

**CORPORATE POLICY OVERVIEW AND SCRUTINY
COMMITTEE**

Thursday, 13th January, 2011

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 6 January 2011**





AGENDA

CORPORATE POLICY OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 13 January 2011 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, Mrs J P Law, Mr S Manion, Mr R J Parry, Mr J E Scholes and Mr M V Snelling

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

Webcasting Notice

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UNRESTRICTED ITEMS

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

Item No

A. COMMITTEE BUSINESS

- A1 Introduction/Webcasting
- A2 Substitutes
- A3 Declaration of Interests by Members in items on the Agenda for this meeting.
- A4 Minutes - 12 November 2010 (Pages 1 - 10)

B. ITEMS FOR CONSIDERATION

- B1 NHS White Paper Liberating the NHS - Verbal update
- B2 "Public Health - the emerging picture" (Pages 11 - 20)

- B3 Update on KCC Health Inequalities Strategy (Pages 21 - 34)
- B4 Financial Monitoring Report : Corporate Services 2010/11 (Pages 35 - 54)
- B5 Budget 2011/12 and Medium Term Financial Plan 2011/14 (to follow)
- B6 KCC Website Update (Pages 55 - 60)
- B7 Open Kent (Pages 61 - 68)
- B8 Proposed Company Structures - Rules Applying to the Provision of Legal Service (Pages 69 - 82)
- B9 Core Monitoring (Pages 83 - 98)
- B10 Reducing the National Performance and Inspection Burden and Increasing Sector Self Regulation (Pages 99 - 106)
- B11 Decentralisation and the Localism Bill (Pages 107 - 110)

C. SELECT COMMITTEE WORK

- C1 Select Committees - update (Pages 111 - 112)

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, 5 January 2011

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

**CORPORATE POLICY OVERVIEW AND SCRUTINY
COMMITTEE**

MINUTES of a meeting of the Corporate Policy Overview and Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 12 November 2010.

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

ALSO PRESENT: Mr A H T Bowles, Miss S J Carey, Mr P B Carter, Mr R W Gough and Mr J D Simmonds

IN ATTENDANCE: Mr M Ballard (Project Manager), Mrs A Beer (Director of Personnel & Development), Mr D Cockburn (Executive Director, Strategy, Economic Development & ICT), Ms D Exall (Head of Strategic Policy), Ms T Gailey (Public Health Policy Manager), Mr D Godfrey (Public Policy), Ms J Hansen (Senior Accountant), Mr J Hawkins (Project Manager, Transformation), Ms J Hill (Performance Manager), Ms K Hughes (Ebusiness Project Officer), Mrs T Oliver (Director of Strategic Development and Public Access), Mr D Tonks (Head of Audit & Risk), Mrs J Turner (Employee Services Manager) and Ms D Fitch (Assistant Democratic Services Manager (Policy Overview))

UNRESTRICTED ITEMS

76. Membership
(Item A1)

It was noted that Mr S Manion had replaced the late Mr R Frayne as a Member of this Committee.

77. Youth Takeover Week

The Chairman welcomed Tamanna Miah and Troy Barton who were shadowing Mrs Dean and Mr Burgess respectively as part in the Youth Takeover week.

78. Minutes
(Item A4)

RESOLVED that the minutes of the meeting held on 24 September 2010 are correctly recorded, subject to Miss S Carey being added to the list of those "Also Present", and that they be signed as a correct record.

79. Welfare Pathway

(Item B1)

Presentation by Mr S Sherry (Chief Executive) and Mr D Jessop (Royal British Legion Industries)

(1) The Chairman welcomed Mr Sherry and Mr Jessop to the meeting and invited them to give a brief presentation on the work of the Royal British Legion Industries (RBLI).

(2) Mr Sherry set out the background and context of the work of RBLI. Their core business was the welfare and rehabilitation of service personnel and their dependants. They had affordable homes for 600 residents on their site and their social enterprise employed 104 disabled service personnel at Aylesford. RBLI valued the support and good will of the County Council and he would welcome discussions on how we could work together on various programs. He also referred to the national offender's management program and the army recovery capacity project. The RBLI had been chosen as a temporary recovery centre while the center at Colchester was being completed.

(3) Mr Sherry identified 3 key factors for the future, these were firstly the changing welfare to work programs and secondly the impact of the budget cuts for example Network Rail was a major customer for signage but the reduction in their maintenance budget would have an impact, and thirdly the need to responding to the increasing need from young service people and key to this was looking at how to identify and satisfy their needs.

(4) Mr Sherry referred to the pilot work that the County Council were undertaking on the Welfare Pathway and stated that the RBLI could help with delivery.

(5) A Member referred to the signage produced by the RBLI and commended the quality of the produce, competitive price and quick delivery. In response to a question on how much capacity they had to expand this business, Mr Sherry confirmed that they were currently at 45% capacity. He also stated that they produced different shaped pallets for the construction industry and had an area where they produced things such as toy displays for shop windows. A Member suggested that the Highways department should explore the possibility of obtaining some of its signage from RBLI

(6) In response to a question on what he saw as the RBLI greatest challenges over the next 18 months, Mr Sherry stated that the first was financial, 60% of their revenue came from the Department of Works and Pensions, they had not been successful in obtaining work change contracts and they did not know what would happen with the pathways contract, they would loose 40% of their revenue next April if they did not get any new business. Their second challenge was identifying need, this was complicated with a lot of young ex-service personnel with severe injuries, many of whom came from dysfunctional backgrounds. It was often difficult to trace them when they left the service and they sometimes ended up in the prison population or homeless. It was important to contact these young ex-service men as quickly as possible in order to support them back into society and help them to gain their independence.

(7) A Member referred to the need to ensure that there was fairness in competition between RBLI and small and medium enterprises if the need to tender was removed. Mr Sherry stated that the RBLI only worked on a commercial basis, and competed on price and quality. Their employees would only have job satisfaction if they know that they were working on a commercial basis.

(8) Regarding the number of organisations supporting ex-service personnel, Mr. Sherry stated that he had recently attended the Annual General Meeting of British Ex- service organisations; they were looking at the way as a group of organisations they could make best use the resources that were available. A successful big lottery bid was going to be used to analyse the need and how best to meet it.

(9) The Leader thanked Mr. Sherry and Mr Jessop for their presentation and stated that he would be taking up their offer to visit Preston Hall. He referred to the agenda in Bold Steps for Kent to grow Small and Medium Enterprises and social enterprises in Kent and supporting them via the new procurement process, as long as value for money was achieved.

The Ministry of Defence Welfare Pathway Pilot in Kent

(10) Mr Gough and Mrs Oliver introduce a report which set out the background to the Defence Welfare Pathway in Kent. The pilot had been extended until 2011 and the aim was to integrate the Welfare Pathway into the Gateway. RBLI had been identified as a key organisation to work with.

(11) A Member mentioned the Supporting People grant that was coming to an end and the impact that the financial situation would have on the support from District Councils. A Member referred to the need to ensure that service personnel and their families were not disadvantaged by being deployed to different parts of the country at short notice and that this should be recognised as far as possible in school admissions policies.

(12) RESOLVED that the presentation be noted and the Committee records its support for proposed actions to take the Defence Welfare Pathway initiative forward in Kent.

80. Financial Monitoring Report : Corporate Services 2010/11

(Item B2)

(1) Mr Wood introduced the budget monitoring exception report, based on the monitoring returns for August 2010, as reported to Cabinet on 11th October 2010.

(2) RESOLVED that the forecast budget variances for the Chief Executive's Department for 2010/11 based on the August exception monitoring report to Cabinet be noted.

81. Medium Term Financial Plan - 2011-12 to 2013-14

(Item B3)

(1) Mr Wood introduced a report which identified the proposed strategy for determining next year's budget and the financial plans for the following years. This included an initial analysis of Spending Review 2010, the likely impact on the overall

funding for KCC, the indicative cash limits for the Chief Executive's Department, financing items budgets within the Corporate Services and the latest indications of likely pressures facing these portfolios.

(2) Mr Wood stated a lot of planning had been done prior to the Comprehensive Spending Review, but that the front loading of the budget had not been expected. Also a lot of specific grants for education would not be announced until December or January. The four unavoidable pressures were set out in the Appendix to the report. He stated that the challenge would be in years 1 and 2, particularly as the Chief Executives Department contained support services for the whole organisation and as the organisation downsized, this needed to be reflected in corporate support. Work was underway to look at how to address the challenges.

(3) In response to a question, Mr Wood drew attention to the reduction in 2011-12 in relation to modernisation of the Council. He confirmed that the County Council was no longer a floor authority.

(4) It was noted that there was not enough information currently available to identify priorities in order to meet the indicative cash limit.

(5) RESOLVED that the comments made by Members on the pressures outlined for the Chief Executive's Department and Financing Items Portfolios be noted.

82. Connecting with Communities - 2009/10 Annual Report on Engagement Activity to Policy Overview Committee.

(Item B4)

(1) Mr Gough and Mrs Hill introduced an update report on developments regarding consultation, engagement and involvement within the authority from 1 April 2009 – 31 March 2010.

