. Whilst this may attract new investors to the area, it has also attracted unscrupulous landlords from outside the area, who can make guaranteed income from continued demand without the need to properly maintain their properties. Demand for home ownership is weak because of the poor reputation of the area.

A **unit of temporary accommodation** in these two wards costs £105 per week, compared to around £410 per week in London, illustrating why it is such an attractive prospect for agencies in the current financial climate to place vulnerable people in this territory.

There is a marked and unsustainably high cost to be borne by public service providers in the area, a high cost that finds a particular focus on a smaller group of individuals and families.

6.3 Governance and Approach

The Margate Renewal Partnership (established in 2006) completed its strategic review in 2008 which defined the case for intervention in the form of the Margate Task Force. It was clear that the scale of the challenges required a much greater level of partnership working in order to deliver more concerted and co-ordinated long-term interventions.

In July 2009, the Steering Group was formed consisting of a Managing Director from Kent County Council, the Chief Executive of Thanet District Council and the Chief Executive of NHS Eastern and Coastal Kent with the full support of the elected Members and the PCT executive board and endorsed by the Kent Public Service Board.

We are committed to further engagement with the local community to ensure that they own and shape both their future and the future of their area.

6.4 Progress to date

A multi disciplinary workforce will be co-located in the two wards and will be operational by 1 April 2010. This will be a critical success factor to deliver transformation.

Through Total Place, there has been an overt focus on understanding the complex array of issues and conditions in this small geographical area. There is now a shared understanding by all community leaders, Central Government and local partners and multi-lateral commitment to action.

We have commissioned a consultant to work with Homes and Communities Agency (HCA), Thanet District Council (TDC) and KCC to investigate the housing market and design an intervention model to effect the necessary step change in the built environment, removing the conditions that have fuelled the social issues in the area.

The “Kent Placements Protocol” has been approved by Kent housing agencies and Kent local authorities to stop the movement of vulnerable people into Margate. **(This does not include the other parts of England).**

Partners have assisted the development of the proposal for Total Place in the following ways:

- partner-led research (see Appendix Four)
- ‘Deep Dive’ exercises on building an initial early understanding of High Cost Cases
- a micro-focus on Homes in Multiple Occupation (HMOs)
- KCC investing more capacity and resource into the Private Sector Housing Renewal team to ensure a stronger focus on enforcement
- supporting community initiatives such as the development of the new Neighbourhood Plan; the DCLG-funded work around Connecting Communities and the DCSF Poverty Pilot work
- sponsoring new ideas e.g. the successful DoH-funded *Fit for Work Service pilot* which targets this area and the recent Thanet-wide bid to the Office for Disability Issues for a *Right to Control Trailblazer*
- new approaches to better data and intelligence

We are improving and deepening our understanding of the customer groups resident within the two wards through ongoing dialogue and data gathering.

We are actively engaging Central Government Departments to ensure that assessment frameworks are harmonised and information shared between all interested departments and agencies.

6.5 Costs/Benefits

The current supply of cheap private-rented stock and the existing mechanisms by which many residents can survive on a mixture of benefits and black market activity, has a knock-on effect on a multitude of public and private organisations. This section explores the costs across the public sector; specific targets/benefits and the implications

Through our Total Place work, we know that the estimated annual cost of public services in Thanet is £886m and that we estimate the cost for these two wards is in the order of £110m.

- Per capita revenue spend in Kent is £5918
- Per capita revenue spend in Thanet is £6882
- Per capita revenue spend in these two wards is £8943

The cost of social benefits for working age people in Cliftonville West and Margate Central is £48m per year. The total benefits spend in Thanet for working age people is £180m, so 9.5% of the people in Thanet get 26% of the social benefits spend in Thanet. - **If the spend in these two wards on social benefits was at the Kent average, the spend would be £11m per year, a reduction of £37m per year.**

For **crime**, we can calculate a crude estimate based on the average cost of a crime in Kent according to Home Office figures (excluding serious crimes such as murder) in relation to known crime data, resulting in a figure of **£16.5m total cost of crime** in the two wards. Many crimes originate from HMO residents. There are over 660 residents within 27 HMOs known to police, including offences as serious as rape, sexual assault and arson.

