

**CORPORATE POLICY OVERVIEW AND SCRUTINY  
COMMITTEE**

**Thursday, 14th January, 2010**

**10.00 am**

**Darent Room, Sessions House, County Hall,  
Maidstone**

**Would Members please bring their copy of the  
draft budget and Medium Term Financial Plan  
circulated on 5 January 2010**







## AGENDA

### CORPORATE POLICY OVERVIEW AND SCRUTINY COMMITTEE

**Thursday, 14 January 2010 at 10.00 am**  
**Darent Room, Sessions House, County**  
**Hall, Maidstone**

Ask for: **Denise Fitch**  
Telephone: **01622 694269**

*Tea/Coffee will be available 15 minutes before the meeting*

#### **Membership (12)**

Conservative (11): Mr E E C Hotson (Chairman), Mr R W Bayford, Mr D L Brazier, Mr J R Bullock, MBE, Mr R B Burgess, Mr B R Cope, Mr R Frayne, Mrs J Law, Mr R J Parry, Mr J E Scholes and Mr M V Snelling

Liberal Democrat (1): Mrs T Dean (Vice-Chairman)

#### **UNRESTRICTED ITEMS**

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

#### **Item No**

##### **A. COMMITTEE BUSINESS**

- A1 Substitutes
- A2 Declaration of Interests by Members in items on the Agenda for this meeting.
- A3 Minutes - 13 November 2009 (Pages 1 - 8)

##### **B. ITEMS FOR CONSIDERATION**

- B1 Financial Monitoring Report : Corporate Services 2009/10 (Pages 9 - 26)
- B2 Budget 2010/11 and Medium Term Financial Plan 2010/13 (Pages 27 - 34)  
(would Members please bring their copy of the draft budget and medium term financial plan circulated on 5 January 2010)
- B3 Half-year monitoring 2009/10 (Pages 35 - 42)
- B4 Gateway Update (Pages 43 - 54)
- B5 Reception Closure Programme (Pages 55 - 62)
- B6 Update on Human Resources - focusing on changing the age profile of KCC (*to follow*)
- B7 Equalities Update (Pages 63 - 66)

### **C. SELECT COMMITTEE WORK**

There will be not be a Select Committee update to this meeting as there is no new information relating to the matters under the remit of this Policy Overview and Scrutiny Committee.

### **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

**Wednesday, 6 January 2010**

*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**

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**CORPORATE POLICY OVERVIEW AND SCRUTINY  
COMMITTEE**

MINUTES of a meeting of the Corporate Policy Overview and Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 13 November 2009.

PRESENT: Mr E E C Hotson (Chairman), Mrs T Dean (Vice-Chairman), Mr R W Bayford, Mr D L Brazier, Mr R B Burgess, Mr J F London (Substitute for Mr J R Bullock, MBE), Mr S Manion (Substitute for Mr B R Cope), Mr R J Parry and Mrs P A V Stockell (Substitute for Mr M V Snelling)

ALSO PRESENT: Miss S J Carey, Mr P B Carter, Mr A J King, MBE, Mr R A Marsh, Mr J D Simmonds, Mr B J Sweetland and Mr N Waterston

IN ATTENDANCE: Mrs A Beer (Director of Personnel & Development), Mr D Cockburn (Executive Director, Strategy, Economic Development & ICT), Ms D Fitch (Assistant Democratic Service Manager (Policy Overview)), Mr P Gilroy (Chief Executive), Mr R Hardy (Director of Improvement and Engagement), Ms J Hill (Performance Manager), Ms L McMullan (Director of Finance), Mrs T Oliver (Director of Strategic Development and Public Access), Mr D Oxlade (Head Of Policy), Mr D Shipton (Finance Strategy Manager) and Mr N Warren (Consumer Monitoring Manager)

**UNRESTRICTED ITEMS**

**25. Minutes - 25 September 2009**

*(Item A3)*

RESOLVED that the meeting held on 25 September 2009 are correctly recorded and that they be signed by the Chairman.

**26. Financial Monitoring Report : Corporate Services 2009/10**

*(Item B1)*

(1) The Committee received the budget monitoring exception report, based on the monitoring returns for August, as reported to Cabinet on 12<sup>th</sup> October 2009.

(2) RESOLVED that the forecast budget variances for the Chief Executive's Department for 2009/10 based on the August exception monitoring report to Cabinet be noted.

**27. Medium Term Financial Plan - 2010-11 to 2012-13 - consultation**

*(Item B2)*

(1) Mr Shipton presented a report which identified the proposed strategy for determining next year's budget and the financial plans for the following two years. This included the latest indications of likely pressures facing the portfolios covering

the Chief Executive's Department, suggested areas for service improvements and the savings that may be needed in order to set a realistic three year budget plan.

(2) The Chairman reminded Members that this Committee had established an Informal Member Group to discuss the Medium Term Financial Plan in more detail and it would be meeting on 18 November 2009.

(3) Members questions and comments were invited and the responses to these included the following:-

- It was suggested that there should be discussions with the Districts in an attempt to achieve savings in future years on the cost of KCC elections.
- Ms McMullan explained that the best return was being achieved on money as it came off long term deposit by, for example, investing with counter parties who were guaranteed by Government.
- Mr Wild undertook to provide figures showing legal services' turnover.
- Regarding the £1m reduction in the Insurance Reserve as a one off saving for 2010/11, Ms McMullan confirmed that this, in her opinion, would leave an adequate amount in the Reserve,
- The issue of whether the saving in the Democratic Services budget would leave enough resources to support the localism agenda, which was resource intensive, was raised.

(4) RESOLVED that the establishment of an Informal Member Group on the Medium Term Plan and the discussion at the POSC meeting be noted.

## **28. KCC International Activities Annual Report 2008-09**

*(Item B3)*

(1) Mr King, Mr Marsh and Mr Oxlade presented the fourth International Activities Annual report which highlighted examples of some of the main aspects of International work in KCC and the county over the past year. This year's report emphasised the increased focus of international activity on helping to support businesses and local people through the current downturn and how international work helped to drive innovation and creativity as part of the drive towards service transformation. The report also provided an overview of International work being undertaken across the Directorates of the County Council, including a 'scorecard' of EU funding successes to date.

(2) Members were invited to make comments and ask questions which included the following:-

- In response to a question on the perception that ports on the other side of the Channel had received more funding than Kent ports, Mr Oxlade explained that this was part perception and part fact. In order to secure funding it was necessary to put forward big proposals which to date Kent perhaps had not done ambitiously enough. However, he referred members to details of the recent funding success for the Port of Ramsgate.
- Mr Marsh confirmed that KCC worked well with its MEP's and one of the benefits of the Brussels Office was providing a meeting place for interested parties.

- The importance of finding out about best practise via KCC's international activities was raised. Reference was made to the visit by Kent Head Teachers to Virginia which had been funded by schools and facilitated by KCC. Also the possibility of learning from European counties regarding successes they have had in relating to their communities.
- Concern was expressed about the amount of European Funding that was allocated on a central or regional basis making the ability of local authorities to influence how the money was spent in their areas more difficult. Mr King pointed out that Kent's democratically accountable bodies were responsible for only a third of public sector spend in the area.

(3) RESOLVED that KCC's International Activities Annual Report 2008 – 09 and the comments made by Members be noted

## **29. East Kent Human Resources (HR) Partnership Shared Working update** *(Item B4)*

(1) Mr Hardy introduced a report which updated the Committee on current progress on the work to create the East Kent Human Resources (HR) Partnership, and the possibility of expanded and ongoing shared work that this project created.

(2) Mrs Beer explained that the East Kent HR project brought together HR support to the 4 East Kent Districts. KCC had provided project officer support and general HR advice to the team who were leading the project and from early next year would be providing payroll services. The project had highlighted the complexity of implementation and decision making in relation to shared working. One of the advantages that had come from the project was the procurement of an HR IT system which will enable KCC to offer similar services to other organisations.

(3) In response to a question, Mrs Beer confirmed that it would be possible to have a different model whereby KCC provided services directly and not via the partnership if this was what Districts preferred. One of the advantages for Districts of having shared working was a resilience of service provision and improved value for money. In certain generic areas such as supplying advice on Employment law and policy there were potential savings for Districts. Also there was a benefit for Districts in having access to KCC's learning and development resources and well being services.

(4) Ms Beer stated that although there was an income stream from this for KCC this had not been the primary objective of providing these services in this instance.

(5) Mention was made of the East Kent Waste agreement which, when the initial capital investment had been recouped, would result in savings for both KCC and the Districts.

(6) It was noted that there would be a fuller report all the arrangements for shared services partnerships in Kent to the next meeting of the Committee.

(7) RESOLVED that the achievements made and the direction of this project be noted.

### **30. Connecting with Communities - Annual Report on KCC engagement activities.**

*(Item B5)*

(1) Mr Hardy and Mrs Hill presented a report to update Members with developments regarding consultation, engagement and involvement within the authority from 1 April 2008 – 31 March 2009.

(2) Members highlighted the amount of work that Neighbourhood Forums and Local Boards were doing to engage with the public. Members gave examples of the different levels of success they had had with promoting consultations and engaging the public via Neighbourhood Forums etc. It was confirmed that Members were happy to promote consultations within their areas if the information was passed to them. The issue of how effective Neighbourhood Forums which covered large areas of population, for example those in Tunbridge and Malling, could be raised.

(3) The initiative by forty young people in care to establish a Children in Care Council was welcomed.

(4) It was suggested that there should be a report to the next meeting of the Committee on the work of the citizens panel, including questions, answers and setting out where we have used this information.

(5) Concern was expressed about the effectiveness of the recent Highway Services satisfaction survey carried out by consultants. Parish Councils and County Councillors had been invited to participate in this survey. The value of this survey was questioned due to the methods used. An update on this survey would be included in the next report on consultations to the Committee.

(6) Mrs Hill undertook to send a copy of the working with young people tool kit for Parish Councils would be sent to Members.

(7) RESOLVED that the contents of this report, its Appendices and the comments made by Members on how to raise greater awareness of planned activity be noted.

### **31. Total Place**

*(Item B7)*

(1) Mr Gilroy introduced the item on Kent Total Place which was focused on improving services to the customer, reducing duplication and improving efficiency across the public sector. This was driven by the need for continued modernisation of public services and for public services to think more laterally about how to use physical and other assets. The report identified three key areas which were Gateways, Asset Management and the Margate Task Force.

(2) Mr Hardy emphasised that Total Place was not a pilot but was a phase in a programme that extended to 2016. What was being piloted was the willingness of central government and agencies to join with other public sector partners. He referred to the Members seminar on 16 December 2009 where Members would be shown the location of all public sector buildings across Kent.

(3) In response to a question on how Kent was chosen as an areas for Total Place, Mr Gilroy explained that this had resulted from discussions with Central Government departments about how Kent's Gateways could help them with public facing services.

(4) Regarding the timescale for this project, Mr Hardy stated that an initial submission had been sent to the Treasury on 18 September 2009 which outlined the potential of this way of working and the barriers both local and national. The next deadline was 5 February 2010 for submission of a fuller report outlining in detail the potential scope for savings, efficiencies and improvements in services to customers. He explained that KCC were working with lead districts in relation to the 3 elements, these were Tunbridge Wells for Gateways, Swale for Asset Management and Thanet for the Margate Task Force. Of these three the one area where Central Government had contributed the most was Asset Management, where its focus had been extended. The Committee asked to be kept informed of the submission to the Treasury on 5 February 2010.

(5) In relation to the Independent Chairman of the Asset Management Board, Central Government had helped to identify a national specialist in this area. Mr Lewis would be asked to give Members information on the Independent Chairman of the Assets Management Board and also inform them who the KCC representative was on the Board.

(6) In response to a question on the barriers to this programme, Mr Hardy stated that there was only one legislative barrier, Ms Oliver explained that from her experience with Gateways the barriers to this way of working were organisational cultures, silos and brands. Mr Hardy stated that it was hoped that by working with government official on Asset Management, where they were keen to engage, this could be used as a lever for Central Government involvement on the other two Boards.

(7) RESOLVED that the report and comments made by Members be noted.

### **32. The Review of Kent TV** *(Item B9)*

(1) The Chairman welcomed Mr Waterson from CapGemini who gave a power point presentation on the main findings of the review of Kent TV which he had undertaken on behalf of KCC. Details of this review were also circulated with the papers for the meeting. It was confirmed that this review was only one factor that would inform the final decision on the future of Kent TV.

(2) Members questions and comments were invited and the responses to these included the following:-

- Regarding governance arrangements for Kent TV, Mr Gilroy expressed the view that consideration could be given to looking at the governance arrangements of other public bodies such as the BBC, with maybe not having Elected Members on the Board but with them instead being part of an advisory group. He hoped that if a new contract was entered into for Kent TV then the governance arrangements would be reviewed.

- Ms Oliver confirmed that marketing for Kent TV formed part of the specification for the new contract.
- Ms Oliver referred to the work that was currently being undertaken to establish a schools channel on Kent TV. Reference was also made to the enthusiasm of Head Teachers at the Secondary Heads Conference for making use of Kent TV, and also the interest they had expressed in establishing a separate channel for Head Teachers.
- Regarding the timescale for the new contract, Ms Oliver informed the Committee that full specifications had been issued following an invitation for expressions of interest in August 2009. Tenders were due to be received on 1 December 2009. The current contract ended on 31 March 2010, therefore a decision was required on the contract before Christmas because there may be TUPE transfer issues or other staffing issues that required notice periods. Short listing and interviewing of successful tenders would take place in early December 2009. She stated that 24 expressions of interest had been received.
- In response to a question on which other stakeholders could have been engaged, Mr Waterson stated that although he had consulted Chambers of Commerce, with hindsight he would have liked to have consulted with some substantial Kent businesses.
- Mr Waterson expressed the view that Kent TV should make the leap to digital TV, which was a small step that could be achieved in the next year.
- A view was expressed that although there was an elaborate path to access Kent TV which affected its ease of use, it was ahead of its time and its content had improved.
- It was confirmed that Kent TV was linked to social network sites such as Facebook and Twitter.
- It was suggested that consideration should be given to whether it would be possible to have a facility for advertising for overseas ISP users only.
- The lack of feedback from members of the public was mentioned, and Mrs Oliver referred to the unsuccessful attempt that Kent TV had made to include two representatives from the public on the Board. She stated that Kent TV had got an email contact data base of viewers and at the County show had also obtained some feedback, there was the potential to use the citizens panel. She agreed that there was need to find a means to have a meaningful engagement with the public.
- Mrs Dean expressed the view that based on available viewing figures the potential of Kent TV had not been realised in the first 2 years of the project. She stated that the number of views was equal to the number of hits on "Explore Kent" which was only one part of KCC's website.
- In response to a comment that the amount of time that each viewer spent on Kent TV was decreasing, Mrs Oliver explained that there had been a change in the way that people viewed content on the internet.

- Mrs Dean acknowledged that there was a niche for community TV but that Kent would be better to host programmes.
- The need for the gap in local TV news to be filled was mentioned. Ms Oliver referred to the amount of local content on Kent TV.
- Mrs Dean reminded the Committee that it was originally intended that Kent TV would be self funded after 2 years. Ms Oliver explained that in relation to the original proposal to raise income from advertisements a decision had been taken by the Board not to do this. This had been a result of lobbying by local media.
- In response to a question on Webcasting, Mrs Oliver confirmed that this did form part of the Kent TV contract. The aim with the new contract was to provide something that was more creative and interesting for example having democratic highlights of the week.

