

CABINET SCRUTINY COMMITTEE

Wednesday, 21st January, 2009

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

CABINET SCRUTINY COMMITTEE

Wednesday, 21 January 2009 at 10.00 am Ask for: **Peter Sass**
Darent Room, Sessions House, County Hall, Telephone **01622 694002**
Maidstone

Refreshments will be available from 9.45 am

Timing of items as shown below is approximate and subject to change.

County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

Please note that this meeting will be webcast

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A. COMMITTEE BUSINESS

- A1 Substitutes
- A2 Declarations of Interests by Members in Items on the Agenda for this Meeting
- A3 Minutes - 10 December 2008 (Pages 1 - 8)
- A4 Action Taken on Committee's Recommendations (Pages 9 - 10)
- A5 Follow-up Items from Cabinet Scrutiny Committee (Pages 11 - 16)
 - (a) Allington Energy from Waste Plant
 - (b) Selected T2010 Target Action Plans and Progress Report
- A6 Informal Member Group on Budgetary Issues - 8 January 2009 (Pages 17 - 38)
- A7 Communication and Media Business Plan Informal Member Group - 19 January 2009 *(to be tabled at the meeting)*

B. CABINET/CABINET MEMBER DECISIONS AT VARIANCE TO APPROVED BUDGET OR POLICY FRAMEWORK

No items.

C. CABINET DECISIONS

No Cabinet decisions have been proposed for call in but any Member of the Committee is entitled to propose discussion and/or postponement of any decision taken by the Cabinet at its last meeting.

(Members who wish to exercise their right under this item are asked to notify the Head of Democratic Services and Local Leadership of the decision concerned in advance.)

D. CABINET MEMBER DECISIONS

No items.

E. OFFICER AND COUNCIL COMMITTEE DECISIONS

E1 KCC's Treasury Management Policies (Pages 39 - 46)

Butlers have declined the invitation from the Chairman and Spokespeople to attend the meeting but will respond to their questions in writing. Butlers' response will be circulated at the meeting.

No Member or Officer attendance is required for this item.

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Tuesday, 13 January 2009

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL**CABINET SCRUTINY COMMITTEE**

MINUTES of a meeting of the Cabinet Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 10 December 2008.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Ms S J Carey, Mr A R Chell, Mr B R Cope, Mr G Cowan, Mrs T Dean, Mr R W Gough, Mr C Hart, Mrs S V Hohler, Mr G A Horne MBE, Mr E E C Hotson, Mrs J Law, Mr M J Northey, Mr J D Simmonds, Mr R Truelove and Mr A D Crowther (Substitute for Mr R E King)

ALSO PRESENT: Mr A J King, MBE

IN ATTENDANCE: Ms A Beer (Director Of Personnel & Development), Miss J Clarke (Head Of Communications & Media Centre), Mr P Sass (Head of Democratic Services and Local Leadership) and Mrs A Taylor (Research Officer to Cabinet Scrutiny Committee)

UNRESTRICTED ITEMS**105. Declarations of Interests by Members in Items on the Agenda for this Meeting**
(Item. A2)

Mr Simmonds declared a personal interest in item E2, as he was previously involved in the decision making processes for the BSF programme.

106. Minutes - 22 October 2008
(Item. A3)

Mr Chell stated that he had been named in the minutes, under the 'KCC's Treasury Management Policies' item, as the Chairman of the Superannuation Fund Committee. Mr Scholes was the Chairman of that Committee and Mr Chell asked that this be corrected to show Mr Scholes name.

Mr Simmonds expressed his disappointment that the PWC report had not been available in time for the Cabinet Scrutiny Committee meeting and asked for clarification on when the report would be available. Mrs Dean confirmed that a meeting of the Economic Management Group, (which contained the Members of the cross party IMG on budgetary issues) was being held on Monday 15th December and this group expected to be discussing the PWC report. Mrs Dean would discuss at that meeting how the PWC report would be taken through the scrutiny process and this would be reported back to the Committee.

RESOLVED that subject to Mr Chell's name as Chairman of the Superannuation Fund Committee being replaced with Mr Scholes, the minutes of the meeting on 22 October 2008 be approved and the Chairman be authorised to sign them as a correct record.

107. Action Taken on Committee's Recommendations

(Item. A4)

Members were pleased with the inclusion of a fifth column within the table which contained a written response from the relevant Cabinet Member.

RESOLVED: That the report be noted.

108. Follow-up Items from Cabinet Scrutiny Committee

(Item. A5)

The Cabinet Member's response to the Committee's question about A&B roads in Kent was tabled at the meeting.

Members noted the information supplied to the Committee regarding KCC's Highways contract with Worcestershire County Council and Mr Smyth asked that a copy of the original contract be supplied to Members of the Cabinet Scrutiny Committee.

Members referred to the Briefing Note 'Towards an Academy in Sevenoaks: Critical Steps' and the Chairman stated that it did not explain where the process fitted in to the Council's decision making process, i.e. when it would enter the Forward Plan and when it would be considered by the School Organisation Advisory Board. Members asked for further clarification on how the process of establishing an Academy aligned with the Council's democratic process. Mr Smyth referred to the section of the Briefing Note headed Academy Governance and asked that officers take into account that governing bodies of academies 'should' (rather than 'may' as the briefing note currently indicated) also include a teacher and/or a staff governor, and one or more community representatives.

Mr Horne asked for more detail on how many stakeholder governors would be included in the governing bodies of academies and referred to the inclusion of a Local Authority appointee and whether this was a district or County Council appointee. Dr Eddy stated that in terms of the Local Authority appointee all those seen so far had been Members of staff of the CFE Directorate. Mr Sass undertook to obtain further details on the issues raised.

Mrs Dean referred to her previous request for data on social deprivation for the catchment areas surrounding both schools concerned with the Academy as having not yet been supplied. (Action CFE)

The Briefing Note on Dedicated Schools Grant (DSG) difficulties referred to the new funding system for Academies which was introduced from 2008/09 and stated that 'DCSF then top slice Kent's DSG to fund the individual academies, but the amount taken exceeds by some margin the DSG earned by their pupils'. Mrs Dean asked for further clarification on the effect, in monetary terms, of Academy programmes on schools funding in Kent; particularly a comparison of figures before and after 31.03.09.

Mrs Dean asked when the SEN transport budget would be set at a realistic level to reflect the actual cost of the service; adding that she hoped that the 2009/10 budget process would take this issue on board. She stated that an increasing proportion of

transport appeals were being submitted to Members for determination, not because of a lack of genuine need, but a lack of available funding.

RESOLVED

That the report be noted.

109. Informal Member Group on Budgetary Issues - 26 November 2008
(Item. A6)

Mrs Dean stated that at the IMG on Budgetary Issues she had asked for confirmation of the ongoing revenue costs of Turner Contemporary and had not yet received this information.

Mrs Dean referred to a question she had asked at the last Cabinet Scrutiny Committee about a statement by the Chief Executive that KCC had saved in excess of £2million on its publicity budget as result of having Kent TV. She suggested that the position was that the £2.4million that was referred to in the Local Government Chronicle actually referred to a programme of proposed savings that would be achieved by the end of 2011, of which it was believed that KCC had saved approximately £200,000 so far and that only a proportion of this related to Kent TV. Mrs Dean had asked the Chief Executive to correct the report of the LGC and she had not had a reply. Mr Sass agreed to follow up the points that Mrs Dean had raised (Action).

RESOLVED: That the notes of the IMG on Budgetary Issues held on 26 November 2008 be agreed.

110. Informal Member Group on Children's Services & LCSPs Business Plan - 19 November 2008
(Item. A7)

The Chairman of the IMG on the Clusters and Local Children's Services Partnerships Business Plan, Mr Cowan, asked that the copy of the Governance Framework for Children's Trusts and the Partnership Agreement for the Local Children' Services Partnerships be circulated to all Members of the Cabinet Scrutiny Committee as well as the IMG Members.

RESOLVED: That the notes of the IMG on the Clusters and Local Children's Services Partnerships Business Plan held on 19 November 2008 be agreed.

111. Informal Member Group on Highway Services Business Plan - 2 December 2008
(Item. A8)

The notes of the IMG on Kent Highways Services (KHS) Business Plan were tabled at the meeting. Mr Truelove commented that the IMG had made similar comments to those made at last year's IMG meeting on KHS Business Plan. Dr Eddy reiterated the assurance that the IMG had received from Mr Austerberry that the business plan would be tightened up, would reflect the core business of the services and would identify the key objectives of the service.

RESOLVED: That the notes of the IMG on Kent Highways Services Business Plan held on 2 December 2008 be agreed.

112. Southern Water Draft Business Plan 2010-2015
(Item. A9)

In response to a question from Miss Carey, Mrs Taylor confirmed that although the official deadline for consultation responses had passed, Southern Water were happy to receive further comments in the New Year, before their Business Plan was published in April 2009.

Miss Carey stated that the Cabinet Scrutiny Committee was a good place to debate the Southern Water Business Plan and to discuss how, as the strategic authority in Kent, KCC interacted with Southern Water and that an IMG would be an appropriate way of ensuring cross party input into Southern Water on the draft business plan.