(2) In response to a question Mrs Hill stated that most of the consultations etc were carried out by staff as part of their role and therefore it was difficult to work out the cost of each consultation. Regarding the use by partners and other Councils of information gathered by the County Council, often the information was not detailed enough for our partners, however it was possible to use MOSAIC to increase the sample at district level in order to gain more information.

(3) The importance of avoiding duplication in information gathering across the public sector was emphasised. Mr Bowles stated that it was essential to rationalise the gathering of information to avoid costly duplication. He stated that a report was being prepared which evaluated the localism pilots across Kent. Members referred to participatory budgeting sessions that had been held in their areas, how these had been resourced and that they had been excellent networking opportunities for local groups, which had even benefited groups who were not successful in their bid.

(4) The Leader spoke about the value of putting all services such as engagement and communication together to avoid duplication across directorates. It was important to look at how we could do things better and at a lower cost. In relation to a question on the effectiveness of Around Kent, he stated that there was a need to look at how the public section communicates with the public to avoid duplication.

(5) A Member referred to the viral marketing of the HOUSE project which had been successful with no formal advertising. He also referred to the confusion around the policy for the use of social media such as Facebook by officers as part of their role. Mrs Hill undertook to provide Members with details of the policy for using Facebook.

(6) A Member referred to the amount of unnecessary consultation carried out which diluted the Elected Members representative role, and took up a lot of Member and officer time.

(7) The Leader stated that in about nine months time it would be possible to set out proposals for how engagement activities could be carried out more efficiently. There was a need to avoid duplication around consultation and communication.

(8) Mrs Hill informed Members that there was a consultation directory on kent.gov and that it was possible to register and be sent email alerts.

(9) Mrs Hill undertook to supply information on how to access the Youth Opportunity Fund to Tamanna Miah and Troy Barton (Youth Takeover week representatives).

(5) Mr Barden (who was shadowing Mr Burgess as part of Youth Takeover Week) referred to the involvement that he had on the board of his local youth club and the opportunity it provided for young people to have an ownership of their youth facilities. He also explained the importance of the voice of young people, not just those who were members of the youth county council or youth parliament being heard.

(6) RESOLVED that the report and the comments made by Members be noted and a short report be submitted to a future meeting of the Committee on the cost of consultation and outcomes, with an emphasis on avoiding duplication in consultations across the public sector.

83. Risk Register for CED - 6 month update

(Item B5)

(1) Mr Simmonds and Mr Tonks introduced the risk register for the Chief Executive's Department (CED) which was maintained by the Corporate Risk and Insurance team on behalf of CED. The content had been updated by the identified risk owners within the department and was presented for information. Should the proposals set out for Council-wide restructure be taken forward, then this would be the last revision of this register. Revised governance arrangements for risk would be developed in parallel with the proposed re-organisation and this would include which risk registers were to be maintained. The detailed risks themselves would be transferred across to the new registers so that they continued to be managed. The residual risk ratings shown within the register had been assigned by risk owners based upon the stated current controls having been implemented and known to be working.

(2) Mr Wood confirmed that level of risk relating to the outcome of the Comprehensive Spending Review (CSR) (Risk 25) set out in the report had been

assessed prior to the announcement on the CSR, the level of risk would be amended now that the outcome was known.

(3) In relation to Risk 21 (Major Specific Projects) a question was asked about Manston not being included in the recently announced list of government infrastructure works. Also no account had been taken of the risk arising from the lack of funding for works on junction 10A of the M20. Mr Tonks explained risks were updated quarterly and the list circulated did not take into account current risks.

(4) Mr Tonks undertook to let Mrs Dean know whether risks around Building Schools for the future were set out in the Risk Register for the Children, Families and Education Directorate.

(5) RESOLVED that the changes to the CED risk register be endorsed and that the Committee agree that there are no additional actions required to reduce the overall risk profile of the department.

84. "Total Place" update

(Item B6)

(1) Mr Gough and Mrs Oliver introduced an update report on progress to date and future plans for the original Total Place work streams (Margate Task Force, Gateway and Asset). Mr Gough pointed out that there had been a change in terminology and that some aspects such as the abolition of Primary Care Trusts may have an impact on the work. He referred to place based budgeting and the work that had been carried out to take this forward, he confirmed that the three work streams would continue.

(2) Mrs Oliver stated that Job Centre Plus had more engagement with Gateways. In relations to Assets there was a lot of deep dive activity going on and they were engaged in discussions with central government to deliver some practical outcomes.

(3) A Member referred to the work of the St Pauls Community Trust which took referrals from the NHS and Gateways, the Charity complemented the work of other organisations and received no funding for putting someone with drug addition "back on track".

(4) Mrs Oliver confirmed that the leases for buildings occupied in the south west Kent area expired in 2012 and work was being undertaken to ensure that there was no gap or duplication in occupation when the alternative solution was identified. Discussions with Tunbridge Wells Borough Council also continue.

(5) A Member mentioned the risk of there being an increase in the number of Looked After Children displaced from London Boroughs due to the budget situation was raised, particularly in relation to the Margate Taskforce work

(6) Ms Exall undertook to circulate a copy of the letter from the Department of Communities and Local Government relating to the first phase of the initiative on the single 'Community Budget'.

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

(Mr Burgess declared an interest as a Trustee of the St Pauls Community Trust which was involved in the work of the Task force, he remained in the meeting and took part in the discussion.)

85. Access and Assessment

(Item B7)

(1) Mr Gough and Mrs Oliver presented a report which updated Members on progress with the cross-cutting Access and Assessment programme, which aimed to improve the customer experience and deliver significant savings. The Access and Assessment programme built on and brought together a range of existing activity across Kent County Council and linked strongly with partner agencies.

(2) Mrs Oliver explained that the key aim of the programme was to improve the customer experience in a cost effective way, There was a target of achieving £14m savings and part of the way to achieve this would be to promote the use of online facilities she emphasised the commitment to ensuring appropriate face to face and telephone enquires remained robust. The focus would be on dealing with customers at first point of contact and there would also be further work with partner organisations to improve the customer experience.

(3) In response to a question on Registration Services being transferred from Gateway to library, Mrs Oliver stated that she hoped that the provision of Registration services within Gateways would continue as she believed that the service would be a great loss to the Gateways and the customers using them.

(4) In relation to a question on Gateway provision in Sevenoaks, Mrs Oliver and Mr Gough referred to ongoing discussions that were taking place with the District Council and work being carried out to assess the level of demand for Gateway Services in that area. The role of Mobile Gateway was also being explored.

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

86. The Leader and Group Managing Directors update

(Item B8)

(1) The Leader stated that the majority of work had been focused on the Budget and he referred to the Rate Support Grant Announcement which was due on 2nd December 2010. He reminded the Committee that Bold Steps for Kent was out to consultation and positive feedback had been received. It was intended to make it more concise prior to its adoption by County Council on 16 December 2010.

(2) The Leader referred to the Local Economic Partnership and stated on going work to ensure the delivery of outcomes in a short period.

Transparency Agenda

(3) The Leader emphasised the importance of the Transparency agenda being implemented in an open and sensitive way. Mr Simmonds highlighted that the information provided should be meaningful, he referred to the publication of all invoices over £500, which involved officers checking through over 11,000 lines of

expenditure prior to publication to make sure that they did not contain any confidential information, there was an operational cost pressure in complying with this legislative requirement. He hoped that supplying this information would negate the need for some Freedom of Information enquires.

(4) Ms Exall referred to the statistics on web based views of the transparency data and informed Members that the availability of the information had been publicised. There had not been a great deal of interest in the invoices themselves and so far there had not been a lot of enquiries. She stated that by the end of the year they would be in a position to bring together a lot of publicly available information on the website.

(5) Mr Gough confirmed that representations were being made to government about guidance from central government being too prescriptive and running the risk of becoming a data collection exercise rather a way of making the County Council accountable to our citizens. It was suggested that there should be discretion for local authorities to set an appropriate level, relative their size, for the publication of invoices.

(6) Representations will be made about guidance from central government being too prescriptive and running the risk of becoming a data collection exercise rather a way of making us accountable to our citizens.

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

87. "Change to keep succeeding" - the transformation of the Council's operating framework

(Item B9)

(1) Mr Hawkins introduced the "Change to Keep Succeeding" report by the Group Managing Director on the transformation of the County Council's operating framework. This report had been endorsed by Cabinet on 11 October 2010 and also included alternative structures which had been presented to the Cabinet Scrutiny Committee on 15 October 2010. The proposed structures were out to consultation until 3 December 2010. The County Council on 16 December 2010 would approve the top tier structure which would come into effect on 1 April 2011. He confirmed that all holders of impacted posts had had a one to one meeting with Ms Kerswell. In relation to the comments received on the proposals he stated that some staff believed that the proposals were not radical enough and that there should be fewer Directors.

(2) The Leader stated that the organisation needed to reduce its budget by £340m and therefore there was a need to reshape as soon as possible. It was anticipated that savings of £800,000 would be made at the high level and that savings would then flow below that level. It was necessary to make the organisation, leaner and more efficient in order to protect front line services to the elderly and vulnerable.