For **health**, based upon current acute hospital service utilisation compared with the average PCT population using Payment by Results (PBR) tariff expenditure broken down to the two wards shows savings in the order of £1.1m (based on spend per population April 08 to March 09) The calculations are specific to this population and would not be comparable to other populations with different health needs. Through the MTF, we will consider further costs/benefits throughout the whole NHS family

The high rates of **transience** of residents (34% in Margate Central and 35% in Cliftonville West) have a direct cost on schools, administration rates for benefits and take-up of advice and voluntary services e.g. special needs assessments.

Higher levels of home ownership will reduce draw down of benefits and the cost of administration per capita.

Our **ambition** is simply **transformational** change over the next 10 years by:

- 1 Reducing the private rented sector to the Kent average from 88.8% to 12%
- 2 Reducing the number of households receiving housing benefit from 57% to 23% (Thanet average to be confirmed)
- 3 Reducing the annual churn of residents to the Thanet average from 34% to 12% (Thanet average)
- 4 Reducing worklessness to the Kent average from 38% to 11% of working age population
- 5 Bringing life expectancy in line with the average in Kent from 72.7 years to 79.7 years
- 6 Reducing rates of crime to below 71.3 per 1000 population Kent average from the combined two ward figure of 247.3 per 1000 population

The potential benefits and cost savings are significant, for example:

- We know that there are 364 16-24 year olds **unemployed** in the area. Very indicative research shows that costs for an average customer could be in the region of £9,000

for an 18-24 JSA claimant. Although we recognise that fully accurate costings are not available at this time, an indicative saving of £3,276,000 is a reasonable assumption if these people were in work. Apprenticeships are a critical lever. A proportion of these savings must be used to incentivise employers to secure long term sustainable and high quality employment.

- Within the two wards, the **Youth Offending Service** has 87 customers annually representing 17% of Thanet total. Cliftonville West is the worst ward for youth offending in Kent accounting for 15% of youth crime in Thanet, and Margate Central also has relatively high levels accounting for 7.5%. By reducing offending to the Thanet average (4.3%), it would achieve significant savings in terms of reduced multi-agency interventions and programmes. 6% of young people in the two wards are LACs, however it is clear that this group have an increased risk of youth offending, accounting for 13% of YOS clients in this territory.
- By addressing some of the causes of **crime**, we believe we can reduce levels to the average Kent level which will save significant revenue as well as having a significant social impact on the community and reducing pressure on the whole criminal justice system.
- To restate the position, the cost of **social benefits** for working age people in Cliftonville West and Margate Central is £48m per year. The total benefits spend in Thanet for working age people is £180m, so therefore around 10% of the people in Thanet get 26% of the social benefits spend in Thanet. If the spend in these two wards on social benefits was at the Kent average, it would be £11m per year, a reduction of £37m per year.

Further savings will be realised by applying the Gateway model in Margate.

6.6 Action Plan

We seek Government agreement for **Margate to become a Special Intervention Area**

- We seek the power to declare the area as a designated '**Special Intervention Area**' which provides the spatial focus for all efforts and which has clear and distinct powers and flexibilities. These will be enshrined in the '**Margate Agreement**' - to be signed by National and Local partners – which will establish a common commitment to addressing fundamental problems. The detailed work for the SIA will continue with partner (including central government) involvement over the coming weeks and months.
- We seek **public policy change** with regard to placing vulnerable people in these two wards:
Options we would recommend to government:
 1. Ensure compliance of 20mile rule for all public services
 2. If placements are made, gross allocation costs follow the individual i.e. would be transferred to the principal authorities (KCC in partnership with TDC)
 3. Inspectorates would reduce the performance rating of public agencies that continue to place in these two wards.

The **Margate Agreement** will be formed around a three point plan: -

1 Tackling the Housing Market Failure.

We require the government to grant the following freedoms and flexibilities:

1.1 Regulating the Private Rented Sector. This requires strengthened regulation i.e. rules and guidance which permit administration authorities to reduce benefit payable where property condition or tenancy management is poor; seek powers to cap the percentage of houses receiving Housing Benefit; and the ability for the local authority to raise a levy from landlords to fund the costs of regulation so that this can help pay for ongoing enforcement activity. Local power would enable us to take a percentage of Housing Benefit paid to landlords to fund an accreditation and regulation scheme, reducing the current cost to TDC (£421,000) and/or enabling a proactive approach to regulation where specified accreditation standards have to be met for condition of property and management quality (£470,000). Where Prohibition Orders are used, it costs TDC £4,700 per tenant. If this cost could be reimbursed by the landlord and where necessary a charge be placed on the property to secure their liability, there would be more of an incentive to use this power. It will be important to craft the legislative changes to minimise impacts on tenancies and ensure no increase in illegal eviction.