The Chairman asked Members of the Committee whether they agreed to set up an IMG to scrutinise Southern Water's Draft Business Plan. The Committee agreed to set up an IMG, Miss Carey and Mr Horne nominated themselves to be on the group and the Labour and Lib Dem nominations would be put forward after the meeting.

RESOLVED: That an Informal Member Group be formed to discuss Southern Water's Draft Business Plan for 2010 – 2015, with a report back being submitted to the Cabinet Scrutiny Committee in due course.

113. Department for Communities and Local Government - Consultation Paper on the Codes of Conduct for Members and Employees
(Item. E1)

The Chairman introduced the item and explained that part of consultation document, that relating to the Members Code of Conduct, had been discussed by the Standards Committee and the Selection and Member Services Committee. The potential employee code of conduct had not yet been before any committee and the closing date for consultation responses was 24 December 2008.

Mr King stated that the most appropriate place for the proposed employee code to be considered was the Personnel Committee, and that he had already put in place arrangements for an extraordinary meeting of that Committee, and he was sure that the Chairman would be very happy for other Members to attend that meeting. Mr King also stated that having read the consultation document he thought that KCC's existing Code of Conduct for Officers was better than what was being proposed by the DCLG.

Mr Smyth was pleased that the Personnel Committee had been arranged to consider the proposed Employees Code of Conduct. He stated that it was strange that the Members Code and the Employees Code had been treated so differently. He would have expected the whole consultation document to have been considered in parallel. The Chairman stated that he had concerns relating to an internal audit report which went to the Standards Committee and the Audit and Governance Committee approximately a year ago, which made reference to the uneven nature of the existing register of officers' interests in the different directorates and the need to review those. A framework was contained within the

constitution, but it was not obvious to the public and not obvious to staff as some registers had not had any entries for years and this was a concern. Mr King stated that he was as concerned as the Chairman about this issue, there should not be any division between the political parties over this and the interest of ensuring the integrity of officers was the responsibility of all Members of the Council.

Mr Cope stated that employees should not have a separate Code of Conduct and that it should be included within the terms of employment. Mr King confirmed that the Code of Conduct was part of the terms of conditions of officers.

Mr Simmonds asked Mr King whether any analysis of the cost of responding to the multiplicity of consultation documents had been undertaken. Mr King confirmed that KCC only responded to consultations where the Council had an interest, and Mr King offered to arrange a briefing for Members on the way in which KCC tackled consultations and the way in which the protocol worked.

Mrs Dean stated that she was aware that there were some changes being proposed to the Officer – Member Code of Conduct and she asked if the re-drafted proposals would be ready for discussion at the Personnel Committee next week because of the synergy between the documents. Mr Sass confirmed that he would liaise with Ms Beer outside of the meeting and if the paper was ready it would certainly go to the Personnel Committee next week, otherwise it would be on the agenda for the next scheduled meeting of the Personnel Committee. (Action)

Mr Northey stated that the Codes of Conduct shouldn't be too prescriptive, the standards of elected members and officials were high, to avoid any sense of disrepute.

The Chairman stated that any interests of officers should be available publicly, to help avoid any suggestion of improper interests. It was thought that it would be useful to extend the code of conduct to the Fire Service.

Mr King said it would be appropriate for him to remind the Chief Executive and officers of the points made and it was certainly not the case that Members did not trust officers, the Chairman concurred with this statement and confirmed that it was a case of protecting the officers in their work.

RESOLVED:

- 1) Ms Beer and Mr King be thanked for attending the meeting to answer Members questions.
- 2) Members noted Mr King's welcome but belated offer that the proposed draft response to the DCLG consultation paper on a proposed model code of conduct for local government employees would be reported to an extraordinary meeting of the Personnel Committee.
- 3) Members welcomed Mr King's offer of a briefing on the way in which consultations are tackled by Kent County Council.

114. Press Release 538/08 - £600 Million Schools Building Project
(Item. E2)

The Chairman introduced this item and explained that it had been initially raised by Mr Christie but also by a number of other people outside of the Council, who had concerns over the phraseology of this press release. There was a lack of reference to the fact that it was a Government scheme rather than solely a Kent scheme, except in a brief note to the editor at the bottom of the press release.

Mr Smyth stated that there was reluctance when issuing press releases on government funded schemes such as this to register the fact that they are Government funded. The implication of the press release was that it was more likely to be the Kent County Council that was funding the scheme than the Government.

In response to Mr Smyth, Mr King quoted a paragraph from the "Kent on Sunday" (KOS) newspaper which acknowledged the 'government programme' in its report and the "Kent Messenger's" (KMs) report "government's flagship rebuilding programme known as the Building Schools for the Future'. He added that credit should be given to KCC for proceeding with BSF at a difficult time, and to our partners in the consortium, all of which had recognition in the press release.

Mr Smyth commented that the KOS and the KM information came from the Labour Group's press release which did recognise the Government funding.

Mr King stated that it was very clear in the Note to Editors and in addition KCC did not have £1.8 billion to put into schools on its own.

Mrs Dean stated that by and large KCC press releases were balanced and fair; the odd one slipped through which was not balanced and this press release was an example of where that had happened. Mrs Dean asked whether a basic checklist existed for Officers preparing press releases which asked, for example, whether the funding source had been acknowledged.

Miss Clarke assured Members of the Committee that the Comms and Media service would seek to be more vigilant and she stated that the Code of Recommended Practice was taken very seriously by officers within her Team.

Mr Truelove asked why, in situations such as this where there is a good news story for the whole of Kent, there was no opportunity for a quote from the Leader of the Opposition?

Mr King stated that it was the Leader and the ruling group that made the decisions, but there were occasions when it was appropriate to quote the Leaders of the opposition parties and those were usually broad Council issues.

Mr Simmonds asked that in future acknowledgement was also given to the tax payer, whose funds had enabled the projects to go forward as well as the capital commitment that Kent had made to such projects.

Mr Hart stated that the BSF project was the biggest Christmas present that Kent had ever had, however the press release was not a balanced way to report on this project.

Mr Horne asked Mr King whether the 10 schools concerned would get a complete package of funding, which wasn't interrupted by phases, to enable each school to be completely rebuilt as necessary. Mr King responded by stating that his understanding was that each school would be completed, there would be no halting to the work on an individual school project. The Chairman confirmed that Mr Horne's points regarding the phasing of school projects would be followed up and reported back to a future meeting of the Cabinet Scrutiny Committee.

Mr Cowan asked what percentage of £1.8billion KCC was putting in to the project? The Chairman agreed that the figures relating to the funding KCC was putting in to the project would be reported to Members of the Cabinet Scrutiny Committee.

The Chairman stated that it had been mentioned previously that this press release was cleared by the Director of Law and Governance, the Chairman had put in a Freedom of Information request shortly after the press release was issued and no email had been received from the Director of Law and Governance clearing the press release. Mr King agreed to report back to the Committee on this issue. Mrs Dean stated that not all press releases were referred to the Director of Law and Governance and Miss Clarke confirmed that that was the case.

RESOLVED:

- 1) That Ms Clarke and Mr King be thanked for attending the meeting to answer Members questions on the issuing of the press release.
- 2) That in light of the information provided at the meeting in response to questions the Committee agreed that they did not need to make any formal comments to Cabinet.

115. Other Officer and Council Committee Decisions
(Item. E3)

There were no such items on this agenda

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By: Alex King – Deputy Leader
Peter Sass - Head of Democratic Services and Local Leadership

To: Cabinet – 12 January 2009

Subject: Decisions from Cabinet Scrutiny Committee – 10 December 2008

Classification: Unrestricted

Summary: This report sets out the decisions from the Cabinet Scrutiny Committee and invites a response from Cabinet.

Introduction

1. The Leader has agreed the decisions from Cabinet Scrutiny Committee will be reported to the following meeting of the Cabinet for a response. The responses will be reported back to the Cabinet Scrutiny Committee.
2. The decisions from the meeting of the Cabinet Scrutiny Committee on 10 December 2008 are set out in the Appendix to this paper.

Recommendation

3. That Cabinet agree responses to these decisions, which will be reported back to the Cabinet Scrutiny Committee.

Contact: Peter Sass
peter.sass@kent.gov.uk

01622 694002

Background Information: *Nil*

Cabinet Scrutiny Committee – 10 December 2008

Title	Purpose of Consideration	Invitees	Decisions	Cabinet Member Response
Department for Communities and Local Government – Consultation Paper on the Codes of Conduct for Members and Employees	To question the Deputy Leader and Cabinet Member for Corporate Support and External Affairs and the Director of Personnel and Development on the Council's response to the proposed Code of Conduct for Employees and why this had not been discussed at Member level in the same way as the Members Code of Conduct	Mr A King , Cabinet Member for Corporate Support and External Affairs and Ms A Beer , Director of Personnel and Development	<ol style="list-style-type: none"> 1. Ms Beer and Mr King be thanked for attending the meeting to answer Members questions 2. Members noted Mr King's welcome but belated offer that the proposed draft response to the DCLG consultation paper on a proposed model code of conduct for local government employees would be reported to an extraordinary meeting of the Personnel Committee. 3. Members welcomed Mr King's offer of a briefing on the way in which consultations are tackled by Kent County Council. 	<p>The Cabinet Member asked for an additional meeting of the Personnel Committee as soon as he was aware that this aspect had not been dealt with.</p> <p>Members will be provided with a consultation briefing in the first quarter of the New Year.</p>
Press Release 538/08 - £600 Million Schools Building Project	To question the Deputy Leader and Cabinet Member for Corporate Support and External Affairs and the Head of Communications and Media Centre on the composition, content and issuing of this press release	Mr A King , Cabinet Member for Corporate Support and External Affairs and Ms J Clarke , Head of Communications and Media Centre	<ol style="list-style-type: none"> 1. Ms Clarke and Mr King be thanked for attending the meeting to answer Members questions on the issuing of the press release. 2. In light of the information provided at the meeting in response to questions the Committee agreed that they did not need to make any formal comments to Cabinet. 	