(3) The Leader confirmed that Kent County Council were ahead of the majority of authorities in relation to dealing with the budget reductions as the authority had been preparing for this for eighteen months. A significant number of local authorities had not been making any preparations.

(4) A number of Members expressed the view that the proposed restructuring was not radical enough and there was a suggestion that the proposals for the senior management structure should be revised.

(5) In relation to the HAY review of senior posts Ms Beer explained that HAY would be using market comparators in both the public and private sector, account would be take of the size of the role and there would be an objective measure of the level of responsibility and accountability. However, they would only be making a recommendation and it would be for Members to agree the pay scales and structure for these posts.

(6) In response to a question on the reasons for the suggestion within the proposed structure that there be a possible transition of Legal Services to an external arms length trading organisation, the Leader suggested that a paper be submitted to a future meeting of the Committee setting out the feasibility of this suggestion.

(7) It was noted that Mrs Dean had requested either a copy of the advice from Finance, Legal and Risk officers given prior to the re-structuring proposals being produced or confirmation that this information did not exist in written form.

(8) RESOLVED That the matters raised by Members at the meeting be noted as part of the consultation process and that a report be submitted to a future meeting on the possible transition of Legal Services to an external arms length trading organisation.

88. Kent Recommitment

(Item B10)

(1) Mr Bowles introduced a report on the draft Kent Recommitment which established new partnership arrangements within the county and place local democracy at their heart. He referred to a series of meetings being held with Kent Council Leaders starting on 22 November 2010. It was hoped that the governance arrangements for the Kent Recommitment would be finalised at a meeting of Kent Leaders on 2 December 2010. A provisional date of 20 December 2010 had been arranged for the first meeting of the Kent Forum. Mr Bowles confirmed that account would be taken of non-parished areas.

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

89. Oracle HR and Payroll System Update

(Item B11)

(1) Mr Gough and Ms Beer presented a report which gave an overview of the major Oracle HR related developments including self service. It detailed financial and business benefits since the initial implementation, and future planned development. Mr Gough informed Members that major upgrade of Oracle System to version 12.1.1 referred to in the report had been achieved. Ms Beer referred to the importance of rolling out self service to managers to enable the business to be managed more efficiently.

(2) In response to a question Ms Beer explained that one key development was to ensure that there was a flow of information between the Human Resources, Payroll and Finance systems. This systems developments had been scoped and work was ongoing to make sure that the cost was commensurate with the benefits that the upgraded system would give. Ms Hughes stated one of the reasons for the migration to the upgraded version of Oracle at this time was because the previous version was no longer being supported by the supplier. Also the upgrade version gave the opportunity to streamline many processes by using a standardised system. Officers undertook to provide Mr Parry with information on the cost of upgrading the system.

(3) RESOLVED that the major developments and enhancements made since the initial set-up of the system in 2003 and the associated streamlining of core HR structure processes; the cost savings and efficiencies achieved and the planned future development and other areas highlighted for review be noted.

90. Update on the NHS White Paper Liberating the NHS

(Item B12)

(1) Mr Gough introduced an update report on KCC's responded to the consultation on "Liberating the NHS". He referred to the event being held on 25 November 2010 with General Practitioners.

(2) RESOLVED that the report be noted and a more detailed update be submitted to the next meeting of the Committee on 13 January 2011, subject to the white paper on public health being published by the end of the year.

91. Select Committees - update

(Item C1)

(1) The Committee received an update report on the current topic review programme and were invited to suggest topics for future Select Committee reviews.

(2) RESOLVED that the current Select Committee topic review programme be noted and the Democratic Services officer be advised of any other suggestions for Select Committee topic reviews.

By: Alan Marsh Cabinet Member for Public Health
Meradin Peachey, Kent Director of Public Health

To: Corporate Policy Overview & Scrutiny Committee, 13 January 2011

Subject: Public Health White Paper – Healthy Lives, Healthy People

Classification: Unrestricted

Recommendations

1. Corporate POSC are asked to note the contents of the public health white paper *Healthy Lives, Healthy People* and to contribute to KCC's response to the consultation.

Summary: Attached is the initial report on the Public Health White Paper – Healthy Lives, Healthy People that has been presented at CMT and will be going to the next Cabinet Members meeting.

The report outlines the major proposals and issues within the White Paper.

Its recommendations were accepted and a cross directorate group is meeting to draft the response to the White Paper consultation and any associated papers.

Since the White paper itself has been issued two further papers – consultation on the funding and commissioning routes for public health – have been published just prior to Christmas and these are also being considered by the consultation working group.

Corporate POSC are asked to note the contents of the attached report and any comments and observations are very welcome to inform the consultation response process.

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PUBLIC HEALTH WHITE PAPER REPORT



By: Meradin Peachey, Kent Director of Public Health
To: Corporate Management Team, 7 December 2010
Subject: Public Health White Paper – Healthy Lives, Healthy People
Classification: Unrestricted

Recommendations

1. CMT are asked to note the contents of the public health white paper *Healthy Lives, Healthy People* and to endorse the proposal for progressing KCC's response to the consultation.

Summary

2. (1) *Healthy Lives Healthy People* is the new White paper for public health, the first since *Choosing Health* was issued in 2004 and intends to develop a "wellness service" alongside the NHS. It has been widely trailed since the coalition government came to power and many of its proposals were also presaged within the NHS White Paper *Equity and Excellence*. *Healthy Lives Healthy People* therefore builds on the contents of the NHS white paper concerning public health. (A report to CMT on the public health aspects of the NHS white paper was presented on 26/10/10). *Healthy Lives, Healthy People* is designed to complement *A Vision for Adult Social Care: Capable Communities and Active Citizens*. The White Paper was issued alongside *Our Health and Wellbeing Today* an analysis of the current state of health of the nation.

(2) *Healthy Lives, Healthy People* also articulates the government's response to the report into health inequalities by Sir Michael Marmot *Fair Society Healthy Lives* published earlier this year. It therefore needs to be considered alongside the Marmot Report, as successfully tackling health inequalities will require concentrated action across a wide-range of activity. (Reports to CMT and Cabinet on the Marmot report and its implications have also recently been taken).

(3) *Healthy Lives, Healthy People* concentrates on the structural and philosophical changes the government believes are necessary to meet the public health challenges we face. There are fundamental changes to responsibilities for public health and the structures to deliver it.

(4) Philosophically the White Paper signals a movement to “nudge” not “nag” or “nanny”. Helping people to make healthier choices rather than telling them what to do is the principle objective. The white paper champions localism; greater understanding of people’s behaviour and what motivates change; and promotes better mental health and wellbeing as a key element.

Introduction

3 (1) *“In the new vision, each local authority and their individual director of public health will act as strategic public health leaders for their local population. They will lead discussions about how their ring-fenced money should be spent to improve outcomes for people’s health and well-being locally. They should be in a position to ensure public health is always considered when local authorities, GP consortia and the NHS make decisions.*

(2) The white paper is based on the concept of:

- Reach across and reach out – addressing the root causes of poor health and wellbeing, reaching out to the individuals and families who need the most support – and be:
 - Responsive – owned by communities and shaped by their needs
 - Resourced – with ring-fenced funding and incentives to improve
 - Rigorous – professionally led, focussed on evidence, efficient, effective: and
 - Resilient – strengthening protection against current and future threats to health

Public Health England

4 (1) The headline issue for the White Paper is the establishing of Public Health England (PHE) as the new body responsible for public health nationally, independent from the NHS but responsible to the Department of Health. PHE will be established through the Health and Social Care Bill by April 2012.

(2) *“Public Health England will:*

- *integrate leading expertise, advice and influence, into one organisation by combining experts from a range of public health bodies such as the Health Protection Agency, the National Treatment Agency for Substance Misuse and the Department of Health.*
- *be established within the Department of Health in April 2012, and will set the overall outcomes framework for public health.*
- *will focus on national resilience against health threats such as flu pandemics, and will act as a ‘knowledge bank’ for the best and most up-to-date evidence on what we know works to improve the public’s health.*
- *provide the resources, ideas, and the funding to support local strategies.”*

(3) PHE will also be responsible for funding health protection, emergency preparedness, recovery from drug dependency, sexual health, immunisation programmes, child health promotion and other functions which will be consulted upon in due course.

(4) Public health will be incorporated into the NHS National Commissioning Board's mandate and the Chief Medical Officer will be the major advocate for public health nationally "within, across and beyond government".

(5) To tackle health inequalities a Health Inclusion Board will be established to address issues for those who do not access health care services. Professor Steve Field, former Chair of the Royal College of GPs, will head up this board which will include GPs, nurses, and charities. The Board will advocate for the vulnerable and socially excluded in society such as homeless people, drug users, refugees and asylum seekers, young people who have recently left care, and those not in education, employment and training.

Local Authority Public Health

5 (1) Locally public health will become the responsibility of local authorities (upper tier or unitary) with Directors of Public Health being jointly appointed between the PHE and the local authority. This change in responsibility resonates with Michael Marmot's findings and his assertion that the solutions to health inequalities are social not medical.