1.2 Housing and investment

Establish a range of enabling policies to facilitate development, increase interest from home buyers and attract external investment e.g.

- Establish a Special Purpose Vehicle which will take control of the housing stock in the area and **reduce the percentage of private-rented stock and number of HMOs** and encourage a better tenure mix and increase in house values.
- Amend housing legislation to permit local housing authorities on resolution to specify local schemes for the regulation of privately rented accommodation. Landlords will be required to have a licence to operate in the area, and their eligibility to receive public money through Housing allowances will be dependent on the quality of the property and its management. A licence fee will cover both the registration of these properties and the ongoing regulation and supervision. We seek the flexibility to extend the selective licensing provisions of the 2004 Housing Act. Local schemes to be able to charge full cost recovery of enforcement.
- Establish fast track CPO acquisition as a shortened procedure
- There are significant sites in the SIA which are sterilised as a result of complex legal issues over ownership following multiple bankruptcies. **The local authority seeks powers to requisition property to ensure beneficial use on a short term basis, without having to deploy CPO powers to acquire the property.**
- **Explicit recognition in public policy of the needs of potential home owners and owner occupiers whose encouragement to settle in the area is vital to re-balancing the population**, for example extend the range of Government sponsored 'Home Buy' schemes to provide incentives.

- Permit the introduction of simplified planning policy arrangements within LDFs by **reducing the obligations on local planning authorities**.
- Enable the local authority (within the SIA) to **adopt freedoms from strict compliance** with established regulatory inhibitors to facilitate timely delivery of transformational change to the nature and density of the residential environment
- Provide **reductions on VAT rates** for improvement and repair works, approved new build schemes and for schemes to reconvert flatted properties in to a single dwelling and deferred liability of stamp duty and a writing off of this liability if a home owner, occupies a property as their only and principle home for a five year period

2. Economy and Jobs

2.1 Tackling Worklessness - the proposition on this is a game-changer. Central Government should devolve services to where they are effectively delivered. Our proposals would consider pooling of responsibilities within the Total Place partnership to achieve a single access point – via the existing Gateway portal – backed up by the multi-agency Margate Task Force. In our proposal within the SIA it is proposed Job Centre Plus administration is transferred to the District Council.

We seek agreement to trial within the SIA:

- Measures to jointly administer a new aligned means tests for JSA claimants and HB claimants.
- Central Government should devolve services to where they are effectively delivered. Our proposals would consider pooling of responsibilities within the Total Place partnership to achieve a single access point – via the existing Gateway portal – backed up by the multi-agency Margate Task Force. **In our proposal within the SIA, it is proposed Jobcentre Plus administration is transferred to the District Council**
- A new delivery approach to achieve the target of getting all unemployed people aged 18-24 years old into employment by resource/effort pooling, including youngsters under 18 not in employment and training (NEETs). This includes developing an effective apprenticeship programme in partnership with the public and private sector. We will encourage and support SME's in providing working opportunities for those coming off larger co-ordinated employment and training schemes as micro-economic activity picks up.
- Link the job matching/search process to new powers to stimulate local economic development to be managed by the local authorities within the context of the new local economic assessment.

2.2 Stimulating Economic Development - simplify the raising of additional NNDR and Domestic Council Tax income outside capping criteria where the funds are ring fenced to local economic development activity. Enable District and County authority to retain

higher proportions of NNDR on the proviso it is re-circulated to local economic development activity.

3. **Holistic Services – Public Sector Transformation**

From access to deployment of new ways of working across public disciplines.

Data and Intelligence. Secure agreement with government for a unique approach to shared data and intelligence which underpins the effective operations of the Margate Task Force

Funding Control In the SIA empower local government to monitor and direct other public sector expenditure where this is necessary to achieve the agreed objectives of the SIA.