(3) The Leader reminded the Committee that the decision on the future of Kent TV would be made before Christmas. He acknowledged the potential of Kent TV but stated that there were a number of issues that needed to be addressed including improved marketing. This was a form of community TV and the potential of getting other public bodies involved to help to support it needed to be fully explored.

(4) Mrs Oliver undertook to supply the viewing figures hits from abroad and also figure for Kent TV views on YouTube and Facebook.

(5) RESOLVED that the presentation on the review and the comments made by Members be noted.

### **33. KCC's Place Survey scores**

*(Item B8)*

(1) Mr Warren gave a power point presentation on KCC's Place Survey scores. Mr Hardy referred to the report which set out the scores achieved in KCC's Place Survey and compares these with the national publication of scores made by CLG on 23 June and 23 September 2009.

(2) Mr Hardy explained that this survey did not ask people about their experience with services but about their perception of the area, which although important was not based on fact. This was one of a range of surveys and its only significance was its relationship to the National Indicator set which was currently under review

(3) In response to a question Mr Hardy confirmed that the report contained KCC face to face survey score, all other authorities had carried out a postal survey. All that it was possible to compare the results of the Kent survey with as the 2006 Best Value Performance Indicators survey.

(4) Mr Hardy confirmed that will feed into three of our National Indicator in our Local Area Agreement, these will be referred to in the Comprehensive Area Assessment, but this would only be one piece of evidence for the assessment.

(5) RESOLVED that KCC's Place Survey scores as produced by the Ipsos MORI face to face survey, the national comparison scores and the explanatory commentary be noted.

#### **34. KCC Annual Complaints Report 2008/09**

*(Item B6)*

(1) Mrs Hill presented a report which provided Members with overview information of the KCC's handling of complaints in 2008/09.

(2) RESOLVED that the report be noted and Member were invited to contact officers if they had any detailed questions.

#### **35. Select Committees - update**

*(Item C1)*

(1) The Committee received an update report on the Select Committee topic review programme which was approved at the Policy Overview Co-ordinating Committee on 16 October 2009.

(2) RESOLVED that the topics to be included in the new Select Committee work programme be noted.

**TO:** Corporate Policy Overview Committee – 14<sup>th</sup> January 2010

**BY:** Paul Carter, Leader  
 Alex King, Deputy Leader  
 John Simmonds, Cabinet Member for Finance  
 Roger Gough, Cabinet Member for Corporate Support Services & Performance Management  
 Alan Marsh, cabinet member for Public Health & Innovation  
 Peter Gilroy, Chief Executive

**SUBJECT:** Financial Monitoring 2009/10

**Classification:** Unrestricted

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**Summary:**

Members of the POC are asked to note the second quarter's budget monitoring report for 2009/10 to Cabinet on 30<sup>th</sup> November 2009 and the latest exception report on 11<sup>th</sup> January 2010

**FOR INFORMATION**

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**1. Introduction**

- 1.1 This is a regular report to this Committee on the forecast outturn for Chief Executives Department and Financing Items budgets within the Corporate Services portfolios.

**2. Forecast Outturn**

- 2.1 A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. These reports outline the full financial position for each portfolio and are reported to POSCs after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report.

- 2.2 The second quarter's monitoring report for 2009/10 was presented to Cabinet on 30<sup>th</sup> November 2009. Extracts from the annex for the Chief Executives Department for the portfolios reporting to this POSC and the annex for Financing Items are attached as appendix 1. An exception report was presented to Cabinet on 11<sup>th</sup> January 2010 which did not identify any significant variations from the quarterly report for Chief Executives Department and the changes to financing items outlined in paragraph 2.?

2.3 Revenue Budget  
*Chief Executives Department*

- 2.3.1 Since the last report to this POSC in November we have identified the following significant variations:

- a. An increase in pay as you go activities and income of £1.389m for the Information Systems Group in response to demand from directorates, and an increase in activities and income for Education Information Systems (EIS) of £400k in response to demands from schools

- b. Additional income earned by Legal Services of £548k (partially offset by additional expenditure) resulting in an increase in the forecast surplus generated by legal services from £196k to £300k
- c. Additional spending and income in Personnel and Development including trading activities within learning and development, and additional income within employee services partly from shared services with East Kent District Councils offset by additional expenditure on replacement of telephony systems
- d. Additional expenditure and income in the Property Group within the estates and capital projects teams
- e. The previously reported overspends within Democratic Services and Central Policy and Performance improvement & Engagement remain with only minor changes from previous reports.

2.3.2 The overall impact is a net forecast overspend of £202k which it is anticipated will be covered during the remainder of the year through additional income.

2.3.3 The support element of Chief Executive's Department budgets has been delegated to service directorates. This means any over or under spends on the support elements will feature in directorate budget monitoring. At this stage the only variations to delegated support service budgets is a minor variation in relation to reduced costs for the Kent Public Services Network (KPSN).

#### *Financing Items*

2.3.4 The same small net under spend of £160k was reported in the second quarter's report for the Financing Items budget (same as the first quarter's report). There were some changes from the first quarter's report relating to £1.4m over spend on the insurance fund and £6m settlement on the original Turner Contemporary project but both were offset by a corresponding change in reserves.

2.3.5 The exception report on 11<sup>th</sup> January 2010 identified an increased under spend by £2.862m to £3.022m. This was due to further savings on the treasury budgets as no new borrowing has yet been undertaken this financial year and the impact of the new counterparty policy approved by Cabinet in October, where, currently, the newly added banking groups are being utilised as fully as possible.

#### 2.4 Capital

2.4.1 The capital budget shows an under spend of £150k in 2009/10 on maintenance budgets for SHQ necessary in order to balance the revenue budget. This decision was endorsed by Resource Directors. The monitoring also shows a rephrasing of £105k from 2009/10 to 2010/11.

2.4.2 The pressure on future years' capital budgets as a result of the review of the BetterWorkPlaces programme was identified in the monitoring. No immediate action is necessary as any changes would need to be agreed as part of 2010/13 MTP.

### **3 Recommendations**

3.1 Members of the POC are asked to note the projected outturn for the Chief Executive's Department and Financing Items for 2009/10 based on the first quarter's monitoring report to Cabinet.

Background Documents:

- 1) Cabinet 30<sup>th</sup> November 2009 – Revenue and Capital Budgets, Key Activity and Risk Monitoring
- 2) Cabinet 11<sup>th</sup> January 2010 – Revenue and Capital Budget Monitoring Exception Report

Officer Contact:

Dave Shipton  
Finance Strategy Manager  
Ext. 4597



## CHIEF EXECUTIVES DIRECTORATE SUMMARY OCTOBER 2009-10 FULL MONITORING REPORT

### 1. FINANCE

#### 1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Localism &amp; Partnerships portfolio</b>							
Democratic Services:						0	
- core service & payg activity	4,347	-3	4,344	219	-43	176	Committee manager post & Members allowance
- delegated to directorates	160	-160	0	80	-80	0	Schools Appeals recharged to CFE
<b>TOTAL Democratic Services</b>	<b>4,507</b>	<b>-163</b>	<b>4,344</b>	<b>299</b>	<b>-123</b>	<b>176</b>	
International Affairs Group	587	-35	552	27	-27	0	
Kent Partnerships	1,013	-571	442	-51	2	-49	£35k reduction in income & expenditure relating to Learning Skills Council. Addt compensating income from Thanet for staff secondment.
County Council Elections	255		255	0	0	0	
Public Consultation	100		100	0	0	0	
Provision for Member Community Grants	852		852	0	0	0	
Local Scheme Spending recommended by Local Boards	427		427	0	0	0	
District Grants for Local Priorities	625		625	0	0	0	
Budget Managed by this portfolio	8,366	-769	7,597	275	-148	127	
<b>Less Support Costs delegated to Service Directorates</b>	<b>-160</b>	<b>160</b>	<b>0</b>	<b>-80</b>	<b>80</b>	<b>0</b>	
<b>Total L&amp;P portfolio</b>	<b>8,206</b>	<b>-609</b>	<b>7,597</b>	<b>195</b>	<b>-68</b>	<b>127</b>	
<b>Corporate Support &amp; Performance Management portfolio</b>							
Personnel & Development:						0	
- core service & payg activity	6,210	-5,032	1,178	298	-346	-48	Pay as you go activity
- delegated to directorates	4,356	-4,356	0	0	0	0	
<b>TOTAL P&amp;D</b>	<b>10,566</b>	<b>-9,388</b>	<b>1,178</b>	<b>298</b>	<b>-346</b>	<b>-48</b>	
Business Solutions & Policy:			0			0	
- core service & payg activity	9,846	-8,239	1,607	1,830	-1,813	17	ISG pay as you go activity and EIS trading activity with Schools.
- delegated to directorates	14,410	-14,410	0	-28	28	0	KPSN adj
<b>TOTAL Business Solutions</b>	<b>24,256</b>	<b>-22,649</b>	<b>1,607</b>	<b>1,802</b>	<b>-1,785</b>	<b>17</b>	

Property Group:			0			0	
- core service & payg activity	5,442	-4,080	1,362	260	-262	-2	Pay as you go activity
- delegated to directorates	4,525	-4,525	0	0	0	0	
<b>TOTAL Property Group</b>	<b>9,967</b>	<b>-8,605</b>	<b>1,362</b>	<b>260</b>	<b>-262</b>	<b>-2</b>	
Internal Audit & Procurement Support to Directorates			0			0	
- core service & payg activity	286	-31	255	-34	-16	-50	Pay as you go activity
- delegated to directorates	754	-754	0	0	0	0	
<b>TOTAL Internal Audit &amp; Procure</b>	<b>1,040</b>	<b>-785</b>	<b>255</b>	<b>-34</b>	<b>-16</b>	<b>-50</b>	
Legal Services	6,189	-7,037	-848	664	-964	-300	Increased trading activity and related costs
Corporate Communications	1,596	-94	1,502	-27	-1	-28	
Strategic Development Unit	3,893	-1,287	2,606	99	-24	75	Increased running costs for Gateways
Strategic Management	651		651	-16	0	-16	
Centrally Managed Budgets	1,756	-184	1,572	165	10	175	In year management action savings target
Contact Kent	5,108	-2,091	3,017	54	-54	0	
Central Policy	566	-81	485	199	-56	143	Strengthening of team
Performance, Improvement & Engagement	570	-86	484	59	0	59	Expenditure to develop plans for change
Kent Works	895	-895	0	0	0	0	
PFI Grant		-630	-630	0	0	0	
Dedicated Schools Grant		-4,289	-4,289	0	0	0	
Support Services purchased from CED	4,199		4,199	0	0	0	
Budget Managed by this portfolio	71,252	-58,101	13,151	3,523	-3,498	25	
<b>Less</b> Support Costs delegated to Service Directorates	<b>-24,045</b>	<b>24,045</b>	<b>0</b>	<b>28</b>	<b>-28</b>	<b>0</b>	Adj for KPSN revised charges
<b>Total CS&amp;PM</b>	<b>47,207</b>	<b>-34,056</b>	<b>13,151</b>	<b>3,551</b>	<b>-3,526</b>	<b>25</b>	
			0			0	
<b>Finance Portfolio</b>			0			0	
Finance Group:			0			0	
- core service & payg activity	6,178	-4,199	1,979	86	-36	50	Increased costs & recovery in Investments & Treasury
- delegated to directorates	1,706	-1,706	0			0	
<b>TOTAL Finance Group</b>	<b>7,884</b>	<b>-5,905</b>	<b>1,979</b>	<b>86</b>	<b>-36</b>	<b>50</b>	
<b>Less</b> Support Costs delegated to Service Directorates	<b>-1,706</b>	<b>1,706</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Finance portfolio</b>	<b>6,178</b>	<b>-4,199</b>	<b>1,979</b>	<b>86</b>	<b>-36</b>	<b>50</b>	
			0			0	
<b>TOTAL CORPORATE POC</b>	<b>61,591</b>	<b>-38,864</b>	<b>22,727</b>	<b>3,832</b>	<b>-3,630</b>	<b>202</b>	
			0			0	
<b>Public Health &amp; Innovation portfolio</b>			0			0	
Kent Department of Public Health	1,410	-620	790	-54	54	0	
<b>Total Directorate Controllable</b>	<b>63,001</b>	<b>-39,484</b>	<b>23,517</b>	<b>3,778</b>	<b>-3,576</b>	<b>202</b>	
<b>Assumed Management Action:</b>						<b>0</b>	
- L&P portfolio						<b>0</b>	
- CS&PM portfolio					<b>-202</b>	<b>-202</b>	
- Finance portfolio						<b>0</b>	
- PH&I portfolio						<b>0</b>	
<b>Forecast after Mgmt Action</b>				<b>3,778</b>	<b>-3,778</b>	<b>0</b>	

1.1.3 **Major Reasons for Variance:** *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

**Localism & Partnerships portfolio**

1.1.3.1 **Democratic Services:** Primary variance on gross **(+£117k)** is due to continuance of the Committee Manager post through to March 2010 plus other salary pressures which include three cases of maternity cover. A further **(+£52k)** variance is due to the part year effect of the restructuring of Members Allowances.

**Corporate Support & Performance Management portfolio:**

1.1.3.2 **Personnel & Development:** Variances on gross spend and income reflect the increased demand for additional Personnel services, mainly trading activity with Learning & Development **(+/-£152k)**. Also, within Employee Services, additional external income, partly from shared HR services with District Councils at East Kent, has been offset by additional expenditure on the replacement of the telephony system **(+/- £153k)**.

1.1.3.3 **Information Systems (Business Solutions & Policy):** Variances on gross spend **(+£1830k)** and income **(-£1813k)** reflect the increased demand for additional IT services, mainly trading activity with Schools through EIS **+/-£400k** and Pay-as-you-go projects **+/-£1,389k** (includes support to Libraries **+/-£457k** & Children's Centres **+/-£490k**). Project demand is difficult to predict during budget setting. Within the budgets delegated to service directorates, reduced costs relating to the Kent Public Services Network (KPSN) will result in lower recharges to directorates **-/+£28k**.

1.1.3.4 **Property Group:** Variances on gross spend **(+£260k)** and income **(-£262k)** reflect increased demand for additional pay as you go services mainly within the Estates and Capital Projects teams.

1.1.3.5 **Legal Services:** Variances on gross spend **(+£664k)** and income **(-£964k)** reflect the additional work that the function has taken on over and above that budgeted for, responding to both internal and external demand.

1.1.3.6 **Centrally Managed Budgets (CMB):** **(+£175k)** - In the 2009-10 approved budget there is an MTP saving for 'In year Management action'. The saving is to be met from savings and income generation opportunities which present themselves through the year. Although the savings target is held within CMB, the offsetting savings/income generation is being/will be achieved across the other budget lines.