(2) *"Local public health leadership, and responsibility, will be returned to local government. Health and well-being boards, based in local authorities, will provide a forum to bring together NHS commissioners, councils and elected councillors with patient champions, to join up the public health agenda with the wider work of the NHS, social care and children's services."*

(3) A ringfenced budget of c. £4 billion – the 4% of the NHS budget currently considered to be devoted to preventative health and health promotion – will be given to local authorities to promote public health in their areas. In Kent this could equate to c £80m if it is 4% of existing PCT budgets. Allocations will be weighted to take account of local inequalities and deprivation.

(4) The LGA and some local authorities are arguing that the ring-fencing requirement should be removed in recognition that virtually all local authority activity contributes to health and wellbeing to some degree and that ringfencing will reinforce a silo mentality to public health. Whilst the recognition of local authority activity towards public health is well put, the argument that funding will be siloed if ring-fenced is somewhat spurious. Without robust safeguards around what is in effect the only growth area of local authority budgets over the next four years it is difficult to see how the money will be properly directed for public health purposes. The government is also keen to avoid public health funding being raided because of shortfalls elsewhere as has frequently been the case within the NHS.

(5) Funding will be transferred under s31 of the Local Government Act 2003 from April 2013. Shadow allocations will be made in 2012/13.

Health Premium

6 (1) In order to provide incentive to tackle inequalities a premium payment will apply to part of the budget for health improvement if progress in improving health outcomes is achieved.

(2) *“Responding to the challenges set out in Professor Sir Michael Marmot’s powerful Fair Society, Healthy Lives report, this White Paper includes a proposal for a new, and simple, health premium that will reward progress on specific public health outcomes.*

(3) *Driven by a formula to be developed together with key partners, the premium will represent a new approach to fighting health inequalities. The intention is for the formula to recognise that disadvantaged areas face the greatest challenges, and will therefore receive a greater premium for progress made.”*

(4) The Health Premium aims to reward success in improving public health against a set of outcomes. The premium for communities will be adjusted to reflect existing health inequalities so that the highest payments will go to the most disadvantaged communities with the poorest health outcomes.

(5) The type of success measurement could include reduction to childhood and adult obesity; increases in physical activity levels; reducing incidence of alcohol-related diseases; reducing illegal drug use prevalence; reducing prevalence of teenage smokers, reducing teenage pregnancy rates etc.

(6) Further detail is expected in the outcomes framework and funding and commissioning papers to be issued by the DH.

Outcomes framework

7 (1) There is little said in the White Paper about the outcomes that the new system will be expected to deliver. Much more detail will be contained in an Outcomes Framework ancillary paper expected early next year which will be focused on five domains:

1. Health protection and resilience; protecting people from major health emergencies and serious harm to health
2. Tackling the wider determinants of ill-health; addressing factors that affect health and wellbeing
3. Health improvement; positively promoting the adoption of “healthy” lifestyles
4. Prevention of ill-health; reducing the number of people living with preventable ill-health: and

5. Healthy life expectancy and preventable mortality; preventing people from dying prematurely

The Director of Public Health

8 (1) The role of the Director of Public Health (DPH) is further refined. The DPH is expected to be responsible for the public health budget and to become the primary source of advice and information on health matters to the local authority.

(2) *“In the new vision, each local authority and their individual director of public health will act as strategic public health leaders for their local population. They will lead discussions about how their ring-fenced money should be spent to improve outcomes for people’s health and well-being locally. They should be in a position to ensure public health is always considered when local authorities, GP consortia and the NHS make decisions*

(3) DPH responsibilities will include:

- Promoting health and wellbeing within local government
- Providing and using evidence relating to health and wellbeing
- Advising and supporting GP consortia on the population aspects of NHS services
- Developing an approach to improving health and wellbeing locally including promoting equalities and tackling health inequalities
- Working closely with Public Health England health protection units to provide health protection as directed by the Secretary of State
- Collaborating with local partners on improving health and wellbeing including GP consortia, other local DsPH, local; businesses and others

(4) The DPH is to be directly accountable to the Secretary of State for Health and professionally to the Chief Medical Officer.

(5) Although separate from the NHS the PHE will obviously need to retain strong links and working arrangements with the health service. At local level this will be through the Health and Wellbeing Board where the commissioning of health services in accordance with the Joint Strategic Health Assessments will be monitored. Preventative services will obviously play a major role in managing the demand for health services and this may well involve GP consortia and others in their commissioning.

Health and Wellbeing Board

9 (1) *“Local public health leadership, and responsibility, will be returned to local government. Health and well-being boards, based in local authorities, will provide a forum to bring together NHS commissioners, councils and elected councillors with patient champions, to join up the public health agenda with the wider work of the NHS, social care and children's services.”*

(2) Although the PHE will be separate from the NHS it will still be essential for the two agencies to work closely together. Locally this will be through the Health and Wellbeing Boards announced in *Equity and Excellence*. The DPH will play a key role in ensuring that PHE and NHS work well together to promote health and wellbeing.

(3) The work of the Health and Wellbeing Boards will be guided by the Joint Strategic Needs Assessments. To assist the provision of high quality intelligence, information and analysis new agencies will be established – the National Institute for Health Research school for Public Health Research and a Policy Research Unit on Behaviour and Health.

The New Philosophy

10 (1) The new approach signalled by *Healthy Lives, Healthy People* rejects the target driven emphasis of the previous government's Choosing Health programme. It seeks to recognise that many of the behaviours that can lead to ill-health are difficult to change and for many people their circumstances preclude their ability to take up opportunities that are offered. *Healthy Lives, Healthy People* therefore attempts to both improve people's overall lifestyle and to give people realistic and attainable choices to live in a healthier way that do not require immediate drastic change but can add up to significant improvements over time. To this end an emphasis on Social Marketing is to be retained.

(2) The new philosophy is incorporated in the 4 R's (see above) and the Nuffield Foundation's "Ladder of Change".

(3) *“Drawing on a model called the Nuffield Council of Bioethics Ladder of Interventions; the Government intends to ‘stay out’ of people's everyday lives wherever possible.*

(4) *The Nuffield interventions range from the least intrusive actions: such as providing information to allow people to make their own choices; through guiding choices; to the most intrusive: eliminating people's choice through legislation, for example the introduction of compulsory seat belts.*

(5) *Where the case for central action is justified, the aim will be to use the least intrusive approach necessary to achieve the desired effect, focusing on enabling and guiding people's choices wherever possible.*

(6) *The intention is to make healthy lifestyles easier, for example through access to public exercise facilities, cycle paths, or safe playgrounds. Government's focus will be on protecting the public from health threats and improving the healthy life expectancy of the population, improving the health of the poorest, fastest. There are currently gaps of up to 7-years in life expectancy between those living in the richest and poorest areas."*

(7) In other words the approach will be to find the least coercive and most supportive ways to help people attain better health.

(8) The priority given to least intrusive engagement is reflected in the Responsibility Deals with the private and voluntary sectors and government that are being brokered to redefine the roles and responsibilities of the third sector and business towards promoting good health. These are highly controversial and it remains to be seen whether organisations such as Coca Cola and McDonalds are able to shift their emphasis towards promoting healthier lifestyles and away from high sugar and fat products.

Other issues

11 (1) *Healthy Lives Healthy People* is important for what it does not contain as well as what it does. References to funding, beyond the crude c£4 billion national figure, and how the commissioning process for public health will work are largely absent. Whilst the white paper addresses five of Sir Michael Marmot's recommendations any reference to the sixth – the need for a standard of living that enables everyone to afford to be healthy - is absent. Michael Marmot himself has said that the economic sufficiency recommendation is not in itself a necessary precondition for the other five, but it will need to be addressed somewhere of health inequalities to be tackled successfully.

(2) Tobacco control proposals designed to dissuade young people from starting smoking such as plain packaging for cigarettes, removing point of sale displays and vending machines are not included in the white paper but are to be subject to further consultation pending a national Tobacco Control White Paper to be issued early next year. If the new public health system is to be serious about tackling health inequalities the attitude of the government towards smoking and tobacco control will be a litmus test of its commitment.

Transition timetable

12 (1) Responsibility for public health transfers to local authorities in April 2013. To assist this process a series of planning letters will be issued by the DH throughout 2011. Further papers will be issued thus:

- Winter 2010/11 Consultation on:

Health Visitors
Mental Health
Tobacco Control

- By early 2011:
 - A detailed roadmap for the system as a whole – NHS, PHE and DH for the years ahead
 - Further consultation including Public Health Outcomes Framework and Funding and Commissioning
 - Human Resources framework (including arrangements for staff transferring from NHS to local authorities)
 - Health and Social Care Bill
 - NHS Operating Framework and PCT 11/12 allocations
- Spring 2011:
 - Public Health Responsibility Deal
 - Obesity
 - Physical Activity
 - Social Marketing
 - Sexual health and teenage pregnancy
 - Pandemic flu
- Autumn 2011:
 - Health Protection, emergency preparedness and response
- Through 2011/12:
 - Detailed policy and operational design
- April 2012 PHE established within DH

White Paper Consultation Process

13 (1) The White Paper consultation runs until 08/03/11.

(2) Further consideration of Healthy Lives, Healthy People and the responses to the consultation questions it contains is proposed to be through a working group chaired by the Head of Public Health Policy with the KCC Directorate representatives from the Public Health Board. This group will report to CMT and Cabinet to determine the KCC consultation response.