Local Action Plan

- Provide a managed transition between the closure of the Safer and Stronger Communities Fund Board (the existing **neighbourhood engagement** scheme which concludes on 31 March 2010)) and the development of the emerging Task Force In particular developing actions to strongly engage local residents in the regeneration of their area such as the commissioning of services and improvements to the public realm.
- **Fundamentally change** the environmental and demographic mix across the two wards
- **Recognise the changing cultural diversity of the population and work positively to improve their levels of community engagement**
- To move from high cost reactive services to **preventative personalised services** and a more prosperous self-managed community.
- To give further impetus to the **wider regeneration** and marketing of Margate and Thanet as a place to live, learn, visit and work
To ensure that we develop policies which are sensitive to **issues of displacement**
- To substantially increase levels of home ownership and maximise opportunities for community ownership and management of public assets.

6.7 **Barriers identified through the Total Place pilot**

National

- There is currently no link between the housing benefit system for payment of rent allowances for private rented tenants and property condition. This means that the state effectively subsidises the profits of landlords (c14%) – the public purse is fuelling the maintenance and expansion of the private sector rented sector without regard to value for money considerations. It is imperative that we break the drivers of this perverse incentive which results in vulnerable people being housed in poor housing conditions

- There are no national measures in place to reduce, control and cease the placement of homeless adults and families, ex-prisoners, mental health patients and looked after children in a designated area.
- Data protection and data sharing protocols across central government and local agencies are inadequate and restrictive.

Local

Most of the following can be resolved within existing powers locally.

- Organisational, professional and cultural barriers to new ways of working
- Local behaviours and decisions being driven by disparate organisational requirements to align with externally-driven performance regimes and funding streams
- Freedoms to flex local budgets constrain our ability to work at a 'Place' level.
- Lack of alignment between ambition and targeting our resources appropriately
- The lack of local ownership and limited personal aspirations of many but not all of the residents of these two wards. Action must be taken to support residents who have aspiration for their area.

7.0 The Asset Management Strategy Theme

The underpinning principle to this theme is that assets exist to enable access and service delivery to the people of Kent. It is estimated that the Kent public sector economy (including central government) has in the region of £5 billion (book value) of property assets, with annual running costs in the region of £300 million. This proposition offers both central and local government significant revenue and capital savings by rationalising that estate, managing it more effectively and ultimately underpinning the continued modernising and transformation of public services. It presents an aspiration to explore radical vehicles to drive the maximum savings and greatest return.

7.1 Rationale

Nationally it is estimated that across the public sector property assets with a book value of £370 billion and an annual running cost of £25 billion are used as a platform to support the delivery of public services. The Operational Efficiency Programme published as part of the 2009 Budget report highlights the need for a joined up approach to the management of public sector assets.

The book value of the public sector estate across Kent is estimated to be over £5 billion with an annual running cost in the region of £300 million. The assets are held by a diverse range of public sector organisations including central government departments, agencies and local government (excluding the voluntary sector). These organisations each have their own culture and operate under different governance and financial arrangements each with individual asset management plans for meeting their ongoing and evolving accommodation needs.

The common thread between these diverse organisations is that they all provide services to the people of Kent, with some providing national and international services (e.g. prisons, Port of Dover Authority, customs and excise etc.). Customers do not differentiate between different parts of the public sector and are frustrated by having to interact with so many different organisations at different locations. This point is addressed in more detail in the Gateway theme. Despite constraints imposed by different governance and financial regimes, the last decade has seen a number of accommodation projects within Kent delivered on a multi agency basis where the opportunity has arisen, but not with a strategic approach.

The aim of the asset management theme is to secure better value for money from the public sector estate, ensuring that all assets are exploited fully securing long term sustainable cashable savings and efficiency gains, and improving customer experience.

The focus of our work to date has been to take an integrated Kent-wide (horizontal) approach as opposed the continuance of the existing silo (vertical) approach to the procurement and management of assets across the public sector.

7.2 Governance and Approach

Unlike the other two themes within the Total Place pilot, the Kent-wide Asset Management theme did not have a pre-existing governance vehicle within Kent.

The requirement for a 'strategic board' reporting to the Public Service Board was identified and this now meets monthly to oversee arrangements for devising and implementing an asset management strategy for Kent. An independent chairperson (former president of the Royal Institute of Chartered Surveyors) was appointed to provide an external perspective. The Board includes representation from Office of Government Commerce (OGC) - HMT.

A professional working group (with strong representation from across the public sector and central government) has been established to inform the Board and to focus on operational delivery of strategic aims.