1.1.3.7 **Central Policy & Performance, Improvement & Engagement:** Additional permanent and temporary appointments **(+£141k)** have been made within the Central Policy and Improvement & Engagement teams in order to strengthen these areas in preparation of developing plans to improve performance management and corporate assurance across KCC. These pressures will be highlighted in the MTP.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**  
(shading denotes that a pressure/saving has an offsetting entry which is directly related)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CSPM	Information Systems costs of additional pay as you go activity	+1,389	CSPM	Information Systems income from additional pay as you go activity	-1,389
CSPM	Legal services cost of additional work (offset by increased income)	+664	CSPM	Legal income resulting from additional work (partially offset by increased costs)	-964
CSPM	Information Systems costs of EIS additional services/projects	+400	CSPM	Information Systems income from EIS additional services/projects	-400
CSPM	Property Group - Additional costs of increased PAYG activity	+260	CSPM	Property - Additional income from PAYG activity	-262
CSPM	MTP saving 'In year management action'	+175	CSPM	Personnel - Increased external income in Employee Services, partly from shared HR with DCs at East Kent	-153
CSPM	Personnel - increased costs including new telephony system for Employee Services	+153	CSPM	Personnel - increased income from Learning & Development courses	-152
CSPM	Personnel - increased trainer costs in Learning & Development	+152			
CSPM	Policy & PIE- Staffing costs to strengthen performance management & corporate assurance across KCC	+141			
L&P	Committee Manager post to March 2010 plus maternity covers.	+117			
		<b>+3,451</b>			<b>-3,320</b>

#### 1.1.4 Actions required to achieve this position:

N/A

#### 1.1.5 Implications for MTP:

##### Localism & Partnerships portfolio

The restructuring of Members Allowances has resulted in a +£110k pressure which will be reflected in the 2010/11 MTP.

##### Corporate Support & Performance Management portfolio:

The strengthening of the Policy Team and Improvement & Engagement will be netted off against savings in the 2010/11 MTP.

#### 1.1.6 Details of re-phasing of revenue projects:

N/A

#### 1.1.7 Details of proposals for residual variance: *[eg roll forward proposals; mgmt action outstanding]*

Current assumptions are that units within the Corporate Support and Performance Management portfolio will be able to generate increased income to cover the current overspends across all CED Portfolios (excluding Regeneration).

## 1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The capital cash limits have been adjusted since last reported to Cabinet on 12<sup>th</sup> October 2009, as detailed in section 4.1.

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position excluding PFI projects.

	Prev Yrs Exp £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	Future Yrs £000s	TOTAL £000s
<b>Corporate Support Services &amp; Performance Management</b>						
Budget	10,919	22,745	19,493	16,599	14,507	84,263
Additions:						
-re-phasing agreed at Oct Cabinet		-4,081	1,245	2,400	436	0
-						0
Revised Budget	10,919	18,664	20,738	18,999	14,943	84,263
Variance		-255	1,267	-575	860	1,297
<b>split:</b>						
- real variance		-150	+1,162	-575	+860	+1,297
- re-phasing		-105	+105			0
<b>Localism &amp; Partnerships Portfolio</b>						
Budget	0	584	500	500	1,000	2,584
Additions:						
-						0
Revised Budget	0	584	500	500	1,000	2,584
Variance		0	0	0	0	0
<b>split:</b>						
- real variance		0	0	0	0	0
- re-phasing		0	0	0	0	0
<b>Summary</b>						
<b>Real Variance</b>	<b>0</b>	<b>-150</b>	<b>+1,162</b>	<b>-575</b>	<b>+860</b>	<b>+1,297</b>
<b>Re-phasing</b>	<b>0</b>	<b>-105</b>	<b>+105</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2009-10 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

There are no variances over £250k

#### 1.2.4 Projects re-phasing by over £1m:

There is no re-phasing over £1m

#### 1.2.5 Projects with real variances, including resourcing implications:

##### Corporate Support and Performance Management Portfolio

##### **Modernisation of Assets -£0.15m** (in 2009/10)

A decision was taken at Resource Directors Group in March 09 to generate an underspend against SHQ maintenance in order to address the gap in the revenue 0910 CSS&PM Portfolio budget.

##### **Better Workplaces +£1.447m** (+£1.162m in 2010/11, -£0.575m in 2011/12 and +£0.860m in later years)

A review of the Better Workplaces project is being undertaken as part of the 2010/13 MTP, and will be incorporated into the Total Place initiative. This projected overspend reflects the latest assumptions on the office estate re-provision.

#### 1.2.6 General Overview of capital programme:

- (a) Risks  
N/A
- (b) Details of action being taken to alleviate risks  
N/A

#### 1.2.7 Project Re-Phasing

Cash limits are changed for projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m will be reported and the full extent of the rephasing will be shown. The possible re-phasing is detailed in the table below.

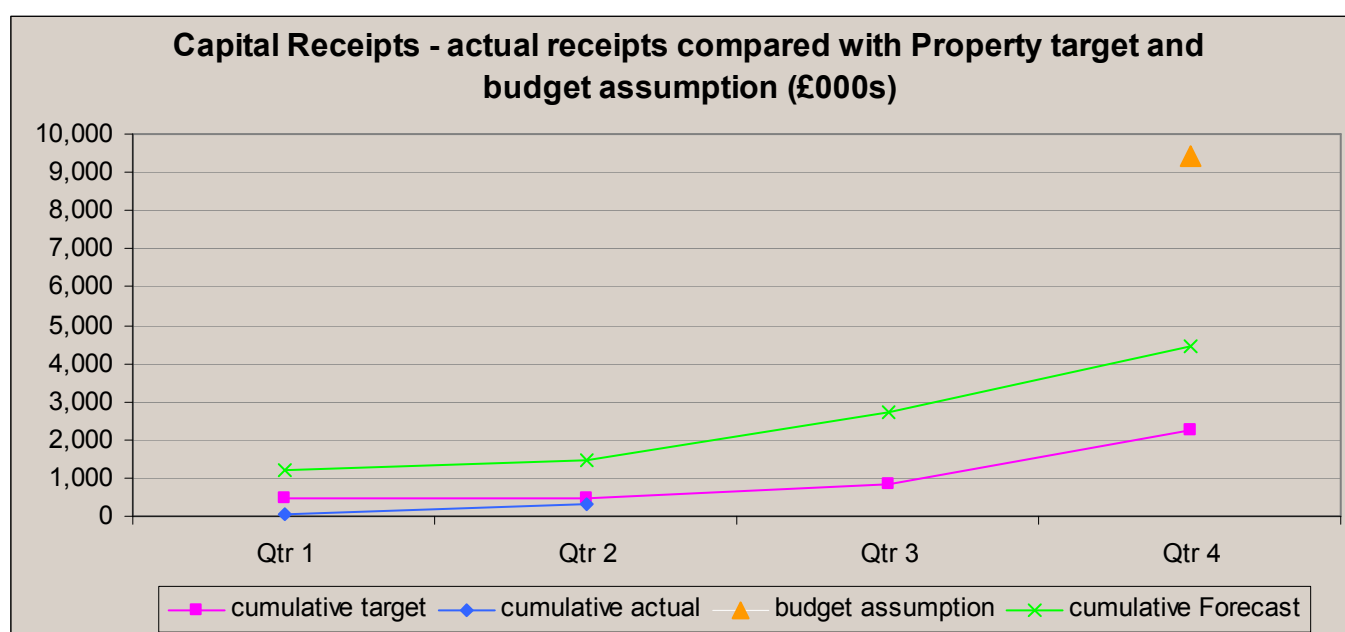
	2009-10	2010-11	2011-12	Future Years	Total
	£k	£k	£k	£k	
<b>Web Platform (CSS&amp;PM)</b>					
Amended total cash limits	+875	+250			+1,125
re-phasing	-105	+105			0
<b>Revised project phasing</b>	<b>+770</b>	<b>+355</b>	<b>0</b>	<b>0</b>	<b>+1,125</b>
<b>Total re-phasing &gt;£100k</b>	<b>-105</b>	<b>+105</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>					
re-phasing	-87	+87			0
<b>Revised phasing</b>	<b>-87</b>	<b>+87</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-192</b>	<b>+192</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Capital Receipts – actual receipts compared to budget profile:

	2009-10			
	Budget funding assumption £000s	Cumulative Target profile £000s	Cumulative Actual receipts £000s	Cumulative Forecast receipts £000s
April - June		447	47	1,200
July – September		492	316	1,455
October - December		850		2,705
January - March		2,235		4,460
<b>TOTAL</b>	<b>9,421</b>	<b>*2,235</b>	<b>316</b>	<b>4,460</b>

\*The cumulative target profile shows the anticipated receipts for 2009-10 total £2,235k. The difference between this and the budget funding assumption is mainly attributable to timing differences. For example one large receipt was actually received in 2008-09, but is not required to be used for funding until 2009-10.



Comments:

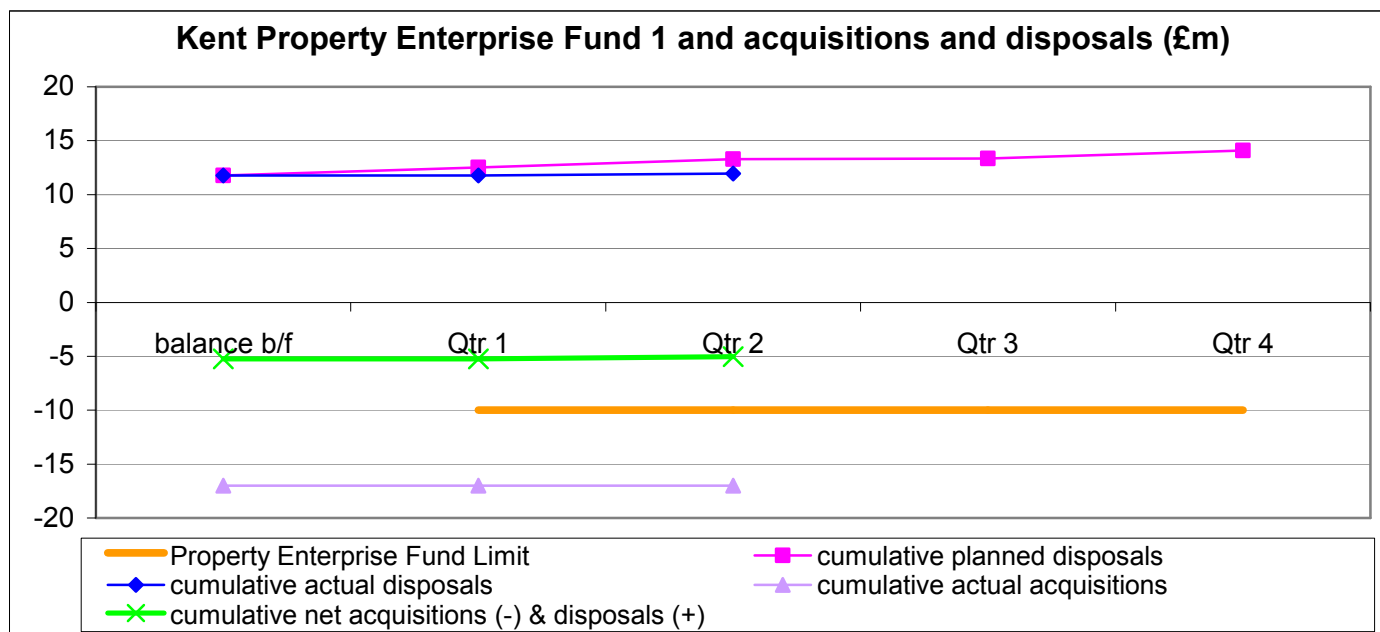
The table below compares the capital receipt funding required per the capital programme this year, with the expected receipts that will be available to fund this. Property group are actually forecasting a total of £4.46m to come in from capital receipts during this financial year. The table below only includes which of these are earmarked to fund spend in the current financial year. The rest is needed to be earmarked for spend in future years of the programme.

It is continuously challenging to provide realistic forecasts of receipts given the current economic climate. The potential deficit figure of almost £2.3m this year is due to some receipts which were originally earmarked, which have now been taken into PEF2. This position needs to be closely monitored throughout the year.

	2009-10 £'000
Capital receipt funding per revised 2009-12 MTP	7,455
Property Group's forecast receipts	1,769
Receipts banked in previous years for use	2,430
Capital receipts from other sources	1,000
<b>Potential Deficit Receipts</b>	<b>2,256</b>

## 2.2 Capital Receipts – Kent Property Enterprise Fund 1:

	<i>Kent Property Enterprise Fund Limit £m</i>	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions (-) £m	Cumulative Net Acquisitions (-) & Disposals (+) £m
Balance b/f		11.764	11.764	-16.999	-5.235
April - June	-10	12.529	11.771	-16.999	-5.228
July – September	-10	13.295	11.966	-16.999	-5.033
October – December	-10	13.341			
January – March	-10	14.084			



### Background:

- County Council approved the establishment of the Property Group Enterprise Fund No.1, with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

Any temporary deficit will be offset as disposal income from assets is realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

### Comments:

The balance brought forward from 2008-09 on the Property Group Enterprise Fund No. 1 was **£5.235m**.

A value of **£0.296m** has been identified for disposal in 2009-10. This is the risk adjusted figure to take on board the potential difficulties in disposing some of the properties.

As at the 30 September 2009 disposals to date this year have been **£0.202m** from the disposal of 2 non-operational properties.

The fund has been earmarked to provide **£1.380m** for Gateways in this financial year.

At present there are no committed acquisitions to report, however forecast outturn for costs of disposals (staff and fees) is currently estimated at **£0.347m**.

### Forecast Outturn

Taking all the above into consideration, the Fund is expected to be in a deficit position of £6.666m at the end of 2009-10.

<b>Opening Balance – 01-04-09</b>	<b>-£5.235m</b>
Planned Receipts (Risk adjusted)	£0.296m
Costs	-£0.347m
Acquisitions	-
Other Funding: - Ashford Library	-£1.380m
<b>Closing Balance – 31-03-10</b>	<b>-£6.666m</b>

### Revenue Implications

In 2009-10 the fund is currently forecasting £0.045m of low value revenue receipts but, with the need to fund both costs of borrowing (£0.389m) against the overdraft facility and the cost of managing properties held for disposal (net £0.195m), the PEF1 is forecasting a £0.976m deficit on revenue which will be rolled forward to be met from future income streams.