Allington Energy from Waste Plant – Briefing Note
Position at 03.12.08

Further to Mrs Dean's enquiry at the Cabinet Scrutiny Committee of 26 November 2008 (Note 3(5)), the current position in respect of the plant is set out below.

The final take-over test (endurance test) on the plant ran during October 2008 ending on 22 October. It was followed by a period of post-test inspections. No adverse findings were identified and this paves the way for "delivery" of the plant by Lentjes to Kent Enviropower Ltd (KEL).

Following a contract meeting between KCC waste management and Kent Enviropower on 02 December 2008, it is confirmed that take-over is imminent with the plant having met the operational criteria. The necessary funders' consent has been requested by KEL (from the banks' syndicate).

On a parallel issue, work is in progress to reinstate the turbine with EDF on site on 2 December 2008. Additionally, local residents have been advised of a series of steam-blows over the next two weeks to ensure that the boiler system is cleansed.

Until the plant is taken-over by KEL it is not operating, for legal reasons. For clarity, this also applies to the material recycling facility. Discussions with KEL indicate that the plant could be operating before Christmas, subject to funders' consent.

Once the plant is being run by KEL, it will undergo a period of optimisation, before it reaches the service commencement date (set out in the Final Disposal contract). For practical reasons relating to contractual tonnage throughput and accounting periods, the provisional working date for service commencement is proposed to be 01 April 2009.

In the interim period, although technically the plant remains in commissioning under the Final Disposal contract, it will be operated by KEL to optimise performance and maximise throughput. On this basis KCC waste management expects to deliver household waste to the plant at tonnages similar to those specified for the service period itself, during the last quarter of 08/09.

Sue Barton
Acting Head of Waste Management
03.12.08

Selected T2010 Target Action Plans and Progress Report as at July 2008 as requested at IMG 2 December 2008.

Please note: Next 'update' review is January 2009, for publication February/March 2009

Target 31: Pilot staggered school hours to relieve rush-hour congestion		
Lead Cabinet Members: Mark Dance/Keith Ferrin	Lead Managing Directors: Graham Badman/E&R MD post currently vacant	Lead Officers: Ian Craig/Bjorn Simpole

Status: On course

List the partners with whom we are working to deliver this target:

Governing Bodies of Schools/Academies
Environment and Regeneration
Integrated Transport Unit
Public Transport Providers

Progress to date on delivering this Towards 2010 target:

Hugh Christie Technology College is piloting staggered hours for post 16 and some year 11 students. This involves a variable school day for students between 8.30am and 5.00pm.

Three academies in Kent are also operating radically differently from their neighbouring schools. For example, Marlowe Academy is operating an extended school day for all pupils which runs from 8.30am to 5pm which builds in all out of school activities into the core school day. This brings a total of four schools/academies that are operating a staggered *core* day in the 2007/08 academic year.

Extension of the school day already exists between schools of all phases. In a study of primary schools in pilot areas for this Towards 2010 target, start and finish times vary by up to 30 minutes at the beginning and end of the school day.

Extended schools activities have also staggered the times of arrival and departure of many pupils across all Kent schools. Increasing numbers are accessing before and after school activities, with one example of 25% of students on the Canterbury High School campus benefiting daily from an extended school day.

The requirement to offer all children and young people access to extended school activities by 2010 is making a significant contribution to the achievement of this target as increasing numbers access them.

Work planned between now and 2010:

- Continue to promote the benefits of staggered and extended school hours with all schools in the county by learning from pilot schools and publicising their experiences.
- On-going work to ensure that all children and young people in Kent can access extended school services by 2010.
- Use the full county roll out of Kent Freedom Pass as a mechanism to make it easier for schools to stagger hours and travel to and from school at non standard school hours.
- Persuade primary school governing bodies to have more radically staggered hours.
- Ensure that staggered hours are considered for every new academy and new build school under the Building Schools for the Future Programme.

Measurable Indicator (s)	2006/07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	2009/10 Target
Number of schools with staggered starting times	New indicator	1	4	6	15

Monitoring completed by: Bjorn Simpole

Date: 9 July 2008

Target 35: Work with bus and train providers and lobby government to improve public transport services in Kent

Lead Cabinet Members:
Keith Ferrin/Kevin Lynes

Lead Managing Director:
E&R MD post currently vacant

Lead Officers:
Mick Sutch/David Hall

Status: On course

List the partners with whom we are working to deliver this target:

Southeastern Trains
Eurostar
Ashford BC
SEEDA

Progress to date on delivering this Towards 2010 target:

Service quality on Southeastern trains has continued to improve since taking over the franchise in April 2006:

- Published punctuality figures from the Office of Rail Regulation for the second quarter of 2007/08 show 92.6% of trains arriving within five minutes of timetable (up from 91.5%). For the year as a whole, the moving average rose from 88.4% to 88.7%.
- Complaints have continued to fall.
- Crime has fallen 25.7% on Southeastern's trains and network over the last four years due to improved working with Network Rail, British Transport Police and local police.
- There is improved CCTV surveillance and increasing use of Southeastern's Railway Enforcement Officers.

Channel Tunnel Rail Link Domestic Services (CTRL DS) are on track to start in December 2009, with three Hitachi trains now under test. Southeastern has revised the off-peak train specification with general improvements compared to the Department for Transport's specification in 2005 and there will be more services at 15 stations, for example:

- Beltring and Swale stations will now not be closed and all stations will receive at least one train per hour in each direction (some seven stations were to have only a peak period service under the 2005 specification).
- Off-peak CTRL DS will now start from Faversham (rather than Sittingbourne) and so direct services from Dover, Canterbury East and other stations on this line to Victoria will continue to run (in 2005 specification only a service between Sheerness and Dover was proposed on this line).
- Proposed off-peak services on the Maidstone East line (i.e. from West Malling and Bearsted too) will continue to be cut with the loss of the fast service to Cannon Street from December 2009, though we continue to fight for these services.

A Select Committee on Rail Passenger Services has been set up by KCC to investigate the benefits of improvements to journey times and services to London and the long-term contribution to the regeneration of Kent, although there are concerns that proposed fare increases could reduce the beneficial effects. We have also commissioned a study on the implications of CTRL DS on business locations to maximise the opportunities for companies wishing to locate in Kent.

Eurostar services from Ebbsfleet started in November with seven trains a day to and from Paris and five to and from Brussels, via Lille. At the same time services from Ashford International Passenger Station were cut from 11 trains per day to four, with no direct service to and from Brussels. However, extensive lobbying by KCC and its partners has resulted in Eurostar reconsidering and they will restore a direct Ashford to Brussels service from 14 December 2008.

Kent is on track for continued growth in bus passenger journeys from 44.8m in 2004/05 to 48.6m in 2006/07, contributing to our excellent CPA rating. Bus patronage figures compiled for 2007/08 are 51.6m, an increase of 6.17% on 2006/07 figures. This has been one of KCC's key performance indicators (BVPI 102) and contributes towards our CPA rating.

Quality Bus Partnerships are improving reliability and quality with half the total bus fleet in Kent now being easy access, low floor entry. KCC continues to work with bus companies on innovative schemes such as the Punctuality Improvement Partnership pilot on the Thanet Loop and the Kings Hill/West Malling station shuttle as well as Fastrack and Smartlink which helped KCC win the Transport Authority of the Year Award at the UK Bus Awards in November 2007 together with the Innovation and Infrastructure Awards for Fastrack.

Innovative schemes are being developed including using franchise arrangements to generate a revenue scheme to fund further Fastrack type schemes including Smartlink at Ashford and a potential Dover Expressway linking an aerial tramway proposal between the harbour and the castle. A special grant scheme is under development to offer up to £1m of capital grants to Kent bus operators to stimulate private sector matching. The first Kent Kickstart scheme in 2009/10 is likely to include ten new buses and other improvements in Ashford, partnering with Stagecoach.

KCC also works to encourage integration with operators to encourage joint ticketing and being able to purchase bus tickets before boarding buses through the "plus bus" scheme, which is now available at 26 main railway stations in Kent. A KCC bid to Government to participate in a National Rail Station Travel Plan was successful and received approval in June 2008. The pilot will be undertaken for the Ashford Station and is aimed at improving integration and enhancing station access. KCC will work with operators to introduce smart card technology in 2008/09.