Meradin Peachey
Director of Public Health

Tel: 01622 694293

By: Alan Marsh, Cabinet Member for Public Health
Meradin Peachey, Director of Public Health

To: Corporate Policy Overview & Scrutiny Committee,

Subject: Update on KCC Health Inequalities Strategy

Classification: Unrestricted

Summary: The KCC Health Inequalities was approved by Cabinet on 13th September 2010, along with a summary of the influential report on Health Inequalities, 'Fair Society, Healthy Lives'. This paper is to share the summary of the marmot Review with POSC members and to provide POSC with current updates on the KCC Health Inequalities Strategy.

Executive Summary:

1. The Mamot Report on Health Inequalities, 'Fair Society, Healthy Lives' acknowledges the crucial role of the Local Authority and the services it provides in the shaping of people's life chances and lifestyle choices.
2. The report perceives Health Inequality more as behaviour change and the factors that influence people's lives than physical access to health care
3. The 3 Main arguments from the report are:
 - i) The Social determinants of people's lives are an important indicator of their life expectancy and health outcomes (also termed: "Life Inequalities")
 - ii) 'Proportionate Universalism' is engaging in a whole population approach the target to those most in need. This avoids stigmatism and social exclusion and affects **all** groups on the social gradient.
 - iii) Sustainability and future-proofing is dependent on the redesign of future services relevant to people's "life-courses" and not expect people's lives to fit any criteria to access services.
4. Many of the Report's proposals adopt the same model of some of the Kent County Council initiatives (eg. HOUSE & ACTIVMOBS)
5. The Report recommends 6 Policy Objectives, 3 of which are covered and aligned to the 3 Vision 4 Kent Ambitions:
 - Create Fair Employment and Good Work for All
 - Ensure Healthy Standards of Living for All
 - Create and Develop Healthy and Sustainable Places and Communities.

The Report concurs with the NHS White Paper, promoting the opportunities for Local Authorities to work with and assist GP consortia, particularly on preventative ill-health agenda.

1. Introduction and Background

- 1.1 'Fair Society, Healthy Lives' was commissioned by the Secretary of State for Health to provide a Strategic Review of Health Inequalities in England post 2010. The purpose is to drive the Government's agenda to reduce health inequalities amongst population groups by reducing the gap of life expectancy and infant mortality rates between the most affluent and the most deprived groups in society. There has been little success in this area and evidence suggests that these trends have remained largely unchanged and are not improving equally across socio-economic groups. Nationally, the population is living longer but lower economic groups are enduring longer periods in poorer health and not living as long overall as those in more affluent groups. It is no coincidence that inequalities in income, wealth and life chances have also widened.¹ In Kent, there is evidence that those in the mid socio-economic groups show a reduced trend in rising inequalities but the disparity of health inequalities between the higher and lower groups continues to increase. This 'social injustice' of course, burdens health and social care services as well as drains society of its economic resources and impacts upon employment, families, relationships and wider resources in the public, private and voluntary sector.
- 1.2 Fair Society Healthy Lives is currently the leading review on health inequalities, offering recommendations to direct future policy and action towards measurable objectives (particularly for Local Authorities and partners) to reduce the gap in inequalities. The report maintains that the current gap of life inequalities remain unacceptable despite the considerable effort and resources that have gone into trying to reduce the gap over the last few decades. The emphasis on tackling health inequalities through the social determinants of health throughout people's life-courses is also strengthened by the NHS White Paper's endorsement of the Local Authority's role on health.
- 1.3 In Kent, we have for some time, been campaigning that health inequalities is an outcome of not just acute health but the wider determinants of health; factors such as education, lifestyle, employment, social capital, life-chances and Life Inequalities all need to be addressed, which is why the Local Authority role is crucial. To define this more clearly In Kent, health inequalities is often colloquially termed 'LIFE INEQUALITIES' to express the influencing factors of health inequality outcomes.

2. Summary of the Marmot Review: Fair Society, Healthy Lives

- 2.1 The Marmot review is summarized by the following major points:
- a) Reducing health inequalities is a matter of fairness and social justice. Marmot reports that up to 2.6million extra years of life could be gained across all social groups if health inequalities were significantly reduced
 - b) There is a social gradient in health – the lower a person's social position the worse their health will be. Action should focus on reducing the gradient in health.
 - c) Health Inequalities result from social inequalities and can only be reduced if there is action across all the social determinants of health.

¹ National Equality Panel. *An anatomy of economic inequality in the UK*. Government Equalities Office, 2010

- d) Focusing solely on the most disadvantaged has not reduced health inequalities sufficiently. To reduce the social gradient in health, actions must be universal, but with a scale and intensity that is proportionate to the level of disadvantage. This is known as **proportionate universalism**. This describes the approach already adopted in Kent by the innovative Activmobs and House programmes that seek to attract all populations and then to target more intensive services to those who most need it. Both initiatives have won national awards and we are convinced that this approach is vital to incentivise *all* populations to participate so that the most vulnerable groups will become visible and can be targeted appropriately. The Kent Public Health Policy Team are working to embed good practice into new policy and planning systems for the local authority. This will avoid stigmatism and exclusion and the universal approach gives greater access to those who currently are not known to or do not access services.
- e) Reducing health inequalities will have economic benefits in reducing losses from illness associated with health inequalities. This accounts for productivity losses, reduced tax revenue, higher welfare payments and treatment costs.
- f) Fair distribution of health, wellbeing and sustainability are more important than economic growth when measuring our country's success. Tackling social inequalities in health and tackling climate change must go together.

g) Policy Objectives:

The Marmot Review, Fair Society, Healthy Lives recommends six priority objectives to reducing health inequalities most effectively. These are:

- A. Give Every child the best Start in Life
- B. Enable all children, young people and adults to maximize their capabilities and have control over their lives
- C. Create Fair Employment and Good Work for All
- D. Ensure healthy Standards of Living for All
- E. Create and Develop Healthy and Sustainable Places and Communities
- F. Strengthen the role and impact of Ill Health Prevention

Note: policy objectives C-E strongly reflect the 3 Vision for Kent Ambitions.

Further details of the policy objectives are provided as an appendix, from page 5 of this document. The objectives also inform the future approach to the KCC Health Inequalities Strategy and the action plan that is supported by the KCC Health Inequalities Working Group.

- h) National policies will not work without effective local delivery systems focused on health equity in all policies. Delivering these policy objectives requires action by central and local government, the NHS and other public, private and voluntary sectors.
- i) Effective local delivery requires effective participatory decision making at local level - only achievable by empowering individuals and local communities. Agencies need a more sophisticated understanding of the barriers to progress as well as renewed commitment for radical changes to provide flexible solutions tailored to local needs. We can achieve this through improved community empowerment, co-production and social marketing principles on behaviour change, which will break down existing barriers from professional and organizational culture and practice and silo-d services. **The way we design future services needs to ensure that they are**

flexible and commensurate to the needs of communities and people's life-courses. This also requires looking at long-term solutions and avoiding short-termism.

3. Integration of the Marmot Report into Kent County Council Health Inequalities Approach

3.1 The KCC Strategy has been produced with representation from all KCC directorates and some Local Strategic Partnerships (LSPs) who have formed a Working Group to maximise the commitment of KCC to reduce Health Inequalities, both strategically at policy and planning level and locally at local planning and delivery level. The Group also works cohesively, involving LSPs and the NHS to address long and short term measures, sustainability of good practice across relevant government agencies and the third and private sector to achieve the integrated, holistic approach recommended by the Review. The KCC Working Group is also organising a briefing event on Health Inequalities for Cabinet Members, POSC representatives and CMT to identify specific challenges for Kent. This event is scheduled for the 4th February and is led by the Local Government Improvement and Development Team (formerly I&DeA).