### **2.2 Capital Receipts – Kent Property Enterprise Fund 2 (PEF2):**

County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

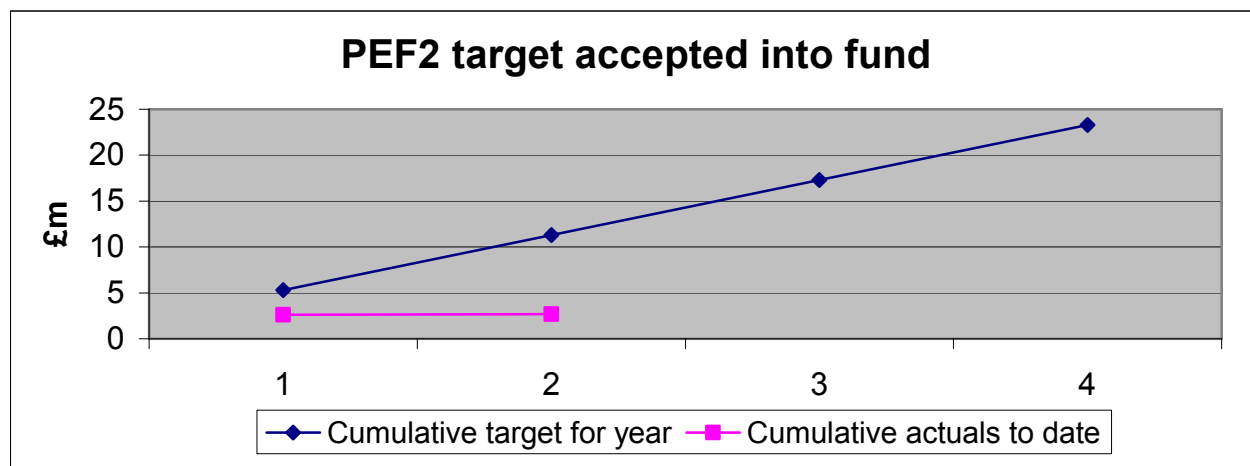
### **Overall forecast position on the fund**

	2009-10 Forecast
	£m
Capital:	
Opening balance	-42.914
Potential receipts to be agreed into PEF2	-20.719
Forecast sale of PEF2 properties	12.461
Disposal costs	-0.623
Closing balance	-51.795
Revenue:	
Opening balance	0.000
Interest on borrowing	-1.894
Holding costs	-1.695
Closing balance	-3.589
<b>Overall closing balance</b>	<b>-55.384</b>

The forecast closing balance for PEF2 is -£55.384, this within the overdraft limit of £85m.

The target receipts to be accepted into PEF2 during 2009-10 equate to the PEF2 funding requirement in the 2009-12 budget book, and achievement against this is shown below:

	Cumulative target for year	Cumulative actuals to date
	£m	£m
Balance b/fwd		2.6
Qtr 1	5.3	2.6
Qtr 2	11.3	2.7
Qtr 3	17.3	
Qtr 4	23.3	



*Comments.....*

To date one PEF2 property has been sold. The cumulative profit/(loss) on disposal to date is -£0.017m. Large profits or losses are not anticipated over the lifetime of the fund.

Interest costs

At the start of the year interest costs on the borrowing of the fund for 2009-10 were expected to total £1.77m.

Latest forecasts show interest costs of £1.894m, an increase of £0.07m. This is because there has been a decrease in the forecast of properties being disposed during the year.

Interest costs on the fund are calculated at a rate of 4%.

## FINANCING ITEMS SUMMARY OCTOBER 2009-10 FULL MONITORING REPORT

### 1. FINANCE

#### 1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget and the virement of £0.1m to the Communities portfolio to fund our contribution towards the construction programme at Maidstone Museum as agreed by Cabinet in September.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Corporate Support &amp; Performance Management portfolio</b>							
Contribution to IT Asset Maintenance Reserve	2,352		2,352			0	
Audit Fees & Subscriptions	764		764			0	
Contribution from Commercial Services		-6,460	-6,460			0	
<b>Total Corporate Support &amp; PM</b>	<b>3,116</b>	<b>-6,460</b>	<b>-3,344</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Finance Portfolio</b>							
Insurance Fund	2,979		2,979	1,400		1,400	increase in value of recorded claims outstanding
Workforce Reduction	1,498		1,498			0	
Environment Agency Levy	359		359			0	
Joint Sea Fisheries	264		264			0	
Interest on Cash Balances / Debt Charges	117,821	-12,769	105,052	-4,582	951	-3,631	Write down of discount saving from 08-09 debt restructuring; no new borrowing; reduced interest apportionments to Pension fund & schools
Transferred Services Pensions	22		22			0	
PRG	83	-2,100	-2,017			0	
Contribution to/from Reserves	-2,392		-2,392	8,071		8,071	tfr of 09-10 write down of discount saving from 08-09 debt restructuring to reserves; provision for recession; drawdown of Insurance reserve to cover pressure on Insurance Fund; tfr to reserves of net proceeds from Turner settlement

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Drawdown from Kings Hill reserve	-1,000		-1,000			0	
ABG Safer Stronger Communities	1,277		1,277			0	
Original Turner Contemporary	0	0	0	0	-6,000	-6,000	settlement proceeds
<b>Total Finance</b>	<b>120,911</b>	<b>-14,869</b>	<b>106,042</b>	<b>4,889</b>	<b>-5,049</b>	<b>-160</b>	
<b>Total Controllable</b>	<b>124,027</b>	<b>-21,329</b>	<b>102,698</b>	<b>4,889</b>	<b>-5,049</b>	<b>-160</b>	

### 1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

#### 1.1.3.1 Interest on Cash Balances and Debt Charges:

- There is a saving of £1.971m which relates to the write-down in 2009-10 of the £4.024m discount saving on debt restructuring undertaken at the end of 2008-09. (£0.39m was written down into 2008-09, therefore leaving a further £1.663m to be written down over the period 2010-11 to 2012-13).
- There is a £1.660m saving as a result of lower debt charges and a saving on the interest on cash balances budget. This is because we have some long term deposits unexpectedly still running which have bolstered our rate of return. Call options coming in the next few months have been allowed for in this forecast. In addition, our cash balances were higher than we assumed in our budgeted cash flow assumptions as a result of higher grant receipts than assumed and re-phasing on the capital programme, however balances have recently reduced following the transfer out to Fund Managers of a large amount of the Pension Fund cash for reinvestment but the reduction in interest earned as a result of this is offset by reduced interest apportionments on cash balances to the Pension Fund and schools.

#### 1.1.3.2 Contributions to/from reserves:

As planned, the £1.971m write down of the discount saving earned from debt restructuring in 2008-09, will be transferred to the Economic Downturn reserve. There is also a forecast contribution to the reserve of £1.5m to provide contingency against the impact of the recession on the Finance Portfolio budgets.

#### 1.1.3.3 Insurance Fund:

A forecast pressure on the Insurance Fund, currently estimated at £1.4m, will be met by a drawdown from the Insurance Reserve. This pressure is a result of an increase in the estimated funding required to settle the self funded element of recorded claims (excesses) and a lower investment income received on the balance in the Fund.

#### 1.1.3.4 Original Turner Contemporary:

A settlement has been reached, without any admissions as to liability, regarding the original Turner project which was abandoned in 2006. The costs of this project were written off to reserves when this project was abandoned and therefore the net proceeds of this settlement will be transferred back to reserves.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**  
(shading denotes that a pressure/saving has an offsetting entry which is directly related)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
FIN	Transfer to reserves of net proceeds from Turner settlement	+6,000	FIN	Original Turner Contemporary settlement	-6,000
FIN	Contribution to economic downturn reserve of 2009-10 write down of discount saving from 2008-09 debt restructuring	+1,971	FIN	2009-10 write down of discount saving from 2008-09 debt restructuring	-1,971
FIN	Contribution to economic downturn reserve to provide contingency for the impact of the recession	+1,500	FIN	Treasury savings - lower debt charges and savings on interest on cash balances budget	-1,660
FIN	Pressure on Insurance Fund	+1,400	FIN	Drawdown from Insurance Reserve to cover pressure on Insurance Fund	-1,400
		<b>+10,871</b>			<b>-11,031</b>

**1.1.4 Actions required to achieve this position:**

N/A

**1.1.5 Implications for MTP:**

N/A

**1.1.6 Details of re-phasing of revenue projects:**

N/A

**1.1.7 Details of proposals for residual variance: [eg roll forward proposals; mgmt action outstanding]**

N/A

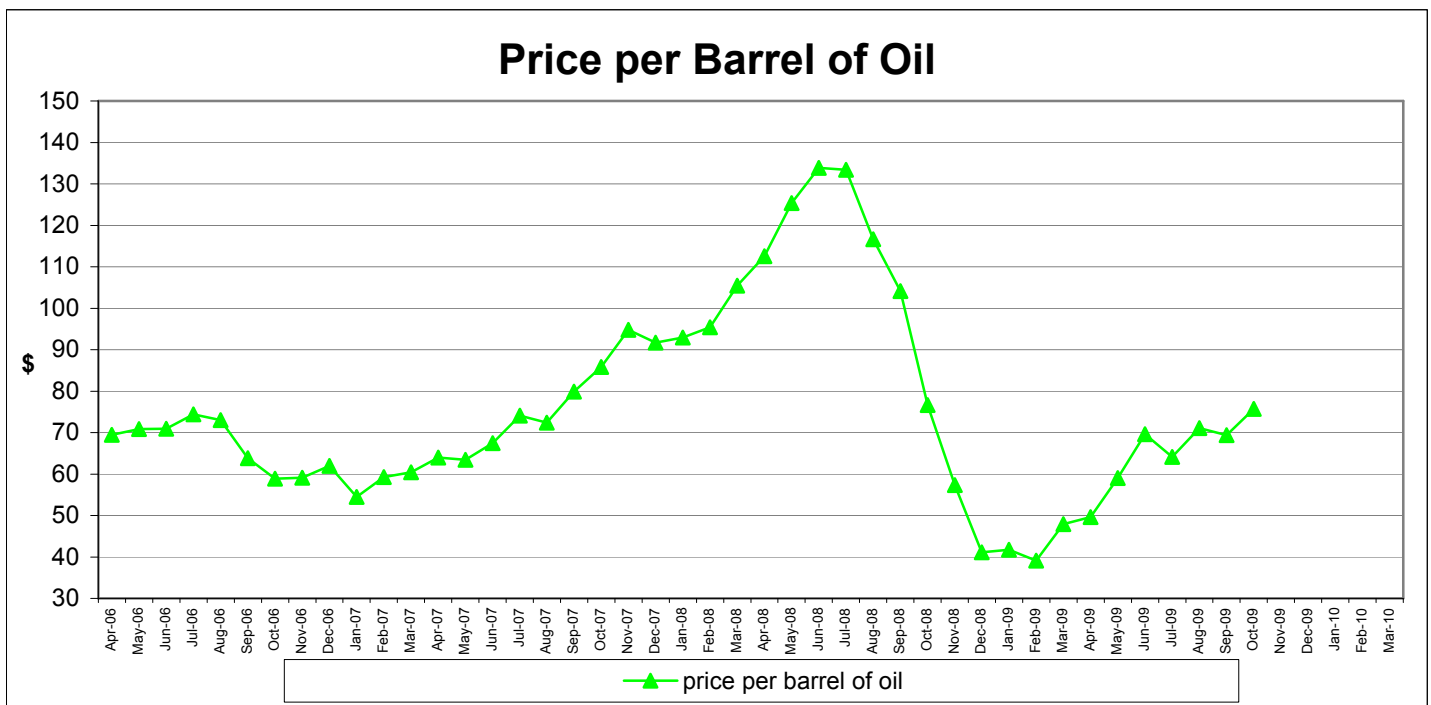
**1.2 CAPITAL**

N/A

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Price per Barrel of Oil – average monthly price in dollars since April 2006:

	Price per Barrel of Oil			
	2006-07	2007-08	2008-09	2009-10
	\$	\$	\$	\$
April	69.44	63.98	112.58	49.65
May	70.84	63.45	125.40	59.03
June	70.95	67.49	133.88	69.64
July	74.41	74.12	133.37	64.15
August	73.04	72.36	116.67	71.05
September	63.80	79.91	104.11	69.41
October	58.89	85.80	76.61	75.72
November	59.08	94.77	57.31	
December	61.96	91.69	41.12	
January	54.51	92.97	41.71	
February	59.28	95.39	39.09	
March	60.44	105.45	47.94	



**Comments:**

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.

To: Corporate Policy Overview & Scrutiny Committee – 14<sup>th</sup> January 2010

By: Paul Carter, Leader  
 Alex King, Deputy Leader and Cabinet Member for Localism and Partnerships  
 John Simmonds, Cabinet Member for Finance  
 Roger Gough, Cabinet Member for Corporate Support Services & Performance Management  
 Alan Marsh, Cabinet Member for Public Health  
 Peter Gilroy, Chief Executive

Subject: Budget 2010/11 and Medium Term Financial Plan 2010/13

Classification: Unrestricted

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Summary: The purpose of this report is to consult the Committee on the budget proposals for the Chief Executive’s Department, with reference to the KCC published budget consultation paper issued on 5<sup>th</sup> January 2010. The report also provides a response to the issues raised at the IMG of this Committee, created in November 2009 to discuss detailed budget issues.

Members are invited to comment on the key issues on the proposed budget changes for the services provided by the Chief Executive’s Department, and to note the issues raised by the IMG, and the resulting responses.

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## 1. Introduction

- 1.1 The Autumn Budget Statement report by the Leader, Cabinet Member for Finance, Chief Executive and Director of Finance to Cabinet on 12<sup>th</sup> October 2009 identified that we are likely to be entering more uncertain times for local government finance. The report to Cabinet on 11<sup>th</sup> January 2010 set out the provisional Local Government Finance Settlement, which confirmed that the level of Formula Grant was as announced in the three year settlement. However, there are still uncertainties over some specific grants and the level of council tax capping, and the announcement on 25<sup>th</sup> November that the Government intends to fund some of the free “Personal Care at Home” from local government efficiencies was a surprise. Furthermore, the next Comprehensive Spending Review which was due to start in the summer has been delayed until after the forthcoming general election meaning we have little information on the Government’s plans for 2011/12 and beyond, the Chancellor’s Pre Budget Report on 9<sup>th</sup> December added no further detail.
- 1.2 We reported the national and local context to the last Policy Overview & Scrutiny Committee meeting and outlined the proposed MTP priorities and efficiency savings. The Committee discussed the policy issues from that report, and used an IMG to look at the budget details. The IMG met on 18<sup>th</sup> November and questioned a number of budget headings and pressures and offered areas for possible budget savings. This report provides a response to the issues raised.

- 1.3 Since the November meetings, there have been a number of further developments that have resulted in the budget proposals being presented for consultation. Members are invited to comment on the key issues for the services provided by the Chief Executive's Department, in order that these can be taken into account at the budget meetings of Cabinet on 1st February 2010 and County Council on 18th February 2010.
- 1.4 Members are asked to read this report in conjunction with the draft Medium Term Plan and Budget Book, issued on 5th January 2010.

## **2. Background**

- 2.1 The budget consultation papers include an overall summary of the proposed Portfolio budgets for 2010/11, showing the amounts proposed for each service within the portfolios. This identifies the gross expenditure, income and net expenditure.
- 2.2 The papers also include the proposed capital investment programme and the medium term revenue and capital plan for 2010/11 to 2012/13. All MTP entries and budget book pages are presented in as a consistent format as possible for each Portfolio.
- 2.3 Copies of the draft Budget Book and Medium Term Plan have been distributed to all Members. Members are asked to ensure you bring those to this meeting.
- 2.4 The MTP and Budget Book reflect the new portfolio responsibilities following the County Council elections in June.