7.3 Progress to date

We have:

- played a proactive role in the wider Total Place Asset Management Strategy work led by HMT
- established a partnership approach with OGC providing support and guidance on strategic property related issues and also enabling Kent to participate in the Government's Regional Estates pilot activity across the public sector
- created a comprehensive map of the total public sector estate across Kent, which includes the extensive land ownership of the Ministry of Defence (MoD)
- gathered extensive data on ownership and capital / revenue costs of the public sector estate across Kent
- progressed the establishment of common standards for the management and usage of assets
- Engaged with key government departments eg The Shareholder Executive, OGC, CLG, DWP (JCP), HMRC, Land Registry, MoJ and the Home Office
- Worked with partners towards the development of a 'strategy' for asset management across Kent
- Identified 'quick wins' and facilitated the implementation of these eg The Tunbridge Wells project
- Undertaken a 'deep dive' exercise in Swale district to determine in more detail the potential level of savings and improvements to the customer experience
- Completed a comprehensive review of prisons and their impact on public policy (Feb 2010)

7.4 Action Plan

1. We seek Government's agreement to:

- put in place any primary legislation and regulations needed to transfer property assets into a single body by 1st April 2011
- amend any existing financial regulations and budgetary control systems so that they operate on a horizontal rather than vertical basis for Kent to enable and incentivise rationalisation of assets by the holding body.

- revise the Treasury Green Book and related guidance to ensure that this supports the rationalisation of property assets on a Total Place basis.
- Ensure no new central government assets are procured in the Kent area without reference to Total Place partners

2. We will deliver the Tunbridge Wells project which will co-locate a range of public and voluntary sector agencies in a single location to improve coherence and efficiency in public service, whilst delivering capital receipts and ongoing revenue savings of £1.1m. This is being viewed as a national test case under the remit of Total Place. Central to this is the existence of the Gateway in Tunbridge Wells town centre.

3. Following the deep dive we will reconfigure the public sector assets across Swale, with a specific focus on Sittingbourne town centre, in order to improve the customer experience and to deliver financial efficiencies. We will also build upon the Swale deep dive experience to inform the rationalisation of public sector assets across Kent.

4. We will undertake a comprehensive review of assets across Kent to obtain more detailed figure in respect of costs and savings so that a high level business plan can be developed for the rationalisation. This will include building upon the mechanisms we currently have to enable us to consistently, accurately and comprehensively measure the asset components across the public sector in Kent.

5. As part of the Asset Management Strategy it is essential to undertake an in depth evaluation of the current usage of the school facilities across Kent. This will include looking at the option for establishing a commercial vehicle, possibly including private sector partners, to manage and operate the school estate outside of school hours (including weekends and holidays) through a consultative arrangement with the governance of the current schools estate (i.e. Governors and Head Teachers). It is important that the Extended Schools and Building Schools for the Future programme continue as new providers of community assets as well as drivers of educational change.

6. We will explore further the opportunities to utilise community facilities and other community based public services (e.g. libraries, leisure centres) to improve access and the customer experience as well as driving out efficiency gains. This offers new opportunities to work with the private sector estate.

7. We will build upon the close working relationship we have developed with the Office of Government Commerce (OGC) and the Shareholder Executive who have an emerging national role in respect of public sector property assets, their management and future governance. Working with the Shareholder Executive and other partners, action is being taken over the coming months to explore potential models to secure timely delivery of a whole public sector approach to asset management across Kent. This work will include looking at whether the use of primary legislation or regulations would be an option to accelerate the move from a vertical to horizontal model of asset management.

8. We will determine the most appropriate option for transferring property assets currently held by different organisations within Kent into a single holding vehicle to secure the timely delivery of the business plan to rationalise the assets as set out in the "Putting the Front Line First: smarter government". To cut through cultural and technical barriers we will work with Government to swiftly identify or establish the legislative framework to deliver these objectives

7.5 Costs/Benefits

Initial pilot exercises in relation to the use of assets have considered Swale District as a 'deep dive', together with a unique project opportunity for shared occupation within Tunbridge Wells.

The pilots have enabled the potential for benefit realisation to be estimated together with the analysis of associated costs, on a wider scale.