Following a successful launch of the Kent Freedom Pass (see Towards 2010 target 30), meetings have been held with bus operators to ensure they are on board. From June 2008, the scheme has been extended to cover schools in Maidstone, Malling, Shepway and Dover. To date, 1,774 passes have been issued in these new areas in addition to the 5,200 passes in the original pilot areas. However a bid to the Government's Pathfinder Programme, which included the extension of the scheme from ages 16 to 19, was unsuccessful.

Around 200 KCC supported bus services have been sustained with no cuts and we anticipate being able to achieve this for the next financial year within budget following a successful re-tendering exercise on contracts now due for renewal.

Following lobbying in November 2007, additional grant was made available to Kent to cover the introduction of new national concessionary travel scheme for elderly and disabled people, and Government confirmed additional special grant so all district authorities, bar Tunbridge Wells, will have sufficient funding for the scheme. KCC is supporting the scheme, underwriting the cost of the scheme's 9am start time. Kent has also lobbied Government over the new Transport Bill – Putting Passengers First - seeking to strengthen partnership working.

Work planned between now and 2010:

- The peak period specification for train services from December 2009 will be announced in the autumn. There is a need to ensure that appropriate levels of service are provided from all Kent stations, particularly that current rail links to the City (Cannon Street and Blackfriars) are maintained.
- A study into the forecast effects of the CTRL DS on passenger flows at key stations, on business locations in Kent and the potential for parkways stations at Minster and Westenhanger will be carried out during 2008.
- Quality Bus Partnerships are being developed for new areas of the county including Dover working with Stagecoach and Tunbridge Wells working with Arriva. A Punctuality Improvement Partnership is under development for Thanet with Stagecoach, focusing on the Westwood Cross area.

- KCC is working with South Eastern and Railtrack to improve interchange at 13 stations in Kent during 2008/2009 and with bus operators for a further roll-out of the Plus Bus rail ticket add on for unlimited bus travel as part of a rail journey.
- Expansion of Fastrack is planned, together with the introduction/expansion of off-bus ticketing machines at bus stops. Work is in hand to deliver Smartlink for Ashford, beginning with a Park & Ride site at the Warren from 2009. KCC is supporting Maidstone with the development of a new Park & Ride site at Langley Park Farm in 2009. Delivery of a new Park & Ride service for Tunbridge Wells is also in hand.
- Work on the Kent Regeneration Strategy will incorporate a comprehensive travel plan covering strategic infrastructure provision such as rail freight and a Lower Thames Crossing.

Measurable indicators:

None – This Towards 2010 target has been formally agreed as having an ‘aspirational’ status and progress is measured via qualitative means.

Monitoring completed by: Mick Sutch/David Hall

Date: 10 July 2008

Target 37: Improve the way we repair roads and pavements		
Lead Cabinet Member: Keith Ferrin	Lead Managing Director: E&R MD post currently vacant	Lead Officer: Kim Hills

Status: More progress needed

List the partners with whom we are working to deliver this target:

Ringway, Jacobs, TSUK, KCC Contact Centre

Progress to date on delivering this Towards 2010 target:

Kent residents want well-maintained roads and pavements and KCC also wants to see the repairs done as efficiently and economically as possible to a standard that will last.

KCC’s Cabinet approved an additional investment of £5m specifically for repairs to high profile footways across the county in 2007 to be spread over 2007/08 and 2008/09. Action has been taken to improve the speed and quality of pothole and road edge repairs on rural roads and a specialist machine, called Jetpatcher, has and is being used which lays up to 16 times more material per day than is achieved using traditional methods. Additional pothole crews have been deployed to improve response times.

Recent problems with carriageway condition have been caused by changing weather conditions, with a wet summer in 2007 followed by a wet winter in 2007/08. A decision was taken to hold a blitz on potholes during April 2008 by redirecting 24 crews to solely work on potholes. This provided a potential capacity to repair 10,000 potholes within 1 month. Kent Highways Services (KHS) had been repairing the potholes that were being reported but the problem was that the numbers being reported by the public were low at approximately 400 per month. The new short-term blitz proved to be highly successful (over 11,300 potholes filled), not only filling potholes but in encouraging greater reporting of potholes by the public (over 2,500 were reported).

It is recognised that better pothole repairs are not the ideal long-term solution to road condition and KCC will continue to lobby Government to obtain the funding needed to tackle the maintenance backlog, which is a national issue, not simply a Kent one. However, the pothole blitz provided a

positive and sound short term response to the situation. It is proposed that we have a similar campaign in January 2009 (a time that historically sees an increase in potholes and public reports).

In addition we are considering adding a small number of targeted schemes to our surface treatment (grip fibre) programme in 2008/09. This would allow us to seal some roads which are heavily trafficked and received significant pothole repairs during the recent blitz. There has been further discussion on the potential for additional funding.

Currently our A, B and C roads are of average or above average condition when compared to other highway authorities using national indicators. However our unclassified roads do not fair so well. We have identified 275km of roads that are locally important but are unclassified. These carry higher volumes of traffic and are often local rat runs. Funding will be directed towards these in order to improve their condition, achieve a good rate of return on investment and improve satisfaction. In addition it is proposed to pursue modification of our maintenance model to provide not only a greater weight to unclassified roads but also add in other assessment criteria. As part of this highway inspectors will carry out an annual assessment of the condition of every road and pavement, including environmental issues, and the historic spend on repairs on a particular road will be extracted from the computer system to show where future investment will have most impact. This information will be added to the survey work undertaken by our alliance partner and once validated will be included in the system to prioritise schemes for 2009/10.

The results of the KHS tracker survey undertaken in late 2007 reported the best ever ‘net satisfaction’ figures by the public with the condition of Kent’s roads, pavements and streetlights.

There appears to be a correlation between spend on highway maintenance and public satisfaction. In the 2008/09 financial year we are spending relatively less on carriageway / footway maintenance and thus we would not expect to see the dramatic improvements that have been seen in the 2006 and 2007 surveys.

Work planned between now and 2010

- The Leader has been undertaking a review of KHS delivery during September 2008. The outcome of this is awaited and may affect future priorities and direction.
- We will continue to improve our customer care/interface due to close working with members and parish/town councils through our new Community Liaison Officer arrangements.
- New systems are being introduced during the summer of 2008 which will help our Contact Centre to record service requests more accurately, have greater information about existing faults and therefore reduce repeat requests. They will also be able to pass information directly to the front line staff through new mobile technology such as tablet pc’s.
- The implementation of hand held computers for highway inspectors is also being progressed during 2008 to enable defects on roads and pavements to be reported, programmed and completed with greater efficiency and with less manual data handling. Highway inspectors now operate from branded vehicles containing the appropriate equipment to enhance the service.
- Improved operational flexibility (crew types and programming) has been introduced and is already improving efficiency and productivity.
- Additional performance data is now available from our customer system, allowing us to target and improve operation.

Measurable Indicator (s)	2006/07 Actual	2007/08 Target	2007/08 Estimate	2008/09 Target	2009/10 Target
Net satisfaction of residents with condition of roads in Kent	+5%	+10%	+19%	+20%	+23%

Monitoring completed by: Kim Hills

Date: 9 July 2008 (updated Sept)

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Thursday, 8 January 2009.

Present: Mr D Smyth (Chairman), Mr J Simmonds and Mrs T Dean.

Officers: Ms L McMullan, Director of Finance, Mr A Wood, Head of Financial Management, Mr Nigel Smith, Head of Development Investment, Mr P Sass, Head of Democratic Services and Local Leadership and Mrs A Taylor, Research Officer to the Cabinet Scrutiny Committee.

Also present: Mr N J D Chard, Cabinet Member for Finance, Mr S J G Koowaree, Member for Ashford East, Mrs E Tweed, Member for Ashford Central and Mr D Hill, Chief Executive, Ashford Borough Council.

1. Notes of Previous Meeting held on 26 November 2008.
(Item 1)

Subject to a letter being written to Mr Gilroy asking him to clarify the information published in the Local Government Chronicle relating to savings made by Kent TV, the notes of the meeting held on 26 November 2008 were approved **(PS to follow up)**.

2. Revenue and Capital Budgets Monitoring Exception Report
(Item 2)

- (1) Members queried the re-phasing of the special schools review (SSR) projects and stated that Local Members and particularly Governors of the relevant schools were not always kept up to date with changes to the phasing of projects. Members asked for an update on progress at Five Acre Wood school and St James the Great school. **(AT to follow up)**
- (2) Members agreed to note the report.

3. 2009-10 Budget and Medium Term Plan
(Item 3)

- (1) Mrs Dean opened the discussion by stating that she had not received her copy of the budget book and MTP on Monday as hoped. Mr Wood confirmed that a hard copy had been delivered to her office at 5.15pm on Monday. Mr Smyth stated that the opposition groups appreciated the opportunity to receive a copy of the budget at the earliest available opportunity prior to the press launch and they would wish this to continue in future years. Mr Chard agreed that the budget press release should also be issued in advance to Opposition Groups.
- (2) Mr Chard introduced the report explaining that this year had been the most economically turbulent in his experience. While the Council was pleased that the Government had honoured the previously announced 3.2% gross increase, there was disappointment that no additional provision had been made for continuing pressures on the budget, including the impact of the economic conditions and the removal of LABGI meant that the actual increase was only 2%.