## **3. Revenue Budget**

- 3.1 The overall direction for the Chief Executive's Department is now well established, and the current Medium Term Service Priorities are included in Appendix B of the draft MTP for each portfolio.
- 3.2 We are setting this budget in a period of great economic instability. The recession has hit deeper and lasted longer than earlier forecasts and inflation (as measured by Retail Prices Index) has been negative all year. The Bank of England Monetary Policy Committee is committed to achieving the 2% target for Consumer Price Index over the medium term. The continuing economic situation presents us with threats and opportunities which as well as offering the potential for savings also presents additional costs.
- 3.3 Areas of spending priority in 2010/11 for which significant additional funding is required are outlined below. In most cases these are largely unchanged from the amounts outlined in the Medium Term Plan 2009/12 and the draft MTP 2010/13 reported to this POSC on 13<sup>th</sup> November 2009:

**Dilapidations £1,008k** – Unchanged from previous MTP 2009/12 and draft MTP 2010/13 to cover one-off contribution to dilapidations reserve.

**IT/Asset Maintenance Reserve and Web Development £856k –**

Unchanged from the previous draft MTP 2010/13, includes a rephrasing of the annual contribution to the reserve and cost of funding capital investment to maintain and improve IT infrastructure and develop KCC's web platform.

**ISG Base Budget £600k –** Unchanged from the previous draft MTP 2010/13, this is to replace a saving on support services which could not be agreed with service directorates and Resource Directors recommended could only be resolved by increasing ISG base budget.

**Better Work Places £463k –** Rephrased from previous draft MTP 2010/13 to take account of latest developments in the modernisation plan for office accommodation.

**Gateways £300k –** Unchanged from previous MTP 2009/12 and draft MTP 2010/13 to fund the continued roll-out of Gateways.

**Oracle TCP System £300k –** Unchanged from previous draft MTP 2010/13 to provide one-off funding for the upgrades that would be necessary to support proposed changes to performance pay arrangements

The position on budget increases for the Chief Executive's Department (excluding Financing Items) from the four portfolios covering the department can be summarised as follows:

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Base adjustments	-656	553	3
Budget increased for:			
Pay & Prices	-33	195	203
Legislative	20	30	
Demand	1,008	-571	
Service Improvements	3,158	3,409	354
<b>Total Pressures and base adjustments</b>	<b>3,497</b>	<b>3,616</b>	<b>560</b>

Table 1; Summary of value of base budget adjustments and budget pressures. It should be noted that pressures for 2011/12 and 2012/13 include pressures on support services which ultimately would need to be delegated to service directorates

- 3.5 Provisional cash limits for each Portfolio have been set, and therefore to balance to those cash limits, given the pressures outlined above, we will need to deliver savings, efficiencies and new income streams to deliver a balanced budget. The three-year financial plans, shown in Appendix A of the MTP, detail the proposed savings required in 2010/11. The savings for 2011/12 and 2012/13 have yet to be fully determined but inevitably will involve further reviews of staffing.
- 3.6 The total of the proposed savings and income generation required in order to meet the indicative cash limit for the Chief Executive's Department for 2010/11 is £1.684m (plus a further £670k of savings on support services necessary to deliver required savings on delegated budgets), the major items being:

**Commercial Services £500k** – Additional dividend to KCC from income generation

**Personnel & Development £305k** – Reduction of posts in Employee Services and PA/Admin support plus additional income in Employee Services from extending payroll services and gap year placements, additional income in other P&D units

**Finance £176k** – A saving of posts across Financial Management and Financial Services through further rationalisation of teams plus savings from the fall-out of revenue costs from previous early retirements

**Legal Services £83k** – Additional income generation

**Strategic Development & Contact Centre £198k** – Savings on the Graduate Programme plus additional income generation in Contact centre/Kent TV

**Communications £250k** – Further reductions in printing and publicity costs in addition to savings made in 2009/10

3.7 The proposed net position is therefore as follows

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Base budget	19,495	21,308	23,934
Total Pressures and base adjustments (from Table 1)	3,497	3,616	560
Savings & Income Generation	-1,684	-990	-840
Revised base budget	21,308	23,394	23,654

Table 2; Total proposed base budget for CED Services, excluding Financing Items

#### **4 The Committee's IMG to discuss budget issues**

- 4.1 The IMG met on 18<sup>th</sup> November and asked for a number of issues to be considered when setting the draft budget proposals for this Directorate. The list of areas for review, along with our response, is attached at Appendix A.
- 4.2 The POSC IMG process has been very useful in shaping the budget, and Members will see from Appendix A that some of the ideas put forward have resulted in a budget saving proposal (or a reduced pressure) within the draft Medium Term Plan.

#### **5 Capital Budget**

- 5.1 The starting point for the capital programme is the existing published capital programme for 2009/12. This is adjusted for re-phasing of schemes from 2009/10, changes to the total cost or funding of schemes, and new schemes. The detail of the proposed capital programme is provided in the draft budget book on pages 47, 53 and 54.

5.2 Significant projects within the capital programme include the following:

Sustaining Kent – A programme to provide upgrades and improvements to Local Area and Wide Area networks, data storage and maintaining/improving IT infrastructure for staff

Connecting with Kent – Extending the accessibility of council services through electronic channels and influencing improvements in broadband provision across the county

Better Workplaces – A major rationalisation of KCC's office estate and working practices

Gateways – the continued roll-out of the Gateway programme

5.3 Members should note that the level of financial support from Government in 2011/12 and 2012/13 is not known. It is very likely that we will see a significant reduction in the grants and supported borrowing. Because of the difficulty in predicting this we have presented the budget to show that the level of spend on certain schemes will be equal to the level of Government financial support. These schemes are identified in blue italic font in the draft budget book.

**6. Recommendation**

6.1 Members are asked to note and comment on the revenue and capital budget proposals, and note the issues raised by the IMG, along with the resulting responses.

*Contact officer:*

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Background documents:

- Autumn Budget Statement; Cabinet, 12<sup>th</sup> October 2009
- Medium Term Financial Plan 2010/11 to 2012/13 for the Chief Executive's Department; Corporate POSC, 18<sup>th</sup> November 2009
- Provisional Local Government Finance Settlement; Cabinet, 11th January 2010
- Draft Budget Book and Medium Term Plan 2010/13 (issued on 5th January 2010)



**Corporate POSC Budget IMG; Areas for possible review of spending**

POSC IMG RECOMMENDATION	BUDGET PROPOSAL
a further reduction of £0.5m in the Insurance Reserve as a one off saving for 2010/11	£500k contribution from reserve included in draft budget
allocate £0.5m from the Performance Reward Grant or Economic Downturn Reserve as a one off basis for 2010/11	not included in draft budget subject to confirmation of final PRG due later in the year
a recruitment moratorium, but it was acknowledged that this would have to be a selective approach to not filling vacancies in areas that were identified as priorities for savings either through the efficiency savings or the 10% exercise being considered by POSC's	not included as a specific saving but a recognition across KCC that wherever possible the authority should look to deliver savings it needs to make by not filling vacancies
reduction in the cost of the Kent TV contract by a minimum of £100k in the first year;	not included as a specific proposal but Strategic Development Unit has been allocated an income target
seek further savings from the communications budget for publications including a reduction in branding and promotional materials	included as £250k saving in draft budget
removing the provision for officer to receive a payment in lieu of annual leave	not included as a specific proposal due to contractual obligations
that whilst the contribution that Legal Services made to the income of KCC was recognised it was suggested that there should be a Value for Money review of Legal Services as it was some time since one had been carried out	to be undertaken during the year
an audit of food and drink provided at events (seminars etc) for Members be undertaken in order to reduce unnecessary expenditure	to be undertaken during the year
look at postage generally and consider the option of reducing the daily mail out to Member to 3 times a week	to be reviewed during the year
attempts should be made to reduce the costs of KCC elections	Unlikely to be achievable and existing budget is already under severe pressure
reviewing the top tier staff structure including the role of the Chief Executive, following the retirement of the Chief Executive;	no specific proposals to be referred to Personnel Committee
what the impact would be of not providing Healthwatch, or reducing the costs by £100K, it was important that this service was proactive with measurable outcomes.	£100k reduction included in draft budget

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By: Roger Gough, Cabinet Member for Corporate Support Services & Performance Management  
Alex King, Cabinet Member for Localism and Partnerships  
Alan Marsh, Cabinet Member for Public Health and Reform  
John Simmonds, Cabinet Member for Finance  
  
Peter Gilroy, Chief Executive

To: Corporate Policy, Overview & Scrutiny Committee, 14 January 2010

Subject: Half-year monitoring 2009/10

Classification: Unrestricted

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## **SUMMARY AND RECOMMENDATIONS**

This report summarises the corporate element of the 2009/10 half-year monitoring results for the Annual Business Unit Operating Plans and includes a statement by the Chief Executive of progress to date.

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### **1. INTRODUCTION**

1.1 The Directorates and Chief Executive's Department have completed the half-year monitoring of the priorities set out within the Annual Business Unit Operating Plans. This report covers the corporate element of the half-year monitoring.

### **2. SUMMARISED OUTCOMES**

2.1. Annual Business Unit Operating Plans Projects, Developments and Key Actions  
Business Units are expected to run a 100% half-year check of progress on their 2009/10 Annual Business Unit Operating Plans. A report on progress against the nine corporate Towards 2010 targets went to this committee in September 2009 and a full report went to Cabinet on 12 October 2009 and County Council on 15 October 2009 and is therefore not part of the half-year monitoring of the annual business operating plans.

Most of the projects/developments/key actions set out in these plans are 'On course' or 'Done and ongoing'. Only 2% of these actions are 'not on target' to complete this financial year and are listed with reasons and proposed actions in Appendix 1. The Chief Executive's statement outlining progress is also included in Appendix 1.

### **3. CONCLUSION**

3.1 The targets and commitments for which the Corporate portfolio holders and officers in the Department are responsible for are largely on track for achievement at the end of 2009/10.

3.2. An annual review of 2009/10 performance will be presented to this Committee in July 2010.

#### **4. RECOMMENDATIONS**

4.1. Members are asked to NOTE this report

*Contact officer:-*

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**Chief Executives Department  
(Excluding Regeneration & Economy)  
September 2009**

**Chief Executive's Summary**

Overall, significant progress against priorities has been made in the Chief Executive's Department. There are still some areas where more progress is needed but the majority are on course.

Progress continues with Gateway multi-channel (rolling out Gateway services to telephone and web as well as face-to-face). Gateway is having a positive impact on Kent residents and is now also part of the 'Total Place' pilot, which is enabling us to increase central government involvement in Gateway developments.

As well as continuing to provide a 24/7 contact service, Contact Kent is working closely with the Gateway team and sharing expertise on customer service, training and ensuring an increased number of KCC services are available through face-to-face Gateways. Contact Kent has supported the Backing Kent Business and Backing Kent People campaigns and is also working with the Credit Union. Consumer Direct South East successfully secured the extended contract from October 2009 to March 2011 and is on course to return a small income to KCC this financial year.

Kent TV celebrated its two year anniversary and has now secured over 2.2 million visits. October saw the launch of "HollyWould..." - an interactive drama aimed at young people to communicate personal safety and sexual health messages. Kent TV worked with the NHS on content supporting these messages. Partnerships and work with young people and schools on training and content is continuing and expanding, with a youth channel due to launch later this year that will provide a 'safe' environment for young people to film their own videos and interact online.

In September this year, Better Work Places transferred to the Strategic Development Unit (SDU) in order to make closer links with Gateway and work towards ensuring greater savings are made as a result of the Gateway programme as well as those already expected from the Better Work Places initiative. Gateway, Contact Kent, Better Work Places and Kent TV are key to supporting savings within other parts of KCC and we are working with directorates to support the delivery of these savings over the coming year and beyond.

Corporate Policy has gained agreement from the public services in Kent to the strategic action needed to progress the 7 key priorities in the Policy Framework for Later Life.

The review of policy development across KCC has been completed and the recommendations implemented. The newly created Policy Plan will enable Members and COG to keep track of proposed policy reviews, strategy or policy developments.

Work has continued on the Prisons Review, the Out of Hours Review and County Regions paper, while co-ordination of Total Place is being led jointly by Corporate Policy and Kent Partnerships and the first stage report was submitted in October.

In the International Affairs Group, the two most significant areas of progress have been the creation of the High Speed Regions Network (to be formally launched in December) and 'winning' almost 20m Euro in EU funding to KCC and/or Kent from the start of the programmes (2007).

Research & Intelligence have made significant progress on the Interreg funded Customer Insight project that has developed the unique Kent and Medway geo-demographic MOSAIC typology in partnership with the SDU and Kent Districts.

ISG's Capital Programme is broadly on schedule, subject to a timely roll out of the Unified Communications service currently out to procurement. The programme will deliver enhanced data centre capacity, including improved resilience for applications and services such as email; investment in office networks (LANs); a replacement for the existing obsolete telephony service (Unified Communications); a new TRP contract to succeed the existing IBM contract that ends in September 2010; and provision of a platform for applications that will reduce total cost of ownership and ensure business continuity."

The proposed public web jam will not go ahead due to the costs involved; however alternative methods of consultation will be used. The Citizen Panel has 700 signed up members, which is fewer than hoped for, however an additional resource is available of 6,000 names that can be used to give a robust sample.

Performance Improvement and Engagement have streamlined and improved performance reporting across the authority, including a sharper Towards 2010 Annual Report. Progress against the Kent Agreement 2 remains on target.

Funding for the Kent Economic Board has been secured until March 2011. The successful Pic N Mix pilot project has gained international recognition.

At the half year point, all targets for Personnel and Development are on track and expected to be delivered in full at year end. A review of income generation has been completed with existing income streams being maximised and new ones identified with a clear pricing structure in place. The Equalities and Environmental action plans are being delivered and monitored. Staff workshops on climate change are due to be delivered later in the year.

The first half of the year has been exceptional for Commercial Services with results for net profit against the new enhanced target exceeding budget by some 13%, despite the difficult trading situation. Laser's new flexible (hedging) arrangement which started in September 2008 has saved other local authorities approximately 30% against what they would have paid for energy bought in the traditional way. On the downside, the reduction in print spend by the authority has directly impacted on that unit which now outsources an increasing proportion of the activity.

KCC Legal Services has undertaken work for over 200 public sector bodies across the country. External income now accounts for some 28% of Legal Services' total income

(up from 15% in 2004/05). This enables Legal Services to undertake work for directorates at a saving which is directly reinvested back into frontline services. Town Planning work has generally been running at a lower level than previously, but there has been a lot of work in preparing for the Kent International Gateway (KIG) inquiry, which started on 13 October. The implementation of the Public Law Outline in child protection cases led to a significant increase in work, and to an urgent need for training on the part of Children Families and Education. Legal Services has devised and delivered a successful programme of social work training and will continue to widen the delivery of that training.

Democratic Services has led on the arrangements for the formal induction and development of new and returning Members, involving intensive periods of activity between May and the end of July. A review of the effectiveness of the Member Induction and Development activity is currently underway. The Unit has worked hard, alongside Members to review Overview and Scrutiny and Member Support. The ongoing challenge of localism has also been given fresh impetus since June, with a range of exciting and potentially rewarding models of community engagement being implemented by the Community Liaison Team. Greater use of technology to replace outdated working practices in the unit is expected to produce efficiencies.

At the time the business plan was drafted, 1,200 Freedom of Information requests were expected by the end of 2009, based on a trend suggesting 30% increase on 2008. However, by mid October 2009, the number of requests received had already reached 1,169 suggesting that around 1,500 requests can be expected - a 50% increase on 2008 and a 300% increase on 2005 when the Act first came into force. However, the number of complaints escalated to the Information Commissioner has reduced.