The Tunbridge Wells Project Opportunity

The detailed proposal is set out in Appendix Five involves bringing together back office functions in a public sector 'hub' and focusing all customer-facing activity through the existing town centre 'Gateway'. This will improve the coherence and efficiency of customer service (see Gateway theme) and help release asset value and ongoing revenue savings of £1.1M pa.

These savings include rationalisation of three central government properties (Land Registry, HMRC and Probation Service) and would enable further future disposals. It would also bring approximately nine local offices (used by TWBC, KCC and the PCT) together into just one building with associated savings in rental, utilities and space requirements of £800k and approximately £280k of staffing and other costs. This could be a test-case nationally to demonstrate whether we will "free-up" current conventions both locally and centrally to deliver this opportunity.

The Swale Deep Dive

Details of the Swale Deep Dive are detailed in Appendix Six.

Summary of Swale Deep Dive Findings

There are 211 properties occupied by the public sector organisations involved in the deep dive exercise as listed in Annex One. This represents approximately 10% of the public sector assets within Kent. The deep dive identified:

- 69% of the assets are owned freehold by the public sector, 17% are leasehold and the remaining 14% are a mixture of user rights and PFI
- Available running costs total £7.6M for 101 buildings (including schools). As this represents approximately 75% of the estate in Swale it is reasonable to assume that the total running costs would be in the region of £10M pa
- KCC are the largest holder of assets with 50%, followed by Swale Borough Council with 16% of the assets
- There is currently 13,371 sq m of office space in the district, of which the running costs are available for 6,990 sq m. Based on an average cost per sq m it is reasonable to assume the total running costs of office space would be in the region of £1.1M pa

The focus of the deep dive has been on delivering quality integrated services, incorporating new ways of working through removing duplication and rationalising the back office functions. To enable the remodelling the service provision has been divided into three components:

- The public interface (front office) through the Gateway program
- The specialist service delivery
- Administration/back office functions

The Remodelled Estate in Swale

When this model is translated into an area based analysis in Swale it results in numerous opportunities for rationalisation. The conclusions can be summarised as follows:

- In Sheerness the remodelled estate would result in the release of 4/5 freehold assets for disposal and a net reduction of one leasehold property.
- In Queenborough there would be 4 freehold assets for disposal.
- In Sittingbourne there is an exciting opportunity to assemble 3 public sector sites together with the post office, in the town centre into a redevelopment which would incorporate a new multi agency public sector office, gateway and community hub. In addition there would be 5 further freehold sites for disposal and 2 leasehold properties would be released.
- In Faversham 5 freehold sites could be released for disposal together with one leasehold property.

There are a number of important assumptions which have been made when arriving at an estimate of the savings which could be generated from the remodelled estate. The ability to reinvest a proportion of capital generated from disposal into the modernised facilities is crucial. The existing barriers relating to the ownership, management of the estate and financial flexibility have been ignored, assuming that these have been resolved to facilitate the savings. The property related barriers, particularly the inflexibility of the planning process have also been largely disregarded.

Efficiency Savings, Capital Generation and Cost of Delivery

The savings in annual running costs of the estate generated by this model are estimated at £1.3m. Since running costs are only available for 75% of the estate (excluding schools), by area and only £2.6M of the running costs identified relate to participating properties, this saving represents 50% of the running costs of the participating properties only. It would be reasonable to assume that once all the data is available for the remaining properties, revenue savings could be increased further.

The capital receipts generated by the disposal of surplus sites are estimated to be in the region of £60m. It is important to note however that the land values in Swale are not indicative of the land values for the whole of Kent. Values in East Kent tend to be 30-40% less than those in the west of the County.

An accurate analysis of the cost of delivery of the remodelled estate is difficult to reach at this stage of the project, however it is estimated that this would be in the region of £43m. The net capital receipt generated is therefore estimated at £17m although this excludes any relocation costs. Due to the suppressed land values in

Swale it is reasonable to assume that there will be a significantly higher net capital value generated after the re-provision of services in the west of the county. It is anticipated however that this will not be the case in other areas of Kent where surplus capital will be generated over and above the cost of re-provision. Once again due to the absence of sufficient data on 50% of the portfolio (e.g. running costs of PCT and parts of central government), there may be further capital receipts, which could be generated from the assets not currently identified as part of the vision.