- (3) The Council was aware of the increasing pressure of Council Tax to residents and a maximum of 2.85% increase was proposed for the Council Tax.
- (4) Putting together the budget was about balancing the impact on Council Tax from the pressures on services and the need for savings in the light of the additional grant received from the Government.
- (5) The Council was proposing additional funding for Children's Social Care Services. There were also pressures on the Adult Social Care services due to changing demography of the County. Work has also been focussed on a more efficient and effective Highways Service.
- (6) Mr Simmonds asked about the effect on the Council of the Government increasing the efficiency savings targets for Local Government. Ms McMullan explained that it would not impact on the 2009/10 budget but it was possible that 2010/11 might be affected. On a separate but related issue, Ms McMullan confirmed that the Government was pressing ahead with its wish to see local Councils publish the details of efficiency savings with Council Tax bills, despite significant views to the contrary.
- (7) The Chairman stated that Members appreciated that the budget had been published significantly earlier than in the past giving more time for consideration; this achievement should be recognised, particularly considering the Christmas and New Year break.
- (8) Mr Chard concurred with the Chairman and stated that a lot of work had been put in to ensure that the Budget Book was readable and comprehensive.
- (9) Members noted the report.

4. Business Planning *(Item 5)*

- (1) This report had been postponed from the previous IMG meeting.
- (2) Members of the IMG agreed that the new format of the Business Plans looked to be a vast improvement, increasing the transparency of the plans and making them easier to understand.
- (3) The Chairman asked whether the Delivery of Change in Priorities section of the Service Level Plan would also be relevant in the Directorate Level Plan. Officers clarified that the information in the Directorate Level Plan was intended to be strategic and that greater detail would be included in the Service Level Plans which would link extra funding with increased or higher level performance.
- (4) Mrs Dean asked whether there would be an opportunity for a dry run of the Business Plans before they were officially launched. Mr Wood explained that Finance were planning on being the first service to complete their Business Plan and that there had been a lot of discussion with key officers in the service directorates to ensure that there was an understanding of the Business Plans, and in addition Finance would keep a close eye on the Business Plans as they were populated.

- (5) Mr Simmonds asked whether the Business Plans would be submitted to the Policy Overview Committees (POCs) to ensure that Members were aware of the new format of the Business Plans. Mr Wood confirmed that the process had been established to ensure that the plans were considered by the POCs.
- (6) Members noted the report.

5. Ashford Newtown Works Site. Application no: AS/05/01798
(Item 4)

Mr Nigel Smith, Mr Koowaree, Mrs Tweed and Mr David Hill attended the meeting for this item.

- (1) The report on Ashford Newtown Works site stated that Ashford Borough Council (ABC) had granted planning consent subject to the completion of a Section 106 agreement and various other conditions including clawback ("deferred contributions"). ABC had therefore resolved to grant planning permission even though full contributions could not be secured initially.
- (2) Mr Smith introduced the report and explained that the contribution originally sought from this development by KCC was in the order of £1.5million, but the total offer from the developer was only £0.66million (with KCC's share being £0.385million) leaving a shortfall of just over £1million, although the £1.5m had not yet been included in the Medium Term Plan.
- (3) Mr Hill, Ashford Borough Council's Chief Executive stated that ABC had a good reputation for delivering contributions but on difficult brownfield sites, especially in current market conditions, something had to give. Rather than abandon the prospect of securing any contributions, the 'deferred contributions' approach would assert the Council's right to levy the full contributions. However where an independent assessment showed that the contributions were unaffordable there was an agreement to reduce the contributions on a broadly pro rata basis, but to secure 'deferred contributions' towards the shortfall if actual sales values exceeded those in the development appraisal. There were concerns that if the planning permission was simply refused a planning inspector could approve the development with no developer contributions. Mr Hill stated that house prices in Ashford had not fallen at the same rates as other parts of the South East, that the level planning applications received was at the same level as last year and that there was high level of interest for commercial developers with major companies looking to invest in Ashford. This may in part be due to the arrival of the high speed rail services in December 2009.
- (4) Mr Chard stated that he suspected the developers were now suffering because they would have paid more for the land originally than it was now worth in the current climate, making the funding of the S.106 contributions difficult. He added though, that the Council was not in a position to pick up the shortfall.
- (5) Mr Hill stated that the appraisals valued the land at its existing use value, so it would not be affected by what the developer had actually paid for the land. He added that developer contributions should not be relied upon or built into budgets until the developments had begun.

- (6) Ms McMullan stated that the financial implications needed to be clearer in the report.
- (7) Mrs Tweed stated that transport links to the Newtown site had been improved making any flats more saleable.
- (8) Mr Hill confirmed that preparations had begun to clear the site. If it proceeded, there would be a shortfall between creating a sustainable community and delivering it. He hoped it would be possible to seek HCA or GAF funding to close that gap, with the funds potentially being recovered from deferred contributions in due course.

The IMG agreed to:

- (9) Support the proposed agreement for deferred contributions in principle subject to seeing further detail of the proposed clawback arrangements. If the timescale permits this should be brought back to the IMG, otherwise the Cabinet Member for Finance agreed to discuss the issues with the Chairman of the IMG and other local Members as appropriate. With regard to clawback, Members expressed the view that there should be a clear overage clause to compensate the authority if market conditions improve;
- (10) Mr Hill agreed to approach the Homes and Communities Agency (HCA) to determine whether funding was available to cover the financial shortfall for this development, on the basis that there had to be a balance between community infrastructure and additional funding to cover the costs;
- (11) If the HCA has no funding available it could be a legitimate use of GAF3 funding and Ashford's Future would be consulted at the appropriate time subject to details of clawback being discussed.

**XXXXXXXXXXXXXXXXXXXXX
DIRECTORATE LEVEL
BUSINESS PLAN
2009/10**

Guidance notes in blue italics

Please ensure all business plans are prepared in ARIEL font, Pt size 12.

***MUST BE READ IN CONJUNCTION WITH
THE RELEVANT SERVICE LEVEL BUSINESS PLANS.***

KCC undertakes business planning in two tiers – directorate level and service level. For completeness, this directorate level business plan should be read in conjunction with the relevant service level business plans.

1. INTRODUCTION TO THE DIRECTORATE

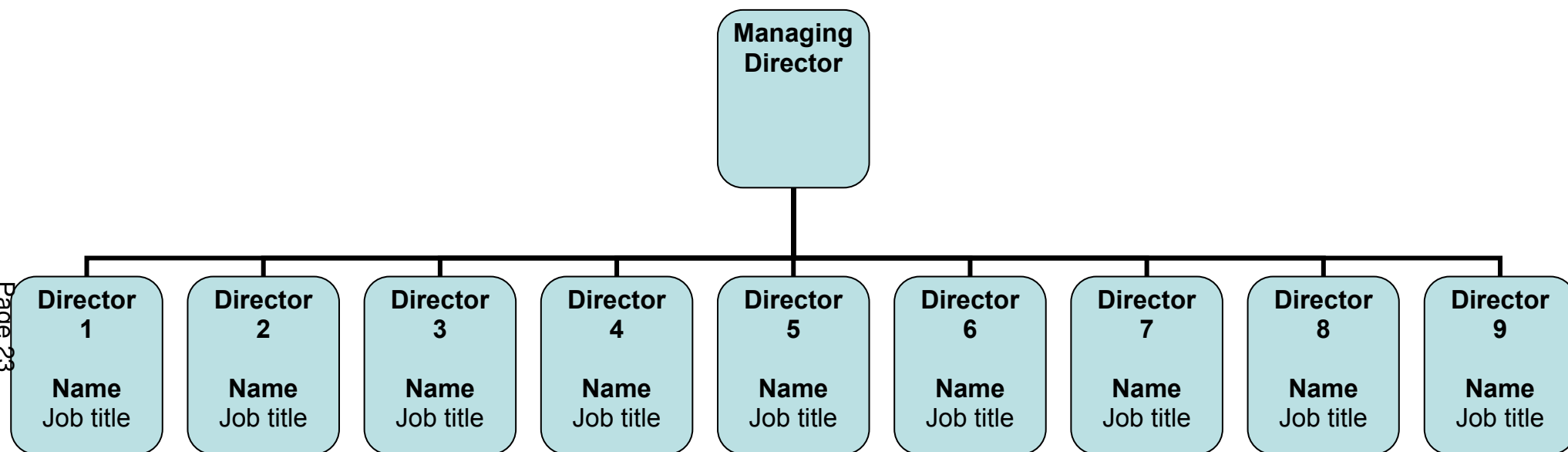
Overview of directorate

Outline purpose of the directorate

Structure chart

Top level staffing structure (to director level)

The lowest tier on this structure chart should overlap with service level business plan (ie. be the highest tier on service level structure chart).



Legislation

This section is important for clarifying delegated authority and needs to reference any relevant enabling Acts of Parliament, which link services to the legislative authority for officers to carry out the business. It need not identify particular sections of the Acts.

3. KEY PERFORMANCE INDICATORS & ACTIVITY DATA FOR BUSINESS PLAN MONITORING

These statements must be included at the start of this section: KCC's 'Data Quality Policy' on key performance indicators should be adhered to and promoted.

The targets, activity and projects set out in the tables below will be used to formally track the business plan at mid-term and end of year monitoring.