The number of high-level complaints (those to the Chief Executive and Leader and those from the Ombudsman) has gone down compared to the same time last year and our performance in acknowledging complaints within timescales has increased from 83% to 85%, despite the reduction this year from 5 to 3 working days. The time to respond to the Ombudsman's first enquiries has also reduced and meets the Ombudsman's target.

£2.745m of receipts have been generated to date through the Property Group with a further £1.895m expected by the end of the financial year. However, information to date suggests that the target of 'work with directorates to release properties to Property Enterprise Fund 2 with a target of £23,242,000 this financial year' will not be met, although work continues with Directorates to achieve this goal.

In June 2009, the Capital Projects team was awarded Chartered Building Consultancy (CBC) status by the Chartered Institute of Building (CIOB). This is the first time such an award had been given to a County Council.

HOUSE has had a great response from young people, attracting 12,000 attendances since opening in November last year. HOUSE won gold awards at the Account Planning Group and a Gold for the CED Team Innovation Award at the KCC Quality Services Award. ActivMobs was awarded a certificate of best practice from the National Social Marketing Centre and King's Fund as part of their showcase of the twenty best examples of social marketing this year. Towards 2010 includes three targets for which Public Health is responsible. Target 50, addressed by HOUSE, is already achieved and the other two are on course.

Swine Flu is a current major health protection issue. The department works with emergency planning to ensure robust plans for business continuity and staff protection are in place. It also oversees the vaccination programme situation are in place. Reductions in public spending will mean the main general challenge to public health in the near future will be to maintain public health programmes that decrease dependency on other public services at a time of public spending reduction.

The Communication and Media team have progressed work to create a more responsive website which will go live on 17 December and will include a *Do it online* section and a comprehensive 'Your Questions Answered' section listing the 60 top questions Kent residents ask and giving clear answers . The unit is working to achieve a single Kent wide publication for the public sector and is working closely with Directorates to reduce the number of publications KCC produces. A reduction has already been achieved. The unit has started to produce press releases which contain sound and video clips and has introduced the use of Twitter at KCC. The first KCC Twitter update, or Tweet, took place in April and 413 messages have been posted since then. We are currently being followed by 866 people which includes the public, organisations in Kent and other local authorities.

Peter Gilroy, Chief Executive

## Progress against Business Plans

### Exception reporting against both core services and forecast activity levels and projects, developments and key actions

The following are those not expected to be completed and the reasons why/action to be taken:

Activity / Projects not expected to be completed as planned	Reason(s) why and actions to rectify
<b>Information Services Group</b>	
Capital Programme	<p>Uncertainty concerning the location of East Kent Data Centre (caused by the need to evaluate a large number of potential sites) has delayed this project, with completion slipping in to 2011. This slippage impacts some of the deliverables expected from other Capital Programme work streams, which has led to a re-profiling of capital expenditure across the Programme.</p> <p><i>The situation with regard to the location of the East Kent Data Centre has now changed and the capital programme will now be delivered, albeit with the spend being re-profiled.</i></p>
<b>Performance Improvement &amp; Engagement</b>	
KCC's first public 'web jam'	This is no longer going ahead this year due to the associated high costs of running it. Alternative methods will be used to consult on the review of the V4K.
<b>Public Health</b>	
Interreg IVa Coastal Deprivation Project	Centre for Health Service Studies CHSS, who were leading the project, have decided that it was not viable and are now not going ahead with it.
<b>Legal and Democratic Services</b>	
Commercial & Environmental	<p>Work on BSF was held up by the decision of Trillium to pull out of the BSF market.</p> <p>The transfer of Trillium's interest to Kier has now been completed, and work on the LEP1 BSF Waves will now progress.</p>

<b>Property</b>	
Part of target 3 (deliver capital income for the Enterprise Fund through the disposal of non-operational property), within the projects, developments and key actions table is to 'work with directorates to release properties to Property Enterprise Fund 2 with a target of £23,242,000 this financial year'	Unfortunately progress to date suggests that this target may not be reached. Property Group continues to engage with Directorates to work towards sufficient capital being released to the fund. Meetings have been held with Directorates to ensure sufficient properties are brought forward for release and the PEF 2 buy-in figures are being reviewed to ensure the funds available to the capital programme are maximised.
<b>Commercial Services</b>	
Business Continuity	Dry runs on business continuity have been postponed from August until December to enable truer simulation over the Christmas period.
Roundabout Sponsorship	Income from sponsorship of roundabouts remains below budget due to non-approval of planning applications. New approach involving joint working with districts will be launched from 1 November.
<b>Communications &amp; Media Centre</b>	
Replace the website – kent.gov.uk First phase August 2009	The first phase will be completed on 17 December 2009. ISG advised that the deadline needed to be extended because of the scale and complexity of delivering the first phase of the project. This was agreed by the Chief Executive and the Cabinet Member for Corporate Support. Further phases will be completed during 2010.
Begin work on joining up online services and information with other Kent public services, as part of the Access Kent Strategy. First phase August 2009	The Gateway Advisory Board have requested that the initial web project - a Kent-wide search engine - be changed to a project which increases the number of services people can access online and improve the user experience of these. Potential projects are being scoped during November with a view to one of the options being chosen by the Gateway Advisory Board in December 2009 and starting in January 2010.
Develop and implement a Members' portal, giving members easy access to council and other information online in one place.	This project is dependent on using the technology being implemented for the website and KNet. It will be managed as a phase of the KNet replacement project, which will start in early 2010 and be completed by autumn 2010.

By: Roger Gough, Cabinet Member Corporate Support Service & Performance Management  
 Peter Gilroy, Chief Executive  
 Tanya Oliver, Director Strategic Development & Public Access

To: Corporate Policy Overview & Scrutiny Committee 14 January 2010

Subject: Gateway Update

Classification: Unrestricted

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Summary: To update Members on the Gateway programme in Kent across face to face, telephone and online access. This report also includes an update on the Interreg IVa project, the links with Total Place and Better Work Places and the recently launched Welfare Pathway with the Ministry of Defence

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## For Information

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### 1. Introduction

- 1.1 The Gateway programme in Kent is transforming access to public services for Kent residents. It is a partnership across local government (county, district and borough councils), fire, police, NHS, the voluntary sector and central government, providing joined-up access to services with a focus on customer service. The Gateway programme was recognised with a **“green-flag” in the December 2009 Corporate Area Assessment (CAA)** for Kent as an example of national best practice. This is a testament to the work of all partners involved in this programme. It also featured in the 2009 Front Office Shared Service event as an example of good practice, facilitated since 2007 by the IDEA on behalf of the Cabinet Office and Department for Communities and Local Government. A full list of partners, participating agencies, and services is attached as Appendix A.
- 1.2 The Gateway programme became operational in Kent in October 2005 with the opening of the Ashford Gateway pilot. There are now seven Gateways and two mobile Gateways active across Kent and the underpinning service principles have been extended to improve telephone and online access as well as face-to-face. The work of this programme is also aligned with other initiatives, such as Better Work Places, Total Place and KCC’s Contact Centre and is enabling significant savings to be delivered.
- 1.3 The **Kent Partnership** has endorsed the Gateway Programme as one of its key themes for the coming years and as a result it has been selected as one of the three priorities under Total Place. A full list of partners linked to Gateway is attached as appendix one.
- 1.4 This report is to update Members on the overall Gateway programme, highlight progress made to date and outline the future strategy. Whilst the front-end of the Gateway programme aims to keep access simple, behind the scenes a lot of detailed work is going on across the public sector to ensure this happens and this work will be outlined in this paper.

### 2. Vision

- 2.1 Access to public and voluntary sector services should be simple, friendly and effective. The Gateway programme aims to achieve this by joining up access across the three main channels of access – face-to-face, telephone and online. The vision is for coherent access, including the aspiration to move towards a single non-emergency number and a single web portal in addition to the

- physical Gateway network. It is a partnership of the willing but with the aim of putting the citizen first and improving their experience of public services.
- 2.2 By taking this approach, public sector organisations in Kent are rationalising their front and back-office processes and physical estate to deliver cashable savings whilst at the same time, enhancing the citizen experience.

### 3. Progress to Date (Face-to-Face)

- 3.1 The face-to-face gateway channel has been underway the longest and the original vision and principles of the Ashford pilot remain. The same principles are now also driving telephone and web access.
- 3.2 Gateways are now open in the following locations:
- Ashford (October 2005)
  - Thanet (January 2008)
  - Tunbridge Wells (November 2008)
  - Tenterden (December 2008)
  - Maidstone (January 2009)
  - Tonbridge (July 2009)
  - Dover (July 2009)
  - Mobile Gateway (2007/2009)
- 3.3 The footfall through the existing Gateway network (full year effect) is anticipated to be in excess of one million.
- 3.4 Phase two of Gateway is now underway and (subject to the appropriate decisions, legal and partnership agreements etc) there are Gateways planned in the following locations:
- Gravesend
  - Sevenoaks (Swanley)
  - Swale (Sheerness)
  - Canterbury
  - Shepway
  - Dartford
  - Two further Mobile Gateways
- 3.5 Feedback from customers using Gateway has been positive overall. Customer surveys regularly record satisfaction levels in excess of 90%. The **National One Stop Shop Benchmark Survey** undertaken in Maidstone and Tenterden Gateways in April 2009 returned satisfaction results of 99% and 97% respectively. All Gateways in future will be part of this survey.
- 3.6 Where issues have been raised, these have been addressed locally. For example, following feedback from customers, the floor layout at Tenterden Gateway was reconfigured. In Thanet, a customer who raised concerns about confidentiality is now an informal customer advocate for Thanet Gateway. Representatives from local Access Groups, district and county professionals are jointly developing best practice guidance for the use of Changing Place to benefit the wider community. Changing Place is a facility for individuals who cannot use standard accessible toilets. This includes people with profound and multiple learning disabilities and their carers as well as many other disabled people. These facilities are available in Gateway, creating a freedom that most take for granted.
- 3.7 Within KCC, **Contact Kent** staff represent the county in Gateways in order to strengthen the links between telephone access and face-to-face and to utilise the expertise of the Contact Kent staff who are able to provide access to the full range of KCC services. This arrangement has been successful and will be built into all future Gateways.
- 3.8 The Gateway team with Thanet District Council, Migrant Helpline and the Children, families and Education directorate is collaborating with funding

- support from the Migrant Impact Fund to deliver Mobile Gateway services to migrants and individuals and families from minority community groups.
- 3.9 A Health kiosk is present in the Maidstone Gateway and evaluation so far suggests this could have a positive impact in prevention terms in public health, with parts of the population accessing health monitoring services such as weight and blood pressure that are perhaps less likely to access their GP.
- 3.10 In addition to the continued roll-out of Gateways across Kent, we will continue to work with partners across the public and voluntary sectors in order to maximise the citizen benefits of Gateway.

#### **4. Progress to Date (Telephone)**

- 4.1 The **Virtual Private Network** (VPN) project, led by the Gateway team in partnership with other organisations in Kent has joined up non-emergency call centres across the public sector in Kent. This means customer calls can be redirected appropriately between organisations using the VPN as though via an internal line. Protocols have been agreed between partner organisations to ensure that the caller transfer is as seamless and consistent as possible for each customer. The work achieved means customers will no longer be asked to call another number if they are unsure who provides the service they want, e.g. if they call KCC to ask to make a council tax payment they can be seamlessly transferred to the relevant council tax payments team at no cost to the organisation or the customer or if they telephone Kent Police regarding a KCC issue, they can be transferred. The VPN project is both improving the quality of service and broadening the knowledge of public sector delivery for Customer Service Advisors working in each participating organisation.
- 4.2 The VPN is now live between KCC, all 12 districts and boroughs, Kent Fire & rescue and Kent Police and commitment has also been given by Eastern and Coastal Kent PCT and Medway Unitary Authority to be part of this initiative.
- 4.3 In addition to customer service benefits, other benefits have been achieved through the VPN, for example, Thanet DC has incorporated this enhancement into their business continuity planning. Calls can be routed at no extra cost in the event of a technical difficulty in their own system or if they experience extraordinary call volumes. Kent Police and KCC have also initiated a pilot project on transferring customers to Highways for faulty traffic light reporting. There is potential for this referral process to save 4 hours per week call centre operator time for this process alone.
- 4.4 Next steps include:
- Broadening the training profile for contact centre staff, thereby increasing the ability to answer enquiries on behalf of participating organisations.
  - Working with partner organisations to manage peaks and troughs. For example, district and borough councils experience high call volumes after Council Tax bills are sent out, while Contact Kent receive very high call volumes relating to education during September. As the peaks are at different times, KCC can support districts and boroughs and vice versa during these busy periods, saving costs and improving efficiency for workforce planning around peak times. These discussions are underway.
- 4.5 The VPN is a strategically important fore-runner that will inform the design and implementation of Unified Communications, being delivered for Kent partners in 2012.

#### **5. Progress to Date (Online)**

- 5.1 A Web channel is the most cost-effective way to deliver services. However, there are studies (reference from Socitm Insight Channel Value Benchmarking Service) that show local authority websites offer customers the lowest satisfaction rate of all three channels – phone, web or face to face. To be effective in persuading customers to choose online services in future, the public

sector must improve the experience and level of fulfilment this channel offers to customers. The Online project will seek to extend the range of end to end online transactions available from KCC, building links with those offered by districts and other partner agencies. This will provide the citizen with a greatly improved service, and a more efficient, joined-up way to access public services via the web. The experience gained from multi-agency delivery of face to face transactional service via Gateway is already informing the design of virtual customer journeys across telephone and web channels

- 5.2 The Online project will develop through the use of the Kent specific Customer Insight data (MOSAIC) which is able to identify local community, key or target groups, levels of service engagement and importantly, service deficiencies relative to the local demographic. The detailed profiles can inform the development of the type and volume of web based service transactions that are best able respond to particular needs/outcomes (see Interreg IVa section). For customers this means they will have an easier and more personalised experience when accessing and completing transactions online. For organisations, this will contribute significantly to benefits and savings that can be achieved through channel migration strategies, targeted marketing campaigns and measurable performance improvement. For Gateway this will offer an opportunity to develop the self-help function, and there will be opportunities to promote web as a channel through the free internet access, with Customer Service Advisors able to support individuals at physical Gateway locations.
- 5.3 This work is aligned with the recent update of the KCC website as it enables more transactions to take place online and makes it easier to navigate through the “Do it Online” section. The Corporate web team are fully involved in this initiative within KCC and are working with partner organisations through the Gateway Boards, Kent Connects and Kent Customer Service Network Group.
- 5.4 The initial phase of work on this project has focused on comprehensive online service mapping with as many willing partners as possible and this information will inform the business case and any decision taken as a result to improve online transactions. The business case is expected by the end of March 2010.