4. Recommendations

This paper is to:

- i) Provide POSC with a summary of the Marmot Review on Health Inequalities 'Healthy People, Healthy Lives' and to highlight the implications recommended for Local Authorities
- ii) Update POSC on the status of the Kent County Council Health Inequalities Strategy
- iii) Inform POSC of the 4th February event on Health Inequalities to raise current issues of Health Inequalities, especially in the light of the new Public Health White Paper, Healthy Lives, Healthy People

Contact Officer:

Deborah Smith

Policy Manager, Kent Public Health Department

Deborah.smith@kent.gov.uk

Tel: 01622 696176

Appendix 1

5. The Context of the Marmot Review, 'Fair Society, Healthy Lives'	
5.1 The Review is underpinned by the following essential messages. In summary, these are:	
Marmot Review	Potential Implications for KCC
i) Reducing health inequalities is a matter of fairness and social justice to reduce the numbers of those dying prematurely each year, in total this equates to 1.3 – 2.5 million extra avoidable years of life lost, impacting upon health care, social care and other public sector and welfare services.	The Total Place agenda and other partnership initiatives that provide opportunities for people to access services and lifestyle benefits at a time and place to suit them, depending on their need and situation throughout their life-course are the most effective ways to reduce the social gradient in health.
ii) Action should focus on reducing the social gradient in health and not on individual lifestyle factors where benefits of inequalities are limited.	
iii) Action on health inequalities requires addressing social inequalities by focussing on all social determinants of health.	This has a direct impact on local authorities through employment, economic growth, housing, education, essential health and wellbeing and how people cope with the wider stresses in their lives. It also implies that health care is important but is not the over-riding factor of health inequalities. Social inequalities and social determinants of health are critical factors that are best addressed by local authorities.
iv) Focussing solely on the disadvantaged will not reduce health inequalities sufficiently. Marmot recommends a proportionate universalism approach which targets universal and whole populations but with a scale and intensity that is proportionate to the level of disadvantage. Marmot's argument for proportionate universalism is that	This approach has been successfully trialled in the Kent Public Health Department through programmes such as House and Activmobs which adopt a whole population approach to attract those most at need and who would otherwise be difficult for us to reach. The learning from this approach is being routinely embedded in public health policy

<p>inequalities is relative and targeting the most disadvantaged will always result in opportunities for some and not others. There is strong evidence to suggest that a whole population approach is more conducive to public buy-in and access and less likely to result in marginalisation, exclusion and stigmatisation.</p> <p>Health inequalities is everyone's business and benefits all of society through economic benefits in reducing losses from illness, productivity losses, reduced tax revenue, higher welfare payments and increased treatment costs.</p>	<p>and encouraged more widely to other directorates, where appropriate</p> <p>There is an opportunity for the Council to work further with private sector partners and small businesses to raise the awareness of and substantially address the health and wellbeing of the Kent workforce. Kent Public Health Department is working closely with KCC Human Resources to lead by example and promote cost-effective health and wellbeing in KCC's workforce with the aim to reduce staff sickness and promote greater wellbeing.</p>
<p>v) An important measure of our country and especially county success is fair distribution of health, wellbeing and sustainability. Tackling social inequalities in health and climate change must go together to ensure long term sustainable outcomes for people and how and where they live</p>	<p>Working on Health and climate change is already under way. KCC's Regeneration Framework and Kent's Environmental Strategy is dedicated to the climate change and fuel poverty Kent Agreement 2 indicators and looking forward to building energy efficiency improvements through the 'Sustainable Building Resources', supporting Kent businesses to contribute to KCC's and Kent's environmental objectives and enabling the development of a low carbon economy of Kent.</p>
<p>vi) The Report focuses action on 6 policy objectives (which are being incorporated into the KCC Health Inequalities Strategy and also via directorate reports and plans).</p> <ol style="list-style-type: none"> 1) Give every child the best start in life 2) Enable all children, young people and adults to maximize their capabilities and have control over their lives 3) Create fair employment and good work for all 	<p>Marmot suggests that these six objectives formulate a success criteria for addressing health inequalities. Cabinet are asked to approve of these 6 objectives composing the framework of the KCC Health Inequalities Action Plan which will support the strategy document and set a focus and priorities on the way KCC prioritises its Health Inequalities</p>

<p>4) Ensure healthy standards of living for all</p> <p>5) Create and develop healthy and sustainable places and communities</p> <p>6) Strengthen the role and impact of ill health prevention.</p>	<p>Agenda. Further detail is provided for each of these objectives on page x of this paper.</p>
<p>vii) These policy objectives require action by central and local government, the NHS, the third and private sector and community groups. National policies will not work without effective local delivery systems focussed on health equity in all policies.</p>	<p>This intensifies the significance of the role of health inequalities in the local government domain where relationships with the NHS, third and private sector and the community already exist. The KCC Health Inequalities Strategy illustrates how the Council works in partnership with others to consider health and social equity in its local delivery approach. It is the aim of the Kent Public Health Department to ensure that these considerations are paramount in all Directorate's plans and strategies.</p>
<p>viii) Effective local delivery requires effective participatory decision making at local level. This can only happen by empowering individuals and local communities.</p>	<p>Emphasis is placed on working directly with partners and the public to deliver action that is public-focussed and central to what the public want and in a way they wish to access. Social Marketing best practice indicates the necessity for early and full engagement with the community secure success and sustainability</p>

6. The Six Policy Objectives set out by Marmot in the Review, ‘Fair Society, Healthy Lives’

The six objectives are firmly rooted into the Policy function of Fair Society, Healthy Lives:

Marmot Review	Potential Implications for KCC
<p><u>1. Give every child the best start in life</u> To have an impact on health inequalities we need to address the social gradient in children’s access to positive early experiences, starting in the womb where lifelong effects on health and wellbeing: from obesity, heart disease, mental health through to educational achievement and economic status. Early years interventions such as Sure Start Children’s Centres are now showing evidence that these policies are making an impact. Overall, it is considered that spending is higher in later childhood years and as gaps between individuals and social groups emerge early in the life course (where returns on investment are higher), there is strong evidence that investment in early years is essential to sustain the reducing effects of health inequalities.</p>	<p>The Review’s priority objectives prioritise: - The need for early development of physical and emotional health and cognitive, linguistic and social skills. - Ensure high quality maternity services, parenting programmes, childcare and early years education to meet need across the social gradient. - And build resilience and wellbeing of young children across the social gradient. Kent County Council Childrens Family and Education directorate, The Childrens Trust and essential key partners are already working towards this approach through the Childrens Plan and in response to Every Child Matters. Examples of good practice are illustrated in the KCC Health Inequalities Strategy but in order to respond to the Review effectively, it is strongly recommended to increase the proportion of overall expenditure allocated to the early years and ensure expenditure on early years development is focused progressively across the social gradient.</p>
<p>The Review also acknowledges that families should have the most influence on their children and thereby suggests a combined outreach provision to supporting families to achieve progressive improvement in early years and increase take up by children from disadvantaged families by:</p> <ul style="list-style-type: none"> • Giving priority to pre and post natal interventions such as intensive home visiting programmes and providing routine support to families through parenting programmes and childrens centres to meet social need via outreach to families. • Programmes for the transition to school • Providing paid parental leave in the first year of life with a minimum income for healthy living. 	<p>These recommendations suggest greater financial investment in early years services, redressing the balance of early and later childhood years and will impact on the design of services in the need to be responsive to integrated and outreach provision. Extra Support for Parents and Early Childhood Development demonstrate some of the commitments CFE have already prioritised.</p>

2.Enable all children, young people and adults to maximize their capabilities and have control over their lives

Despite many policies aimed at equalising educational opportunities the attainment gap remains. Reducing these educational equalities involves understanding the interaction between the social determinants of educational outcomes, including family background, neighbourhood, peers and what goes on in schools. Influencing educational attainment also suggests that it is families rather than schools have the most influence. Educational outcomes across the whole social gradient need to fully recognise the significant influence and role of families by building closer links between schools, the family and local communities. To improve the access and use of quality life-long learning across the social gradient will entail greater extended schools services and more skills for teaching and non-teaching staff to work across home-school boundaries to reduce the gradient in health, wellbeing and resilience of children, young people and their families.

Empowerment and Resilience resonate throughout the whole of the Review. This is achieved by working beyond community engagement to good community participation. To provide aspiration and motivation to individuals and communities there should be increased access and use of quality lifelong learning opportunities across the social gradient where people can develop ongoing skills through lifelong learning. Broadening skills for life for work as well as attain qualifications can be achieved by providing easily accessible support and advice for 16-25 year olds on life skills, training and employment opportunities, providing work based learning (such as apprenticeships) and increasing availability of non-vocational lifelong learning across the life course.

To prioritise the reduction of social inequalities in life skills will impact on the future design of children's services, adopting a whole child approach to education and extending the role of the schools in supporting families and communities through consistent implementation of full range of extended services and developing the school-based workforce. This has to some extent been developed through the success of the Local Children Services Partnership Manager roles and through the eight priorities of the Children's Plan. Further work is needed as building skills in working across school-home boundaries addressing not just education but social and emotional development, physical and mental health and wellbeing are essential.

Existing services that support skills development (such as Connexions, Kent Youth Service, JobCentre Plus, Supporting Independence Programme, Education to Employment and Adult Education) should be accessible to all young people across the social gradient through improved aspiration and self-esteem of individuals. There is also greater opportunities for the Council to work in partnership with other sectors (such as colleges and the private and third sector) to offer improved and more joined up service provision.