There are a number of barriers to delivery of a rationalised estate and the ultimate release of revenue savings. These comprise financial, legislative, cultural and political barriers and are summarised in Appendix Six. The impact of these barriers should not be underestimated and their resolution is key to the delivery of integrated public sector asset management.

The indicative potential for Kent

Collating the learning from these exercises and using a predictive formula using the Swale figures suggests that potential revenue savings could be in the region of £38m per annum. Whilst this takes on board some Central Government Departments and some parts of the health service it excludes some key elements that could form part of the Kent solution e.g. MoD.

Indicative capital receipts across the geographical area of Kent can be obtained from this exercise. The resultant gross capital receipt is estimated at around £700 million for the whole of Kent.

If we apply a percentage model based on the likelihood of reduced staff numbers and increased flexible working practices (home-working etc) together with the rationalisation of business processes, we can identify potential further efficiency gains e.g. a 30% reduction in space requirement would increase the gross receipt to £780m gross capital savings and £42m revenue savings. Gross rationalisation costs are estimated to be in the region £500m resulting in a net capital receipt in the region of £200-280 million. These figures reflect the different pattern of land values across Kent.

These figures all exclude staff relocation costs. They also exclude savings on the school running costs and we would therefore need to review the ring-fencing arrangement of the delegated schools grant.

7.6 Headline Barriers identified through the Total Place pilot

- The 'green book' is out of date and needs to be rewritten to support the management of assets on a place-wide basis (as outlined in 'Smarter Government')
- Whilst many of the assets are locally managed, control of a significant proportion of the government assets is managed centrally with an array of different protocols and operational frameworks across some central government spending departments. This will require a policy shift across the public sector to bring coherence to this issue as a number of organisations do not have the freedom to manage their assets.

- Organisational culture and individual attitudes, beliefs and behaviours.
 - Major cultural transformation is required in order to refocus asset management in Kent with a more robust approach required to fundamentally challenge the status quo around the use of assets.
 - Organisations and individuals need to embrace new working practices including flexible working, hot-desking etc.
- A more comprehensive and consistent approach needs to be taken to the application of planning policy in determining linked applications relating to the rationalisation of assets to the benefit of the 'place'.
- Service specific requirements may restrict opportunities for sharing eg. Police requirements for custody suites.

8.0 Overall Learning from Total Place Pilot Programme

- 8.1** There is an appetite for change within the public sector in Kent. We need to ensure this remains focused on people and place and not on institutions and vested interests.
- 8.2** There is a recognition that the relationship between central government and local public sector service providers needs to fundamentally change in response to economic circumstances and in order to enable transformations that work locally.
- 8.3** Under current organisational and legislative structures our capacity to collate, share and interrogate data and information regarding service provision is seriously constrained. A Total Place approach needs to understand the freedom and flexibilities available now, and enable significant movement towards easing availability and collation of key data sets required to inform change.
- 8.4** There is a need for effective leadership and behavioural change across the public sector to help move through historical inhibitions which have prevented full engagement with the Total Place concept “in action”.
- 8.5** If Total Place is to deliver a sustainable legacy it will need to continue to address the fundamental and very difficult issues within the public sector. The full benefits from a Total Place approach can only be realised over the longer term. The ability to manage expectations will be critical to ensure we balance necessary short-term gains with the required long term sustainable transformation.
- 8.6** Taking into consideration the current economic situation, the considerable dilemmas facing the public sector and including sustained pressures on the public finances across the UK, our Total Place methodologies will increasingly need to become fundamental to the way we work for the people and places of Kent .

9.0 The Future of Total Place in Kent

Total Place is a continuation of the modernising and transformation that has been taking place within Kent over the last ten years. The golden thread through all three themes is one of fundamentally improving the customer experience and personalisation of public services whilst maximising the opportunity that 21st century technology brings, thereby reducing both transactional and infrastructure costs. This is set against a vision for the Kent region as set out in “Unlocking Kent’s Potential”.

Kent has ambitious plans and unique opportunities over the next twenty years that look beyond the current economic recession. Kent will continue to move forward “unlocking its potential” through innovation that will drive forward a stronger improved economy, improved living standards and a great place to live and work.

Total Place provides increased momentum through much closer partnership working where the imperative will be to deliver more (improved public services) for less public cost. It also offers an opportunity for a fundamental positive shift in relationships between local government, other agencies and central government. Tackling the obstacles identified in this report is the vital prerequisite for success.

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