## 6. Progress to Date (Service Hubs)

- 6.1 A virtual hub model is being developed which will underpin the Gateway service model across all channels. Work has begun with partners to review business processes in order to align them more closely with the customer experience and improve end-to-end delivery of access and service. The identified hubs are Benefits, Community Safety, Greener Communities, Health and Independent Living and Working and Learning. Each hub will develop across all channels of access but some are focusing on individual channels initially.
- 6.2 The **Community Safety Hub** is focusing this approach via telephone and is looking at common transactions across community safety services in order to reduce duplication between agencies and enhancing staff training. For customers, this will mean they only need to contact one organisation to report a community safety issue, even if it involves several organisations to deal with the enquiry. For organisations, this will mean savings made through a reduction of duplication and waste.
- 6.3 The project is being led by Kent Police, with representation from district and borough councils and KCC on the project team. Further engagement from Crime and Disorder Reduction Partnerships and the Kent Partnership has also been achieved. The project will focus initially on issues such as graffiti.
- 6.4 The **Working and Learning Hub** is developing in Thanet initially working with the Neighbourhood Renewal Fund initiative and the Margate Taskforce. This touches on the Margate strand of Total Place. The Neighbourhood Renewal

- Fund is part of Department for Work and Pensions and focuses on working with adult learning providers.
- 6.5 The **Benefits Hub** is being developed with assistance from an organisation called Steria with Kent partners. The focus is on streamlining the number of duplicated transactions that a citizen experiences related to Benefits. The vision is moving from the “as-is” (where there is known duplication and inefficiency) to the “to-be”. The two areas being focused on initially are retirement and redundancy. The impact either change of circumstance can have on an individual or family can be significant and the “as-is” requires contact with a number of different organisations for a number of transactions. The work with Steria will identify the potential solution to this across organisations (the “to-be”).
- 6.6 These hubs are well underway and will deliver an improved customer experience as well as savings by reducing transactions. The **Health and Independent Living** hub and **Greener Communities** hub are next on the agenda to develop with partners.
- 6.7 **Tell Us Once** is an example of a “mini” multi-channel hub that has been operational for over a year, focusing on registration of deaths and births. This was a central government initiative and Kent was chosen as one of only two county pilot areas owing to the Gateway network.
- 6.8 Working with the Communities directorate and partner agencies, including district and borough councils, DWP and HMRC, Kent developed the most cost effective, integrated and sustainable model as part of this pilot. Kent officers directly contributed to the success of this initiative, which is being endorsed as national policy from April 2010. Kent is now involved in the development of a change of policy concerning ‘change of circumstance’. This has a significant positive impact on citizens, and directly extends the potential of the Gateway service model.
- 6.9 The vision for all hubs is that in the future, agencies and service providers will:
  - Pass information to each other as required for applications (subject to consent and complying with data protection – this has been achieved through Tell Us Once)
  - Accept one another’s validation of evidence
  - Have common customer-facing functions (e.g. financial assessments)
  - Identify a full range of the needs of the citizen
  - Have a full view of entitlements to addressing needs
  - Take responsibility for the fulfilment of the application/process
  - Minimise customer visits/contacts
  - Offer choice

## 7. **Interreg IVa**

- 7.1 Through a Gateway team initiative and working closely with Kent Connects, Finance and the International Affairs Team, Kent County Council was successful in securing **4.45 million euros** on behalf of Kent partners to fund and lead a three year project across Kent and Pas de Calais. KCC is the lead authority and project partners include KCC, 12 district and borough councils and Medway Council. We have also established positive links with both the Police and NHS Observatory. Our international links are with 4 partners from France (Conseil Général du Pas de Calais (CG62), Agence d'Urbanisme et de Développement de la Région de Saint-Omer, Communauté d'Agglomération de Saint-Omer, Communauté de Communes du Canton de Fauquembergues) with the overall aim of “Improving Quality of Life” (priority 3 within Interreg), through improved customer insight. Of the total bid, KCC will receive approximately **£1 million over the 3 year period**.
- 7.2 The main project objective is to improve customer satisfaction and fulfilment from public services, and to improve the efficiency of service delivery by

understanding citizens needs better. This will be done by implementing research, service review and planning and targeted marketing techniques previously not used across the Public Sector.

- 7.3 The main result of this work will enable Partners to identify where and how services can be delivered more effectively in future and to keep this under ongoing review. This will provide evidence of customer needs which can be used to plan both future capital and revenue spending, and asset realisation. KCC will become a public sector leader in this area of expertise on behalf of Kent partners through the Research and Intelligence Team.
- 7.4 Activity in Kent to date includes:
- A procurement exercise for customer insight software - Experian were chosen as the supplier for Kent partners.
  - Selected five pilot districts (Canterbury, Gravesend, Swale, Thanet, Tunbridge Wells) and KCC to provide anonymous transactional data to enhance the Kent & Medway "MOSAIC"
  - The "MOSIAC" segmentation was received from the supplier in July 2009.
  - An officer guide known as the "pen portrait" was received from the supplier in September 2009 identifying common profile groups.
  - A "service delivery framework" a cross section of data held about Kent public services as compared to the national MOSAIC prediction of service take up was delivered in September 2009.
  - Medway Unitary, Dover, Tonbridge and Malling and Maidstone joined the project in September 2009 and have submitted data to enhance the Kent and Medway "MOSAIC" further. Ashford, Dartford, Shepway and Sevenoaks will join the project as planned in January 2010.
  - Held initial discussions with Police, Fire & Rescue and both PCTs about inputting anonymous data into MOSAIC to increase the applicability of the service frameworks.
  - Established a "MOSAIC Users group" to share best practice in the use of these tools.
  - Established an Interreg Steering group, chaired by KCC
  - Working closely with partners in France to share mutual benefit from method and approach; sharing best practice.
- 7.5 What does this mean? The following practical projects have begun in Kent and are already delivering outcomes:
- Gateway service and partner planning - Gateway has used these tools in Tenterden, Tonbridge and Dover to ensure that service design matches the specific needs of the respective local community. Work is currently ongoing to make this analysis more comprehensive for the next Gateway in Sheerness.
  - Council Tax Recovery Actions in Swale - MOSAIC allows analysis and identification of groups of people who are not paying council tax but can afford to pay. By targeting resources on these groups collection rates can be increased (Coventry City Council have already worked with Experian in this areas and we are benefiting from this best practice).
  - KCC Libraries and Archives - to increase library usage of under-represented groups. Libraries have a huge amount to offer the community but the services available are often not always fully understood by the general public. Libraries and Archives are keen to focus on three underrepresented groups from affluent groups, poorer families with children and younger people not in education, employment or training.
  - Council Tax Text Alert Service - essentially identifying customers who would prefer to receive a reminder text rather than a letter for council tax

bills. Potential to save each district significant amounts in letter and court summons production.

- Service Delivery Point Kiosk Location Optimisation – Dover - ensuring that access points are within a five minute drive of more people in Dover District by seeing where customers live, what their needs are and where current access points are – from 52% to 85%. This analysis will also have benefits for KCC for preplanning the roll out of Mobile Gateways.

7.6 Other projects under discussion are:

- Diversifying the customer base for Adult Education
- Child Poverty Pilot – how can partners work together to better focus resources on those likely to suffer from child poverty? Links between Gateway/Children Centre are being developed.
- Kent Waste Partnership – how can we influence behaviour on recycling and waste?
- Kent Adult Social Services – how can we influence behaviours now that will promote long term well being?

7.7 The potential impact of this work is in the ability to target services more effectively whilst delivering better outcomes and savings is significant. This approach is already becoming established and will be used ongoing as a key tool to inform financial planning by service directorates within KCC and by partner organisations during this difficult financial time within local government.

## 8. Links with other programmes and initiatives

8.1 The **Better Work Places** initiative within KCC has been transferred to the Strategic Development Unit in order to align the service and asset requirements around access more effectively and ensuring the KCC Gateway and back-office estate are coherent. This has already led to additional potential savings being identified. Following the launch of Total Place, Better Work Places is also aligned with the asset part of this initiative.

8.2 Gateway has been selected as one of the 3 initiatives within **Total Place**. As a result, discussions with central government departments, particularly regarding operational relationships with DWP/Job Centre Plus and HRMC/Pensions have taken place and progress is being made to enable Job Centre Plus in Kent to engage in the Gateway initiative.

8.3 The strong partnership approach that has made the Gateway programme so effective is helping provide the platform for discussions around rationalising assets and transactions.

8.4. The **Ministry of Defence**, having heard of the Gateway developments in Kent, approached Kent County Council regarding their new **Welfare Pathway** initiative. The aim is to join up access to public and voluntary sector services for the Armed Forces Community, using Kent as a pilot. This initiative was launched in November 2009 and a more detailed paper on progress will be brought to the Corporate Policy Overview & Scrutiny Committee at a later date. This initiative fits exactly with the principles of Gateway however and as a result, we have identified a number of voluntary sector organisations that provide additional services to the Armed Forces Community and are working more effectively with them. The feedback from the Kent pilot will be used to inform local and national policy where appropriate.

## 9. Finance

9.1 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 service organisations.

- A Better Work Places revenue saving of £338k in 2009/10. This is made possible in part by the presence of convenient public access through Gateways, reducing the need for a number of back-office buildings.
- Social Return on Investment assessment of the impact of Skills Plus delivered through Ashford Gateway has shown a £15 return for every £1 invested.
- Moving towards telephone and online, service transactions will save significant money as SOCITIM research shows the following 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
- Thanet DC saving – through reduction in back-office estate, predicted £250k annual savings will be following the opening of Thanet Gateway
- Savings delivered through rationalising office estate elsewhere, such as Tenterden Gateway and the future plans for Ashford Gateway Plus.

9.2 These are only some examples of savings but the future potential is significant. KCC alone is committing to c£20m savings as a result of the Gateway, Better Work Places and Total Place activity. Further savings will be made by partner organisations through the proposed improvements to web transactions and through property rationalisation.

9.3 The **Gateway Card** aspiration (joining up the functionality of existing access cards across multiple organisations) will also have the potential to reduce transactional costs. This is being piloted between KCC, Thanet and Tunbridge Wells councils. This card will bring together a range of existing cards the public sector use to access services, such as leisure cards and library cards. As well as providing convenience for customers, this will reduce the transaction and infrastructure costs related to maintaining so many access cards across the public sector. This work is aligned with work on the Kent Card (purchase card) with the aspiration to include those services in the future.

9.4 Funding of the telephone and online aspects to Gateway are receiving financial support from **Improvement and Efficiency South East**.

## 10. Franchising

10.1 The face-to-face Gateway model is tried and tested and has received significant national and international recognition, not least the recent green-flag in the CAA. As a result, KCC has been approached by a number of organisations to work with them to develop this model outside of Kent. The Gateway team are currently working with local government partners in Buckinghamshire to develop a model that will deliver the principles of Gateway in that area. This has been agreed in principle and further details can be made available to Corporate Policy, Overview and Scrutiny Committee members in the future.

10.2 The franchise model works on a similar principle to the Swindon/KCC Social Services model, with members of the Gateway team spending time working with other organisations to support them in developing and delivering a Gateway model. This will include the brand and service design elements but with a focus on transferring practical experience in a sustainable way.

## 11. Summary

The Gateway programme is transforming customer access by improving customer experiences and in turn, enabling significant savings to be delivered. A lot of detailed work is well developed that is and will continue to deliver real

outcomes for Kent citizens. There is a lot more to be done however and the support from elected members is critical to ensuring this programme continues to be a success and continues to move forward. We need further engagement from directorates within KCC, from other partners in Kent and from key central government departments to truly maximise the potential this programme offers.

## **12. Recommendation**

Members are asked to:

- 1) Note this progress report

### **Background Papers**

Gateway Strategy for Kent, January 2007 (KCC)

Front Office Shared Services report May 2007 & May 2009 (Idea, Cabinet Office & Department for Communities and Local Government)

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List of Partners connected to Gateway

ABC Housing Advice	Libraries & archives
Adult Education	Library Reading Group
Alcohol Services	Maidstone Borough Council
Ashford Borough Council	Maidstone Carers Project
Business Link	Mental Health Care Team Next Steps
Care Navigator	NHS
Centre for Independent Living - Kent	NHS Smoking Cessation Occupational
Chamber of Commerce	Therapy
Citizens Advice Bureau	Porchlight
Community Wardens	Post Office
Connexions	RBLI pathways To Work
Domestic Violence	Registrars
Dover Borough Council	Shaw Trust
East Kent PCT	Sign Video
European Migrant Helpline	Skills Plus
Financial Assessment Benefits Officer	Substance Misuse
Fire and Rescue	Supporting Independence Programme
Forget-me-nots	Tell Us Once
Headway	Thanet Council
Health Trainer	Thanet User Forum Book Club
Hi-Kent	Tonbridge & Malling Borough Council
Isle of Thanet Credit Union	Tunbridge Wells Borough Council
KCC Contact Centre	Voluntary Action West Kent
KCC Social Care	Water for Work Well Point
Kent Adult Social Services	West Kent College
Kent County Council	West Kent Mediation
Kent Police	West Kent PCT
Kent Supported Employment	YWCA
Learn Direct	

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**By:** Tanya Oliver, Director of Strategic Development & Public Access  
**To:** Policy Overview & Scrutiny Committee, 14 January 2010  
**Subject:** Reception Closure Programme  
**Classification:** For Information

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**Summary:** In August 2009, Chief Officer Group discussed the issue of closing receptions in KCC office buildings and agreed in principle to take this forward, both to make savings, and as part of the modernisation of front-line services, linked to Gateway and Contact Kent.

In December 2009, a coherent programme for closing receptions was agreed by Chief Officer Group, beginning with Headquarters (excluding Sessions House), Thistley Hill and Bishops Terrace, and subsequently rolling out as and when locations benefit from nearby Gateways.

This report sets out the rationale behind the programme, which is attached as an appendix, and provides initial indications of changes in access arrangements at sites affected.

The issue falls within officer delegated responsibilities, and this paper is therefore provided to the Committee for information only

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## Introduction

1. (1) In the light of the current financial situation, it is essential that we translate potential savings from traditional, back-office-centric, front-of-house and related services, into investment in the new generation of customer-centric provision.

(2) Our office buildings across the county have traditionally provided reception services, but these are typically in poor quality environments, and often in relatively inaccessible locations. In many cases, only a limited number of services can actually be provided in these locations. We continue to have them for historic reasons, rather than because they meet service users' expectations.

(3) To this end, in August 2009, Chief Officer Group discussed and agreed the principle of closing reception facilities in office buildings across the county, and redirecting telephone and in-person enquiries to Contact Kent and Gateways respectively.

(4) As a result of that in-principle discussion, the Programme Manager – Office Transformation has worked confidentially with colleagues in Facilities Management, KASS Area Support and Property Group to develop a phased closure programme. This Programme is attached as an appendix.

(5) The logic for the phasing is primarily based around the availability of nearby Gateways in locations that are at least as convenient to the majority of service users as the office receptions they will effectively replace. More details are provided in the next section of this report.

(6) The programme was agreed by Chief Officer Group on 2 December 2009, and work is already well under way in respect of Headquarters receptions and Thistley Hill, and will begin this month in respect of Bishops Terrace.

(7) Whilst the issue was discussed at Cabinet Scrutiny Committee in December, it should be noted that the issue of receptions in office buildings falls well within officer delegated responsibilities, and this paper is provided by way of information for Policy Overview & Scrutiny Committee.