<p><u>3.Create fair employment and good work for all</u></p> <p>For each occupational class the unemployed have higher mortality rates than the employed. Although employment is important, the quality of work matters as it is likely to impact significantly to health and wellbeing. Some poor quality jobs can be harmful to health with few opportunities for advancement, leaving employees trapped in a cycle of low-paid, poor quality work and unemployment affecting physical and mental health. Good employment (irrespective of salary) is key to realizing employers aspirations and being empowered to strive for more in life is essential to mental wellbeing. Therefore, the Review prioritises improved access to good jobs, making it easier for those who are disadvantaged to obtain and keep work and improve the quality of jobs across the social gradient. This should be achieved by active labour market programmes to achieve timely interventions to reduce long-term employment.</p>	<p>More than ever before does the county council need to work collaboratively with employment and benefit services to reduce health inequalities. For each occupational class the unemployed have higher mortality rates than the employed. The report suggests prioritising greater flexibility of retirement age and encouraging and incentivising employers to create or adapt jobs that are suitable for lone parents, carers and people with physical and mental health conditions. The development of this has a strong implication for the role of local government by ensuring that public and private sector employers adhere to equality guidance and legislation and implementing guidance on stress management as well as the effective promotion of well being and physical and mental health at work.</p>
<p><u>4.Ensure healthy standards of living for all</u></p> <p>The Review reports on difficulties of those who find it difficult to return to work to improve their standards of living. For example, 90% of cancer sufferers experience a significant drop in income and increased daily living expenditure as a direct result of their diagnoses, causing additional stress. Although tax credits and working tax credits have lifted 500,000 children out of poverty and recent figures show that rates of poor self esteem, unhappiness, truancy, smoking and desire to leave school at 16 have all halved, the social protection system still fails to offer people necessary opportunities, family and parental support, transition to retirement</p>	<p>Again, the emphasis is on an integrated and holistic approach to supporting the public, particularly those with the greatest need where individuals can obtain a range of related meaningful information to encourage and incentivise them out of the poverty cycle. The report recommends establishing a minimum income for healthy living for all ages and workplace initiatives and a one stop shop combining job centres, officers, Citizens Advice Bureaux, debt issues and other concerns on an outreach basis providing services tailored to individuals needs. Total Place could be an ideal conduit for this development.</p>

and encouragement to people to remain at work when they experience poor health or other life-changing events. The review considers the Minimum Income for Healthy Living calculations should be replaced with the Minimum Income Standard which also considers, food, clothes, shelter and resources to participate in and maintain human dignity and consuming the goods and services regarded as essential in Britain.

These measures would avoid 'cliff edges' by withdrawing benefits more slowly as people move into work and adjust to new ways of living, particularly low earners and part time workers.

5.Create and develop healthy and sustainable places and communities

This priority objective is concerned with the range of different environmental pressures people are exposed to throughout their life courses. In order to achieve a sustainable community, **all** should have access to good air, water, food, recreation, sport, green space and cultural facilities.

Despite the success of the Government initiative, 2.8million people in England are still in fuel poverty with more fuel poverty experienced in rural areas which in turn affects health through higher mortality rates, less tendency to visit the GP when needed and increased poor mental health. It is suggested that UK carbon emissions should be reduced by 34% by 2020 (from 1990 levels) and 80% by 2050. The Review reiterates the importance of ensuring that all areas are affected and should work towards the targets set by the Government Office estate for recycling (75%), waste reduction (25%), 25% reduced water consumption, and improve energy efficiency by 30% per square metre. Good examples of water saving initiatives are the Kent and Coastal

These factors can impact on stress, isolation, depression and are associated with low status and lack of social networking. Kent Department of Public Health is working across Directorates and other agencies to promote greater integration and social support to strengthen community capital which could result in improved numbers of self-reported good health.

Trust renal unit which saves £7Kpa from an initial one off investment of £14K.

The relationship between transport and health is complex and socioeconomically patterned. It determines access to services, work and social networks. Active travel needs to be improved by introducing greater parental and peer support, and a better understanding of attitudes and perception. In addition, good quality spaces and improved energy efficiency should be available across the social gradient.

The Review prioritises greater integration between health, planning, transport, environment and housing and there are opportunities for Kent County Council to lead on this.

At present, over half of people in the most deprived areas feel that vandalism, drug dealing and litter are serious problems where they live which need to be recognised as both a social and health concern.

6.Strengthen the role and impact of ill health prevention

Epidemiological and sociological evidence suggests that social determinants play such a strong role in health inequalities that inequalities across socioeconomic groups will still persist even if individual lifestyle factors such as smoking are equalised. Population wide and individual frameworks need to be adapted to work successfully for particular vulnerable groups (such as gypsies and travellers).

In 2006-7, only 4% of the NHS budget was spent on ill health prevention and health promotion. Public health and prevention should not be regarded as an optional extra. It is vital to invest in public health and ill health prevention to achieve the Chief Medical

It is recommended that the government should adopt a shared and clearer definition of prevention across government departments. The prioritised investment in ill health prevention and health promotion across government departments can help reduce the social gradient. There is great potential for Local Authorities to lead population wide interventions and to ensure there is availability and good access to healthier food choices and to raise the volume on lobbying for healthier food through Trading Standards Units to rebalance problems of equality (such as the high level of salt and saturated fat present in cheaper food products). The KCC Public Health Department is also primed to mobilise existing resources and lead key partners towards more holistic and integrated services.

Officers vision “to help build the foundations of healthier populations for the future” (2005). There should be increased funding for longer term projects and follow up funding to sustain good practice. The review proposes increasing spending over 20 years to 0.05% of GDP to £7,230,565,000 on ill health prevention (2008 figures) along with a widely accepted definition would help to better calculate expenditure. Drugs, alcohol, smoking and obesity all take their toll on health inequalities and are still entrenched in the social gradient. 40-50% of the prison population are drug dependent despite only 10-15% charged with drug offences. Alcohol is 69% more affordable in 2007 than 1980, with some alcohol being less expensive than a bottle of water in some areas.

There is some indication that the NHS smoking quit services may improve, but there is still an absolute need to greatly reduce smoking prevalence and to understand attitudes towards smoking across the social gradient, as the quit rates are far from consistent across the social gradient. We know that price should have the most impact on gradient, but for those in deprived areas who do not quit, the gap in health inequalities is stretched even further. With the current trend on obesity it is anticipated that levels of obesity will reduce for girls from professional class groups while it will increase for boys in this group and increase for both girls and boys from the lower class groups. There is clearly a need to understand what works, as teenage attitudes vary across class, education and employment

TO: Corporate Policy Overview & Scrutiny Committee – 13th January 2011

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
 Katherine Kerswell, Group Managing Director

SUBJECT: Financial Monitoring 2010/11

Classification: Unrestricted

Summary:

Members of the POSC are asked to note the second quarter's budget monitoring report for 2010/11 as reported to Cabinet on 29th November 2010 and the latest exception report on 10th January 2011.

FOR INFORMATION

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 2010/11 was presented to Cabinet on 29th November 2010. 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 10th January 2011 which did not identify any significant variations from the quarterly report for Chief Executives Department and the changes to financing items are outlined in paragraph 2.3.5.
- 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 £0.620m for the Information Systems Group in response to demand from directorates.
- b. Additional income earned by Legal Services of £934k (partially offset by additional expenditure) resulting in a forecast surplus generated by legal services of £316k.
- c. Additional expenditure and income in the Property Group for pay as you go activities demanded from directorates
- d. A freeze on recruitment to staff vacancies in the Pensions and Insurance teams has resulted in a reduction in costs and corresponding reduction in income due to the reduced drawdown from the Pension and Insurance Funds.
- e. Workplace Transformation – A saving from the 4th quarter's rent for 17 Kings Hill Avenue has been generated however, this has been off-set by uncertainty around the one-off costs of alterations and cabling costs to existing buildings needed to expand occupancy to accommodate displaced staff.
- f. Consumer Direct have been holding staff vacancies until the decision on the awarding of the new contract was made in December 2010. The contract has been extended and recruitment is now progressing.
- g. Budgeted base savings on delegated budgets have been held within Centrally Managed Budgets, expected to be achieved by in-year opportunities on other service lines within the portfolio. There is a pressure on this budget which is offset by underspending elsewhere within the portfolio resulting in an overall underspend for the portfolio.

2.3.2 The overall impact is a net forecast underspend of -£197k which it is anticipated will be used towards the moratorium on non-essential spend and rolled forward to help balance next year's budget.

Financing Items

2.3.4 The Financing Items report for Quarter 2 moved to an underspend of -£3.828m. Members of the POSC are directed to Annex 1 to read the detailed explanations of this movement.

2.3.5 The exception report on 11th January 2010 identified an increased underspend for the portfolio of £1.5m this month from £3.741m to £5.241m. This is due to further underspending on the debt charges budget as a result of lower than expected costs of the Property Enterprise Fund.

2.4 Capital

2.4.1 The capital budget showed an over spend of £2.034m in 2010/11 on Commercial Services VPE but this was revised by -£0.643m to £1.391m for the later exception report. As this is funded by an increased contribution to and drawdown from their renewals fund, there are no implications on resources. The monitoring also shows a re-phasing of £583k from 2010/11 to 2011/12 and 12/13, primarily due to changes in phasing for Sustaining Kent – Maintaining the Infrastructure and the Gateway programme.

3 Recommendations

3.1 Members of the POSC are asked to note the projected outturn for the Chief Executive's Department and Financing Items for 2010/11 based on the second quarter's monitoring report to Cabinet and subsequent exception report.