For this section, each directorate has discretion as to what information goes in the service level business plan and what goes in the directorate level business plan.

If something is of directorate-wide responsibility, or of significant importance, it should be included in the directorate level business plan. All information must be included in the most relevant business plan, and should not be duplicated at both levels.

The table below can include a mixture of targets and key service activity. Include the following:

- Targets relevant to the business of the service (National Indicators (eg. BVPIs, PAF), T2010 targets, KA2 targets, and other targets measured & required by members).*
- Maximum of 6 additional core service KPI's, such as LAAs or performance against professional standards (only include those that are key to the business of the whole authority).*

Performance Management

Performance Measure or Activity	Accountable Manager	Monitoring Frequency	Target performance 2008/09	Estimated performance 2008/09	Target performance 2009/10	Link to strategic priority
<i>Include in description the type of performance measure/target it is (eg. National Indicator, T2010 etc)</i>		<i>This column is optional.</i>				<i>T2010</i>

High Risk, High Profile, High Impact New Projects & Activities

This statement must be included above the table: The Managing Director is authorised to negotiate, settle the terms of, and enter the following agreements/projects:

Project/ development/ key action	Accountable Manager	Deliverables or Outcomes for 2008/09	Target date of delivery/ completion	Link to strategic priority
<i>All NEW projects, developments and key actions should be included.</i>	<i>Name</i>	<i>Bullet point description of SMART outcomes</i>		<i>Eg. Lead on T2010 Target 21, or Support for KA Outcome 15.</i>

These statements must be included under the table: In line with financial regulations, any capital projects on this list will be subject to prior “gateway review” by the Project Advisory Group and in consultation with the Leader.

Risk Registers for these major projects are maintained. These are available on request.

Benchmarking information

Provide an explanation of how you know your service is offering value for money – eg. through any external inspections, or comparison of benchmarking spend.

Compare service performance to that of other councils. This sets the service in the context of what can be achieved and how well the service is doing in comparison with others and raises the bar of expectation.

Service comparison against similar providers, using quartile markings or benchmarking club data to set the performance of the service.

4. MEDIUM TERM PLAN, PRIORITIES & KEY CHALLENGES

Outline of directorate strategy for MTP period

- *Include LAA & T2010*
- *Include outcome-focussed directorate objectives*
- *This section should align closely with Section 3 of the MTP.*

5. DIRECTORATE APPROACH TO THE FOLLOWING KEY CORPORATE OBJECTIVES

Provide a short statement on the directorate approach to the key corporate objectives below, and an outline of supporting activity. Where appropriate, link to cross-directorate policy initiatives (some of which are associated with LAA targets).

Customer Insight & Community Engagement

Further guidance to come from Robert Hardy.

Environmental Performance & Climate Change Adaptation

List, cross-reference or confirm commitment to these objectives as appropriate here in relation to your planned work.

Business Unit cross-cutting environmental objective	Lead officer	Deliverables / outcomes for 2008/09	Target date
<i>Are there any high-level objectives that you have set across all your planned work? These could be environmental standards or reduction targets, staff or customer communication / engagement / behaviour-change programmes, ways of appraising the environmental impact of decisions in your Business Unit etc.</i>	<i>Who will lead? Who has this as a personal objective?</i>	<i>What will actually be done? What will be different as a result? How will you measure success?</i>	<i>When will this be done by?</i>

Project / development / key action	Evidence of compliance with KCC Environment Policy	Major climate change impacts on service delivery	Adaptive action in 2008/09 (include lead and target date)
<i>Name (cross-reference earlier section of plan).</i>	<i>How is compliance with the KCC Environment Policy demonstrated? List key areas of compliance and any exceptions / perceived conflicts.</i>	<i>What do you know so far about the impacts of climate change on service demand, your staff, premises, business processes, supply chains, funding requirements and management structures? Use analysis from any adaptation assessment framework work you have done so far. List key impacts only. If the impact assessment is also relevant at the operational business plan level, cross-reference that here.</i>	<i>What if any action will you take in 2008/09? This could be more analysis, adjusting risk registers or business continuity plans, making direct changes to your business model / funding patterns, or raising awareness and building capacity in preparation. If the action is being taken at operational business plan level, cross-reference that here.</i>

Equality & Diversity

KCC's Equality Strategy is our commitment to address the needs of all service users and staff. It responds to the requirements of anti-discrimination legislation for Race, Disability and Gender equality duties which came into force between 2000 – 2007, plus, in line with KCC inclusive approach, issues of age, faith and sexual orientation social circumstance or background. Public authorities now have a "General Duty" to promote equality of opportunity for all persons. Promoting equality includes taking positive actions, not just to avoid discriminatory practice but to identify and respond to equality & diversity issues in planning and resource allocation decisions for example MTFP discussions. Business plans need to evidence activity to meet the actions plans outlined in the Equality Strategy (2007-2010), based on the five priority outcomes:

- *Equal & inclusive services*
- *Participation and involvement*
- *Safe & free from harassment*
- *The quality of intelligence and monitoring systems*
- *Reputation as an excellent employer*

Specific objectives & targets need to show a clear link with identified need of diversity groups (through impact assessments) and improvements experienced by both service users and staff. In addition to reflecting service specific activity, business plans need to address cross cutting issues for example communication, consultation/engagement, procurement, and promoting equality & diversity across our partnerships.

KCC target to achieve Equality Standards for Local Government at level 5 by 2010 requires evidence that the diverse needs of staff and service users are addressed within business/operating plans. Including Equality BVPI targets, identifying good practice. Directorate Equality leads have business specific knowledge of requirements.

Section 17

*Section 17 of the Crime & Disorder Act 1998 requires responsible authorities to consider crime and disorder reduction (**including anti social behaviour and other behaviour adversely affecting the local environment**) and the **misuse of drugs and other substances** in the exercise of all duties, activities and decision-making. This means that in all policies strategies and service delivery there is a need to consider the likely impact on crime & disorder. This responsibility applies to all departments and affects all employees of the council.*

This means a general duty on KCC to take account of the community safety dimension in all of its work. All policies, strategies, plans & budgets will need to be considered from the standpoint of their potential to contribute to the reduction of crime & disorder. We have to ensure that departments within the organisation can show that crime & disorder issues have been considered.

Capacity, Skills & Development Planning

Departments should provide some information about any future team development issues including:

- *Looking ahead, are there key skills/knowledge the team will need to develop/acquire to meet future demand/methods of service delivery?*
- *Could there be new partnerships that will impact on the team?*
- *Are there any particular staff recruitment or retention issues?*
- *What is the age/skill profile of the current team and what will be the impact of this in 5 years?*

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XXXXXXXXXXXXXXXXXXXXX
SERVICE LEVEL
BUSINESS PLAN
2009/10

Guidance notes in blue italics

Please ensure all business plans are prepared in ARIEL font, Pt size 12.

MUST BE READ IN CONJUNCTION WITH
THE XXXXXXXXXXXXXXXX
DIRECTORATE LEVEL BUSINESS PLAN
2009/10.

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1. INTRODUCTION TO THE SERVICE

Briefly explain:

- *Where service fits in directorate structure*
- *Core purpose and key responsibilities of the service*
- *Range of services covered by business plan and who they are provided to.*
- *Include sufficient detail to show the size and scope of service delivery.*

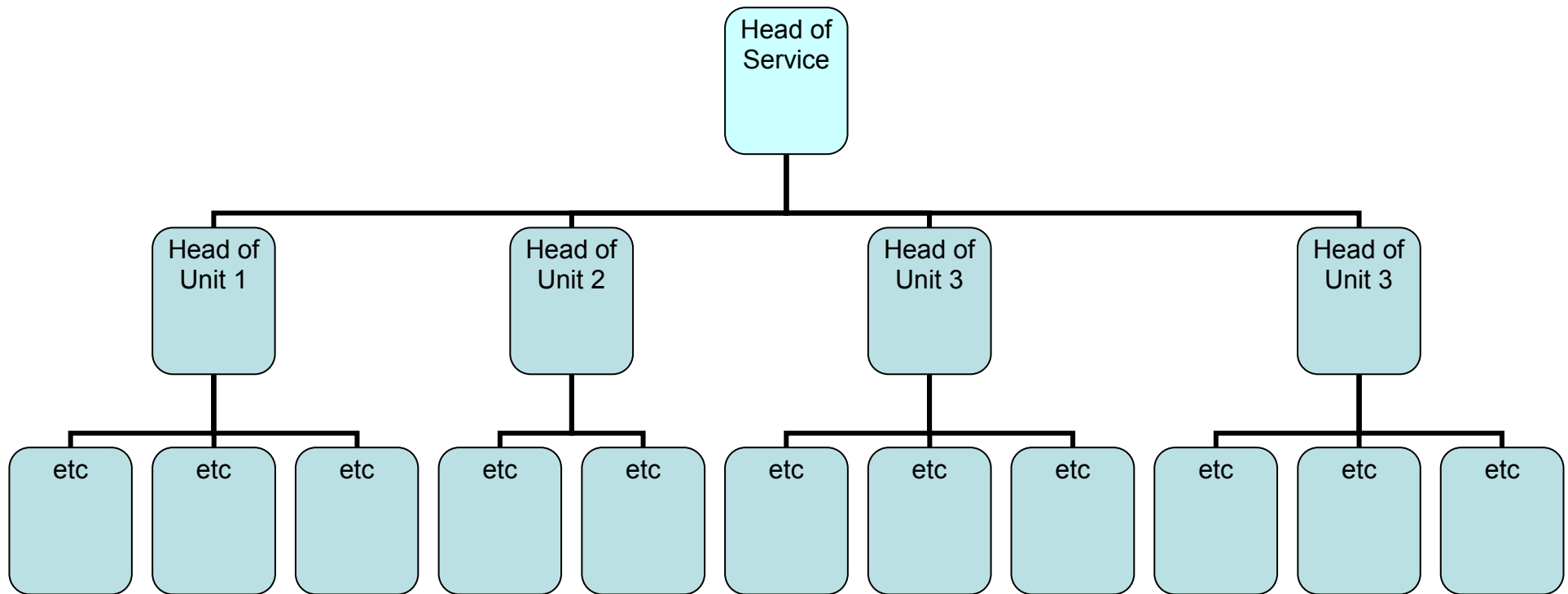
2. STRUCTURE

Structure chart

Must identify who is in charge of the service and clearly explain lines of authority and responsibility.