## Programme Phasing

2. (1) **Phase One** encompasses:
- Headquarters – closing Brenchley House, Cantium House and Invicta House receptions (all managed by Facilities Management) and redirecting the limited public access to the Maidstone Gateway, and access for meetings via Sessions House Reception
  - Thistley Hill, Dover – closing reception (managed by Facilities Management) and redirecting public access to the Dover Gateway, meetings access via intercom to meeting organisers, and switchboard to Contact Kent. This new site (opened in September 2009 – on the outskirts of Dover) was not intended to have a reception, however one was provided at the request of some occupants. Funding only exists for reception staff until March 2010, and has been “stepping down” since the building opened, as reception provision was not originally envisaged as part of the “offer” at Thistley Hill. The Dover Gateway is in the very centre of the town, so will offer improved public access.
  - Bishops Terrace, Maidstone – closing reception (managed by KASS) and redirecting public access to the Maidstone Gateway, meetings access via intercom to meeting organisers, and switchboard to Contact Kent. This will be the pilot for receptions at established office locations with a nearby Gateway. Whilst the Programme table specifies a March 2010 closure, April/May is a more likely outcome, to allow for an appropriate consultation period.
- (2) **Phases Two onwards** will be subject to a full scoping exercise in the period January to March 2010, to ensure lessons are learnt from Phase One, and that the lead-in time is better used to improve relationships between directorates and Gateway/Contact Kent.
- (3) **Phase Two** encompasses:
- Croft House, Tonbridge
  - Montague House, Tunbridge Wells
  - St Peter’s House, Broadstairs
  - Clover House, Whitstable
  - Kroner House, Ashford
- All have a Gateway nearby, or in the case of Clover House, will do ahead of the reception closure.

- (4) **Phase Three** will be less time-specific, as reception closures will coincide with the opening of the relevant nearby Gateway:
  - Joynes House, Gravesend
  - Queens House, Folkestone
  - Avenue of Remembrance, Sittingbourne
  
- (5) **“No Action”** refers to office locations which will close ahead of the opening of a Gateway in the vicinity. If the Gateway programme changes, these three sites may be rephrased. In the meantime, the scoping exercise mentioned at 2. (2) will examine the potential for other sites in the area to be used for transition purposes.
  - St Lawrence House, Darford
  - Tricon House, Sevenoaks
  - 17 Kings Hill Avenue
  
- (6) **Uncertain** refers to office locations where the reception is wholly or partially controlled by a partner organisation. The scoping exercise mentioned at 2. (2) will examine the potential for work with those partners to allow closure in the medium term.
  - Brook House, Whitstable (joint KASS/PCT)
  - Cairn Ryan, Dover (joint KASS/PCT)
  - Civic Centre, Ashford (Ashford Borough Council)

### Financial Implications

3. (1) Work carried out by Property Group earlier in 2009 established the total cost of running these receptions (in terms of staff salaries) to be in excess of £400k per annum.

- (2) The intention is to use the money saved in the following order of priority:
  - Redistribution of kit (security, telephone, access systems, etc)
  - Covering costs of increased demand at Gateway and Contact Kent
  - Re-use of Reception space (as Breakout, meeting space, etc) – at the majority of sites, this will involve very small amounts of money
  - Remainder to be taken as net savings
 This will be the case for all money currently spent on receptions, regardless of the directorate currently funding the expenditure

(3) Whilst Facilities Management and KASS will look to place staff appropriately wherever possible, a number of redundancies are likely. These will be funded from the Workforce Reduction Fund.

(4) The potential gross savings in respect of Headquarters receptions would be in the order of £60k

(5) Funding for the reception at Thistley Hill has been found by KASS and CFE, the only occupants of that building, for the period to March 2010. Thereafter, reception will close, and Facilities Management will provide a more limited service, to an agreed standard, with a caretaker and Facilities Support Officer on site.

(6) The potential gross savings in respect of Bishops Terrace would be in the order of £37k.

(7) The costs and savings anticipated in respect of Phases Two and beyond will be detailed during the scoping exercise mentioned at 2. (2)

## Headquarters Receptions

4. (1) Chief Officer Group on 17 November agreed with the Chief Executive's proposal to move forward with the closure of three of the four Headquarters receptions by the end of 2009, as set out in 2. (1) above.

(2) The staff affected have been notified, and appropriate P&D processes are now under way. The consultation period ended after the deadline for this report, so an oral update can be provided to Committee as appropriate. Meantime, Facilities Management have been engaging with contractors to ensure that relevant infrastructure is transferred to Sessions House reception, with minimal disruption, with a view to complete transfer in late January.

(3) Invicta House Atrium will then be reworked to provide meeting and breakout facilities appropriate to the whole of Headquarters. This will, in turn, contribute to our ability to maximise the use of that building as part of *Better WorkPlaces*' Maidstone Strategy.

(4) Given the attention this element of the closure programme has already received, the communications strategy will be a critical success factor. Chief Officer Group has already expressed its willingness to assist with this issue.

(5) A global communication to staff will be sent as from Chief Officer Group, explaining the rationale and new *modus operandi*. At the time of writing, this was on hold pending the end of the consultation period – it may have been sent prior to Committee meeting.

(6) The Programme Manager – Office Transformation has convened a small working group, consisting of representatives appointed by Managing Directors, to ensure post-closure arrangements are in place. More information on its initial outcomes can be found in 5. below.

## New Access Arrangements at Headquarters – Provisional information

5. (1) The following information is based on initial discussions between directorate representatives, Facilities Management, The Meeting Place, and the Programme Manager – Office Transformation. Final arrangements will be communicated in advance of reception closures.

(2) Likely arrangements:

- a) **Staff based at Headquarters** – staff based at Headquarters will be able to access other buildings on campus, as at present, with their swipe cards. Telephones in the lobby areas will allow them to contact the people they are due to meet, in the eventuality that they do not know where to find them.
- b) **Staff based at other sites** – staff at other sites who regularly visit Headquarters may be issued with Headquarters passes, at the discretion of their Managing Director, in which case a) will apply. Occasional visitors will sign in at Sessions Reception and receive a day pass, which will afford them access to the relevant buildings.

- c) **Visitors attending pre-arranged meetings** – improved joining information and preparation, to be provided by the meeting organiser, will be the key here. Visitors will initially sign in, and be issued with passes, at Sessions Reception. They will then proceed, using their pass, to the Atrium (for Invicta), or the lobby area (for Brenchley and Cantium) whence they will be collected when all attendees have assembled. Colleagues will be encouraged to hold meetings involving external visitors in Sessions or Invicta Houses wherever possible: in Sessions, most meeting rooms can be easily and directly accessed within the secure areas; in Invicta, the refurbished Atrium will provide an appropriate waiting/networking area. In all cases, Sessions reception can notify the meeting organiser as and when visitors arrive.
- d) **Visitors arriving for ad-hoc meetings** – this is not currently a significant feature at Headquarters. Any such visitors will need to speak to staff at Sessions reception, who will contact the appropriate officers or Members, and proceed as appropriate.
- e) **General public** – again, not a significant feature at Headquarters. In the vast majority of cases, enquiries are better suited to Gateway, and members of the public are already redirected there.

(3) Other responsibilities relating to Receptions – including fire, health & safety and the like – will be transferred either to Sessions Reception, to other Facilities Management staff, or to agreed individuals in the buildings affected. All appropriate risk assessments have been, or are in the process of being, carried out by Facilities Management.

(4) Arrangements at other sites will be developed over the next few months, and are likely to follow a similar pattern to the points indicated in 5. (2) above – with a heavier emphasis on timely redirection to Gateway locations for the general public, and efficient meeting planning. All locations will have a telephone-based intercom system in the lobby area (before the secure area), defaulting to the Contact Centre but providing key contacts within the building.

### Recommendations

6. (1) Policy Overview & Scrutiny Committee is asked to NOTE the report and the programme phasing.

**Background Documents:** *Better WorkPlaces* Vision Map (featuring Gateway locations), for sites of current and future front and back office locations (available on KNet)

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**Policy Overview & Scrutiny Committee - Thursday 14 January 2010 - Appendix  
County & Key Office Reception Closure Phasing**

Office	Town	Gateway	Distance	Rationale
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**Phase One** by end March 2010 *subject to consultation*

Invicta House	Maidstone	Maidstone	0.5m	Sessions House can cover officer needs; limited public access
Brenchley House	Maidstone	Maidstone	0.5m	Sessions House can cover officer needs; limited public access
Cantium House	Maidstone	Maidstone	0.5m	Sessions House can cover officer needs; limited public access
Thistley Hill	Dover	Dover	2m	New therefore limited public access at present; Gateway better located
Bishops Terrace	Maidstone	Maidstone	0.5m	Old office with poor environment, Gateway better located

**Phase Two** by end October 2010 *at the latest*

Croft House	Tonbridge	Tonbridge	0.5m	Old office, poor environment, will close in 2012, Gateway better located
Montague House	Tunbridge Wells	Tunbridge Wells	0.5m	Old office, poor environment, will close in 2012, Gateway better located
Kroner House	Ashford	Ashford	1.5m	Already limited public access; Gateway better located
St Peter's House	Broadstairs	Thanet	2m	Remote location with poor transport; Gateway better located
Dover House	Whitstable	Herne Bay (2010)	tbc	Redirect to Brook House or Gateway

**Phase Three** to coincide with Gateway openings where possible, or by the end of the first full year of Gateway operation *at the latest*

Joynes House	Gravesend	Gravesend (2010)	tbc	To be reworked as Key Office - needs Gateway
Queens House	Folkestone	Folkestone (2011)	tbc	Building to close in 2012 - Gateway could replace public face sooner
Avenue of Remembrance	Sittingbourne	Sittingbourne (2012)	tbc	Building to be retained until ~2014 - needs Gateway

**No Action** pending building closure, no Gateway-based solution available

St Lawrence House	Dartford	Dartford (2012)	tbc	Office to close in 2011, before Gateway becomes available
Tricon House	Sevenoaks	None	n/a	No Gateway planned; office to close in 2012
17 Kings Hill Avenue	Kings Hill	None	n/a	No Gateway planned; limited public access; to review if building retained

**Uncertain** unlikely to be worth considering for other reasons

Brook House	Whitstable	Herne Bay (2010)	tbc	Joint reception with NHS - requires discussion
Cairn Ryan	Dover	Dover	1.5m	Joint reception with NHS - requires discussion
Civic Centre	Ashford	Ashford	0.5m	Joint reception with ABC (using their staff) - requires discussion

**Notes** Reception service will continue to be provided at **Sessions House, Maidstone**  
*Better WorkPlaces* will not provide for reception services at the new Key Offices at Kings Hill and SW Kent

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## Item No. B8

By: Roger Gough, Cabinet Member for Support Service and Performance Management  
Kevin Lynes, Lead Member for Equality and Diversity  
and  
Robert Hardy, Director of Improvement and Engagement

To: Corporate Policy Overview Committee 14<sup>th</sup> January 2010

Subject: Equality and Diversity Update

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## **1. Summary**

The approach being taken across KCC is to ensure that we not only meet our statutory obligations, but to seek to ensure that in all aspects of understanding our communities, assessing customer needs and in shaping and delivering excellent services, we take account of the needs of individuals from all backgrounds. This is in addition to our role as an employer recruiting, retaining and developing a workforce that reflects the communities we serve.

As a consequence, there is considerably less time being spent generating separate Equality & Diversity monitoring, but it can make it harder for Members, the public and external assessors to find evidence of progress when this is to be found within wider monitoring reports.

At the January 2009 meeting of this Committee I presented an update report on KCC's achievement of Level 3 of the then Equalities Standard for Local Government and set out the key areas for action to achieve the 'Excellent' standard under the new Equality Framework by 2011.

This report provides an update on work completed and underway in relation to those key areas for action.

## **2 Updates**

### **2.1 Diversity Mapping**

This element of the new Equality Framework for Local Government (EFLG) is designed to ensure that an accurate picture is created of the differing needs and backgrounds of people in Kent.

Excellent work has been in place across KCC for many years - in service-specific work such as the Joint Strategic Needs Assessments between PCTs and KCC, in the work that underpins the Gateway multi-channel approach relying on customer models developed using the *MOSAIC* data sets and in the use of ongoing information such as the widely-respected *We are the People Of Kent* and the more recent *We are the Older People of Kent*.

Understanding our communities, assessing their needs and meeting customer expectations are all core business for KCC.

The only specific action over the last year to add to our existing good practice has been to add the use of *MOSAIC Origins* to the tools available to give us a more up to date picture than the 2001 Census information on different racial or ethnic backgrounds and of people of other nationalities living in Kent.

The use of 'Diversity Mapping' is a key new element of the EFLG 'Excellent' standard and KCC is well-placed to meet this standard.

## **2.2 Leadership and Corporate Commitment**

The most important work under this heading is the redrafting and updating of the KCC Equality Strategy, to take account of progress within KCC since 2006 and to reflect the new EFLG standards.

The internal and consultation period closed at the end of December 2009 and the final draft will be brought to this Committee for comment and amendment at its next meeting

## **2.3 Consultation and External Scrutiny**

In identifying the scale and nature of existing consultation and involvement activities across KCC services (as reported to the November meeting of this Committee) it was clear that there were some key gaps in the current picture.

The first was that we have inconsistent levels of knowledge about exactly who takes part in some of our consultation and involvement activities. We couldn't therefore assure ourselves that people of all ages were involved or that we made it both possible and welcoming for adults with disabilities to play a full part. We are therefore looking to collect more accurate information on a more consistent basis, without making that too bureaucratic or burdensome.

The second gap relates to our consultation and involvement work with voluntary and community organisations (VCOs). We have undertaken a specific project during 2009 to work with VCOs working with or comprised of individuals from across the range of diversity backgrounds on the most effective ways that KCC could seek and act on their views in the way we do for other VCOs in Kent.

Proposals for this aspect of consultation and involvement will be contained within the draft Equality Strategy.

## **2.4 Service Delivery and Customer Care**

KCC's work as a commissioner of services from private and voluntary sector providers gives us robust monitoring systems for those services delivered by other organisations on behalf of the Authority to enable us to be aware of and record the involvement of and take-up by diversity groups. Since April 2009,

this also applies to monitoring of complaints/compliments to better understand the experiences of customers from different backgrounds, as reported to the November meeting of this Committee.

The major change under this heading in 2009 was the introduction in April 2009 of a new approach to assessing the impact of policy, procedure and service changes, called Customer Impact Assessment. This meets all the requirements of the previous Equality Impact Assessment process, but has been designed to be simpler to use and to be a key element of what managers should consider not a 'specialised subject' which service and policy managers leave to others.

As with a number of current corporate approaches the aim is to ensure that there are fewer better impact assessments looking at issue on a more strategic scale, not a constant drip of small-scale assessments. For example, past practice will have been to impact assess each separate publication produced by a service. The new approach emphasises assessing the policy or service outcome and trusting that the publicity will adapt to match.

The new system has been accompanied by training developed in consultation with service Directorates and an internal peer support/challenge mechanism. All completed assessments are published on the KCC website.

## **2.5 Employment and Training**

Progress on the standards under this part of the framework is reported elsewhere on this agenda in the HR update report.

## **3 Recommendations**

Members are asked to note the content of this report and to agree to receive the draft revised Equality Strategy at the next meeting of this Committee.

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