Ensure that the structure chart at least covers the manager of each unit covered in the service level business plan.

The highest tier on this structure chart should overlap with directorate business plan (ie. be the lowest tier on directorate structure chart).



Structure changes

Identify any structure changes in prior year or expected changes this/next year. Any structure changes identified need to be justified here.

5. KEY PERFORMANCE INDICATORS & ACTIVITY DATA FOR BUSINESS PLAN MONITORING

These statements must be included at the start of this section: KCC's 'Data Quality Policy' on key performance indicators should be adhered to and promoted.

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Performance Management

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<i>Include in description the type of performance measure/target it is (eg. National Indicator, T2010 etc)</i>		<i>This column is optional.</i>				<i>T2010</i>

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Benchmarking information

Provide an explanation of how you know your service is offering value for money – eg. through any external inspections, or comparison of benchmarking spend.

Compare service performance to that of other councils. This sets the service in the context of what can be achieved and how well the service is doing in comparison with others and raises the bar of expectation.

Service comparison against similar providers, using quartile markings or benchmarking club data to set the performance of the service.

User/Resident Involvement Planned for 2008/09

Include in this table: any planned work (does not have to be surveys) that will give the residents of Kent an opportunity to consider and give its views on issues so that those views can be taken into account before decisions affecting policies or services are taken. This can be a nil return.

Name	Start Date/ End Date	Feedback Date	Target Group	Target Area	Brief Summary	What we want to find out & how it will be used	Statutory?	Consultation type (*)	Contact Name, email & phone no
<i>Budget Focus Groups</i>	<i>01/08/06 – 30/09/06</i>	<i>30/09/06</i>	<i>Random Sample of Kent Residents</i>	<i>Kent</i>	<i>Public consultation with council taxpayers on budget</i>	<i>Budget consultation with the public, consistent with best practice. Statutory duty to consult taxpayers on budget and council tax levels before setting budget.</i>	<i>Yes</i>		<i>Ben Smith ben.smith@kent.gov.uk 01622 220000</i>
<i>Sign Language Review</i>	<i>20/02/06 – 30/07/06</i>		<i>Deaf services users and staff</i>	<i>Kent & Medway and Kent & Medway NHS</i>	<i>DDA compliance of services for deaf people</i>	<i>Consultation & surveys into the needs of Deaf people and sign language interpreting services. Under DDA we must not discriminate against such people and we need to assess the current experience and find solutions to any discriminatory practice.</i>	<i>No</i>		<i>Jenny Day jenny.day@kent.gov.uk 01622 232000</i>

(*) Consultation type could be: Business, Council, Environment, Social, Community, Education, Leisure or Transport

CABINET SCRUTINY COMMITTEE – 21 January 2009

Report Title:	KCC’s Treasury Management Policies
Documents Attached:	Minutes of Cabinet Scrutiny Committee 22 October 2008.
Purpose of Consideration:	On 22 October 2008 Members of the Cabinet Scrutiny Committee resolved that <i>Butlers would be expected to attend a meeting of our Committee at an appropriate stage in the future, following the completion of the PWC report</i> . Now that the PWC report has been published, Butlers were invited to attend this meeting, but declined to do so on the basis that “We have concerns as to what this meeting is trying to achieve and feel it may be outside of our remit with the Council”. They did, however, offer to respond to written questions. A set of questions was put together by the Chairman and Spokespeople and sent to Butlers and their response will be circulated to the Committee on 21 January 2009. The Committee is asked to discuss the response of Butlers to the questions and put forward any further questions for consideration by Butlers.
Possible Decisions:	The Committee may either:- <ul style="list-style-type: none"> (a) comment to the Chief Executive and the relevant Managing Director; (b) report to the Council; (c) refer any issues arising from its debate for consideration by a Policy Overview Committee or the Cabinet.
Previous Consideration:	Cabinet Scrutiny Committee 22 October 2008 – Minutes of the meeting attached
Background Documents:	Urgent update report to Cabinet 13 October 2008.

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93. KCC's Treasury Management Policies
(Item. F3)

The Chairman welcomed Mr N J D Chard, Cabinet Member for Finance, Ms L McMullan, Director of Finance and Mr N Vickers, Head of Financial Management, to the meeting.

Mr Smyth began the debate by asking how decisions on investments were made within KCC. Specifically, he wanted to know more about the role of the Treasury Policy Group (TPG) in terms of deciding where to invest money. Ms McMullan stated that the overall framework for the management of local authority investments is contained within guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The overall strategy for investments is determined by the full Council each year and contained within the Medium Term Plan. Once the treasury strategy is approved, the Council uses a counter party list, which is based on the ratings provided to the authority on the various banks and other financial institutions. The Treasury Policy Group (TPG) meets on a quarterly basis to discuss the counter party list and decide where the Council should be investing its money and on what terms. Ms McMullan confirmed that officers had delegated authority to make investments, particularly as some investment decisions needed to be made quickly.

In response to a further question from Mr Smyth, Mr Chard stated that there was a clear structure to investments based on the ratings of the relevant institutions. He stressed that KCC does not get direct access to the information held by the 3 ratings agency; only the interpretation of this information by the Council's advisers, Butlers.

Mr Northey asked what the Council does when things go wrong. Specifically, he asked what the latest information was about the future of the Icelandic banks and what the likelihood was of KCC receiving a full refund of its invested money and over what timescale. Secondly, he asked what plans KCC had for the future to safeguard other investments if something else unexpected happened. Mr Chard stated that KCC had been very open and transparent about its investments from a very early stage, unlike some of the other 122 local authority investors in Iceland and that certainty was given about KCC's liquidity and continued ability to pay for its services, salaries, pensions and contractors. He also stated that the Governor of the Bank of England had been quoted in "The Times" to say that the an "extraordinary and unimaginable series of events" had led to the current situation and that "not since the 1st World War has our banking system been so close to collapse." He added that all new investments were being made with the Debt Management Office, which whilst completely safe, attracted a much lower rate of interest, which will have an impact on the County Council in terms of it being able to limit council tax increases.

Ms McMullan confirmed that KCC had some £18.35m invested in the Heritable Bank and she referred to the joint release by the LGA and the Administrator, which stated that the assets and liabilities of the Heritable Bank were about the same and that the next step was to set up a Working Party to begin the process of ensuring that investments were returned to local authorities as soon as possible. She stated that the LGA was leading on this work, supported by a small number of key local authorities including KCC and that good news was expected fairly swiftly. The

remainder of KCC's Icelandic investments were with Glitner and Landsbanki, but that there was no further information at the moment about the timescale or process for the return of these investments.

Ms McMullan confirmed that a full review of KCC's remaining investments had been undertaken; this was particularly important given the fact that maturity dates for some investments would necessitate a decision on re-investment and as other money became available for investment. She stated that the use of the Debt Management Office was the only appropriate option at this stage, but that she did not consider that this was a sustainable position. She added that the cross-party Economic Management Group would have a key role to play in helping to decide on the future investment strategy and that a meeting request had gone out for 3 November.

Mr Northey asked for further information about how long KCC was likely to hold its investments with the Debt Management Office and whether anyone knew what the situation was with regard to the 2 Iceland banks. Mr Chard stated that he would prefer to leave the discussion on how long KCC was likely to use the Debt Management Office until after the meeting of the Economic Management Group on 3 November. Mr Chard added that the situation with regard to the 2 Icelandic banks was a difficult one, but when the Bank of Credit and Commerce International collapsed in 1991, some 90% of all investments were eventually returned to depositors.

Mr Christie asked when the TPG met prior to 9 October. Ms McMullan stated that the group last met at the end of July 2008, but that information was often shared electronically amongst the group members, particularly if urgent decisions had to be made. Mr Christie then referred to the article in the "Local Government Chronicle", which stated that local authorities had been warned some 7 months ago about the potential risks of investing in Iceland. He also asked whether Mr Chard wanted to clarify the comment attributed to him that the government had asked KCC to make these investments. Finally, Mr Christie asked Mr Chard to provide further information about why KCC actually needed to invest the money in the first place, if there was no effect on services, salaries or pensions.

Mr Chard responded by saying that about one third of local authorities (123 out of 388) had investments or deposits with Icelandic banks totalling approximately £1bn. The figure of 123 was made up of approximately half of County Councils, one third of London Boroughs and one quarter of District Councils but did not include charities, universities, Transport for London and the Audit Commission. With regard to the comments attributed to him, Mr Chard stated that he had checked the tape of the interview he had done with Meridian and gave an assurance that at no time had he ever said or implied that the Government had asked KCC to deposit money with Icelandic banks. He stated that he had said that the Government expected local authorities to spread their risks and adhere to the CIPFA guidelines on investments, which KCC had done, with assistance from its advisers and the information from the ratings agencies.

With regard to the £50m invested, Mr Chard stated that this was working capital and reserves, which the Council was perfectly entitled to put on deposit, within the guidelines, in order to earn interest and help offset unnecessary increases in the levels of Council Tax. He added that KCC had received some £56m the previous day from its precept and £13m today in the form of Dedicated Schools Grant money,

which did not need to be paid out either today or tomorrow, nor was it needed for immediate cash flow and so would be invested.

Mrs Dean expressed her disappointment that Butlers were not present but asked for further information about what their role actually was. Mr Simmonds interjected to say that such a discussion at this stage, prior to the consideration of the PWC report, was premature and could prejudice further discussions. He asked for legal advice about the nature of the line of questioning Mrs Dean was seeking to pursue. Mrs Dean stated that she was not seeking to examine the quality of the advice from Butlers, only their role. In doing so, she stated that she had searched a number of relevant websites recently, where Butlers had described their services as providing information not advice. She added that having clarity on the role of Butlers in KCC's investment decisions was crucial, given the fact that the Government had stated that they could not guarantee the deposits of local authorities because they were informed investors and received professional advice from companies like Butlers. Mr Wild advised the Committee that Mrs Dean's questions were appropriate at this stage, if all she was seeking to do was to clarify the role of companies such as Butlers. He added that it was appropriate for this Committee to look at the general picture first, not the specifics, in advance of the various investigations being undertaken elsewhere.

Ms McMullan read extracts from KCC's contract with Butlers, which stated that in terms of investment policy "advice would be given with regards to the implications of investing funds internally. In conjunction with our interest rate forecast, we will provide advice on the period of investment". On credit ratings, the contract stated that "where funds are invested externally, advice would incorporate an initial assessment and constant review of the credit rating and counter-party list selected by the Council. Monthly summaries of credit ratings will be supplied. Advice will also be provided immediately of any changes to these ratings".

Mrs Dean then asked what PWC had been asked to do in terms of their investigation and report: were PWC expressing an opinion on the Council's Treasury Management policies or giving an opinion as to whether KCC had abided by the rules on investments? Ms McMullan stated the PWC had been asked to look at this matter in two stages; firstly, whether KCC had followed existing processes and, secondly, how could those processes be improved for the future. She added that the PWC report had been commissioned as soon as possible after the Icelandic situation came to light.

Mrs Dean stated that she had received information that approximately half of the KCC money invested in Iceland did not mature until between February and August next year and she asked when Butlers first advised KCC that there was a potential problem with the Icelandic banks and what action was taken. Ms McMullan stated that the advice came through from Butlers on 30 September and at that stage, KCC was unable to get its money out. Mrs Dean stated that the credit ratings of banks and other financial institutions was information that was readily available, but what was more important was how the ratings were interpreted and what action was taken having considered those interpretations. She asked, therefore, when KCC was advised as to the reasons for the ratings on the Icelandic banks and why they had changed. Ms McMullan stated that the last meeting KCC held with Butlers was 29 September and she re-read one of the extracts from KCC's contract with Butlers with regard to their role in providing advice (referred to above).

Mr Harrison asked what KCC would do with the £50m if it was to be returned tomorrow. He also asked for further information on the membership of the Economic Management Group. Mr Chard stated that the only option for investment at the present time was the Debt Management Office, because it was safe but he reiterated his previous comment that the interest earned on that money would be very low, which would affect the Council's finances adversely. He added that the membership of the Economic Management Group would include the Members of the cross-party IMG on budgetary issues, the Chairman of the Superannuation Fund Committee (Mr Scholes), the Chief Executive, Ms McMullan and himself. With regard to the proposed meeting on 3 November, the notification stated that, if those Members could not attend personally, substitutes would be accepted.

Mr Chell referred to recent Government legislation that had affected access to potential lower interest rates on borrowing, which meant that KCC would no longer be able to transfer or reschedule loans to preferential lower interest rates. He stated that this matter had been raised at the Audit Committee recently. He asked what this legislation would cost the tax payers of Kent. Mr Chard stated that the question from Mr Chell was outside the remit of the Icelandic situation and that he would provide a written answer in due course.

Mr Hotson asked what the political make up was of the 122 other local authorities that had Icelandic investments and also asked Mr Chard to comment on the benefits to Council taxpayers in Kent over, say, the last 10 years of the Council's approach to investments. Mr Chard stated that the make up of the 122 local authorities was right across the political spectrum and that, whilst the relevant details could be made available to Members, he stressed that he did not view the matter as a party political one.

Mr Truelove asked Mr Chard to confirm which Members of KCC were accountable in deciding that the money should be invested in Iceland. Mr Chard stated that all Members of the Council had a responsibility for the treasury management policies of the Council, but that beyond that, he was unwilling to comment further until the PWC report had been published.

Mr Scholes stated that, as Chairman of the Superannuation Fund Committee, he could reassure pensioners that the amount of money being paid into the pension fund exceeded the amount that had to be paid out, because of a decision in May 2007 to store cash rather than invest. He added that this had resulted in the accumulation of £16m in cash, which was now held in Iceland. He added that, by not investing £150m, the fund had made an additional £60m.

Mr Simmonds asked whether consideration would now be given in the future to country exposure and also what the net difference was between the Debt Management Office rates of interest and what could be achieved in the market and the effect of this on the Council Tax payer. Ms McMullan stated that country exposure would be one of the issues examined going forward. She also stated that, if all maturing and new money was invested in the Debt Management Office, the difference in interest rates would be between 60% and 70% less than the market. If KCC sustained that position moving forward, the estimated effect on KCC's finances would be in the region of £6m per year, which equated to just over 1% on the Council Tax.

Referring to the Local Government Chronicle, the Chairman stated that the rating of Landsbanki had been reassessed from “A” to “BBB” on 30 September. He asked what information had been available on the ratings for the other 2 Icelandic banks where KCC had investments. Ms McMullan stated that the PWC report would include a full chronology of events, including the dates on which ratings information was made available to KCC and the dates that investments in Iceland were made.

Mrs Dean referred to the suggestion from the Leader to the government of a new way of investing, which would involve local authorities placing all of their investments with British banks. She asked what discussions had taken place about that suggestion before it was made formally to the Government. Mrs Dean also asked for an explanation as to why the Superannuation Fund Committee had decided some time ago to retain cash rather than invest, when other parts of the Council had decided to retain investments. In response, Mr Vickers stated that it was the policy of the Superannuation Fund Committee not to hold cash but to be fully invested, either in equities, property or Government bonds. He added that the long standing policy was different to other parts of KCC because of the different nature of the liabilities. The decision in mid-2007 to hold cash was due to the expectations and predictions of other forms of investment, notably property. He reiterated that the decision to hold cash had resulted in additional income over that period of £60m.

With regard to the Leader’s suggestion that local authority investments should be held in British banks, Mr Chard stated that he was not aware what discussions the Leader might or might not have had with other Members. He added that he was aware of the idea and that it merited further debate.

Mr Christie asked what information the TPG had available about the extent of the Icelandic liabilities when deciding to invest in Icelandic banks, adding that one report had suggested the liabilities were 9 times the size of that country’s GDP. Mr Chard stated that KCC’s investment decisions were made in accordance with the treasury management policies and with the assistance of the Council’s advisors.

The Chairman asked for confirmation of where the PWC report will go formally, once it is produced. Specifically, the Chairman asked whether the PWC report would be made public. Mr Chard stated that he would be very happy for the report to be made public, subject to the advice from the Council’s Monitoring Officer on aspects of commercial confidentiality and any possible future litigation. Mr Scholes confirmed that he had already asked for the PWC report to be reported to the Superannuation Fund Committee.

Mrs Dean asked whether the Treasury Management Strategy was a public document and whether it would be discussed at the Economic Management Group, as she considered it to be a confusing document. Mr Chard stated that it would be discussed by the group and would also feature in the PWC report.

RESOLVED: That (1) Our Committee notes the ongoing preparation of the report by PWC into KCC’s Treasury Management policies and asks that this report is made available for scrutiny by our Committee as soon as it is available;

(2) We ask that a copy of the contract between KCC and Butlers be provided to Members of the Committee on a confidential basis;

(3) We welcome the addition of Members of the Budget IMG to the membership of the Economic Management Group, set up and chaired by the Leader of the Council; and

(4) We expect Butlers to attend a meeting of our Committee at an appropriate stage in the future, following the completion of the PWC report.