Background Documents:

- 1) Cabinet 29th November 2010 – Revenue and Capital Budgets, Key Activity and Risk Monitoring
- 2) Cabinet 10th January 2011 – Revenue and Capital Budget Monitoring Exception Report

Officer Contact:

Dave Shipton
Finance Strategy Manager
Ext. 4597

CHIEF EXECUTIVES DIRECTORATE SUMMARY OCTOBER 2010-11 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 budget was set. 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	
Localism & Partnerships portfolio							
Democratic Services:							0
- core service	4,902	-3	4,899	-34	-7	-41	
- support to directorates	260	-260	0	0	0	0	
TOTAL Democratic Services	5,162	-263	4,899	-34	-7	-41	
International Affairs Group	572	-35	537	3	-3	0	
Kent Partnerships	414	-48	366	17	-4	13	
County Council Elections	255		255	0	0	0	
Public Consultation	100		100	0	0	0	
Provision for Member Community Grants	853		853	0	0	0	
Local Scheme Spending recommended by Local Boards	468		468	0	0	0	
District Grants for Local Priorities	808		808	0	0	0	
Budget Managed by this portfolio	8,632	-346	8,286	-14	-14	-28	
Less Support Costs delegated to Service Directorates	-260	260	0	0	0	0	
Total L&P portfolio	8,372	-86	8,286	-14	-14	-28	
Corporate Support & Performance Management portfolio							
Personnel & Development:							0
- core service & PAYG activity	7,272	-5,271	2,001	-72	72	0	
- support to directorates	3,679	-3,679	0	0	0	0	
TOTAL P&D	10,951	-8,950	2,001	-72	72	0	
Business Solutions & Policy:							
- ISG core service & PAYG activity	14,857	-12,741	2,116	575	-575	0	IT project contractors funded by income
- ISG support to directorates	15,130	-15,130	0	0	0	0	
- Central Policy	656	0	656	1	-1	0	
- Performance, Improvement & Engagement	691		691	0	-50	-50	
TOTAL Business Solutions	31,334	-27,871	3,463	576	-626	-50	
Finance Group:							0
- Procurement & Audit	320	-34	286	106	-15	91	Balanced with underspend in Finance portfolio below
- Audit support to directorates	735	-735	0	0	0	0	
TOTAL Audit & Procurement	1,055	-769	286	106	-15	91	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Property Group:							
- core service	5,583	-4,416	1,167	132	-137	-5	Addt costs & income from trading activities
- support to directorates	5,443	-5,443	0	0	0	0	
TOTAL Property Group	11,026	-9,859	1,167	132	-137	-5	
Legal Services	6,789	-7,764	-975	1,348	-1,664	-316	£730k disbursements costs & income; addt costs & income from trading activities
Strategic Management Unit	431		431	0	0	0	
Kent Works	0	0	0	32	1	33	
Corporate Communications	1,682	-215	1,467	-63	63	0	
Strategic Development Unit	2,604	-631	1,973	20	-20	0	Workplace transformation saving on 17 KHA rent, offset by costs of redeployments
Contact Kent	5,517	-2,248	3,269	-85	13	-72	Consumer Direct vacancies off-set by other costs & reduced income
Centrally Managed Budgets	2,013	-184	1,829	256	-15	241	£231k centrally held base saving on delegated budgets which is offset by savings on other budget lines within the portfolio
Support Services purchased from CED	4,094		4,094	0	0	0	
PFI Grant		-605	-605	0	0	0	
Dedicated Schools Grant		-4,289	-4,289	0	0	0	
Budget Managed by this portfolio	77,496	-63,385	14,111	2,250	-2,328	-78	
Less Support Costs delegated to Service Directorates	-24,987	24,987	0	0	0	0	
Total CS&PM	52,509	-38,398	14,111	2,250	-2,328	-78	
Finance Portfolio							
Finance Group:							
- core service	6,015	-4,046	1,969	-434	343	-91	Vacancies held & reduced drawdown from Funds. Underspend offsets Finance Group (procurement) overspend in CS&PM portfolio above
- support to directorates	1,577	-1,577	0	0	0	0	
TOTAL Finance Group	7,592	-5,623	1,969	-434	343	-91	
Less Support Costs delegated to Service Directorates	-1,577	1,577	0	0	0	0	
Total Finance portfolio	6,015	-4,046	1,969	-434	343	-91	
TOTAL CORPORATE POC	66,896	-42,530	24,366	1,802	-1,999	-197	
Public Health & Innovation portfolio							
Kent Department of Public Health	794	-227	567	31	-31	0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Total Directorate Controllable	67,690	-42,757	24,933	1,833	-2,030	-197	
Assumed Management Action:							
- L&P portfolio						0	
- CS&PM portfolio						0	
- Finance portfolio						0	
- PH&I portfolio						0	
- Regen & ED portfolio						0	
Forecast after Mgmt Action				1,833	-2,030	-197	

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:

Corporate Support & Performance Management portfolio:

- 1.1.3.1 Information Systems (Business Solutions & Policy): The main variances are **(+£620k)** on gross spend and income **(-£620k)** reflecting the increased demand for additional IT Pay-as-you-go projects. Project demand is difficult to predict during budget setting.
- 1.1.3.2 Property Group: Variances on gross spend **(+£140k)** and income **(-£140k)** reflect the increased demand for additional Pay-as-you-go projects. Project demand is difficult to predict during budget setting.
- 1.1.3.3 Legal Services: Variances on gross spend **(+£618k)** and income **(-£934k)** reflect the additional work that the function has taken on over and above that budgeted for, responding to both internal and external demand. Variances of **(+/-£730k)** are due to increased costs & their recovery for Disbursements.
- 1.1.3.4 Strategic Development Unit: Workplace Transformation: Variance on Gross Spend **(-£240k)** is generated from saving the 4th quarter's rent for 17 Kings Hill Avenue, due to the closure of that office in December 2010. There is also a gross variance of **+£240k** due to uncertainty around the total costs of one-off alterations and cabling costs to existing buildings needed to expand occupancy to accommodate these displaced staff. As the costs are finalised, any saving remaining will accrue to the Directorates as County Office rents is a fully delegated budget.
- 1.1.3.5 Contact Kent – Consumer Direct: Underlying variance on gross spend of **(-£160k)**, partially offset by other increased costs, reflects the holding of staff vacancies until the decision has been announced on the awarding of the new contract in December 2010. If awarded, staff will be recruited in the new year.
- 1.1.3.6 Centrally Managed Budgets: Budgeted base savings on delegated budgets of £231k have been held within Centrally Managed Budgets, but these savings are expected to be achieved by in-year opportunities on other service lines within the portfolio. There is therefore a pressure on this budget, which is offset by underspending elsewhere within the portfolio resulting in an overall underspend forecast for the portfolio.
- Finance portfolio:**
- 1.1.3.7 Pensions & Insurance Teams: The main variances are **(-£302k)** on gross spend, which has arisen due to a freeze on recruitment to staff vacancies in the Pensions and Insurance teams. A corresponding variance on income **(+£302k)** is due to the reduced drawdown from the Pension and Insurance Funds.

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CSPM	Legal Services increased costs of Disbursements	+730	CSPM	Legal income resulting from additional work (partially offset by increased costs)	-934
CSPM	Information Systems costs of additional pay as you go activity	+620	CSPM	Legal Services increased income relating to Disbursements	-730
CSPM	Legal services cost of additional work (offset by increased income)	+618	CSPM	Information Systems income from additional pay as you go activity	-620
FIN	Reduced drawdown from Pension & Insurance funds to reflect reduced salary costs	+302	FIN	Vacancy freeze within pensions & insurance	-302
CSPM	Workplace Transformation - Possible one-off costs re: alterations for displacements from Kings Hill Avenue	+240	CSPM	Workplace Transformation - 4th Qtr rent for 17 King's Hill Avenue	-240
CSPM	Centrally Managed Budgets: centrally held base saving on delegated budgets which is offset by savings on other budget lines within the portfolio	+231	CSPM	Contact Kent - Consumer Direct holding vacancies until replacement contract is negotiated	-160
CSPM	Property - Increased staff costs for pay as you go activity	+140	CSPM	Property - increased income for pay as you go projects	-140
		+2,881			-3,126

1.1.4 Actions required to achieve this position:

N/A

1.1.5 Implications for MTP:

The base budget implications of issues identified in this monitoring report will be a call on the amounts identified in the 2010/13 MTP as emerging pressures in 2011/12 and 2012/13. The details of individual amounts will be included when the revised plan is published for consultation in January 2011 together with any new pressures forecast for 2011/12 and 2012/13. There are no significant issues for the CED portfolios arising from 2010/11 budget monitoring.

The revised MTP will include proposals on how the in-year cuts in Government grants will be accommodated in base budgets once it has been confirmed that these reductions are permanent, following the announcement of the provisional local government finance settlement for 2011/12 which we anticipate will be in early December. The revised plan will also include the strategy to address the likely reductions in funding over the lifetime of the current parliament following the

Chancellor's emergency budget statement on 22nd June, in which he outlined his plans to address the national budget deficit, and the Spending Review announcement on 20 October.

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

None identified at the moment.

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

N/A

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 11th October 2010, 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	2010-11	2011-12	2012-13	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Support Services & Performance Management						
Budget	8,953	16,003	9,317	9,549	2,663	46,485
Adjustments:						
- August rephasing		-1,395	1,645	-250		0
						0
Revised Budget	8,953	14,608	10,962	9,299	2,663	46,485
Variance		1,651	263	-2,246	-50	-382
split:						
- real variance		+2,234	-394	-2,172	-50	-382
- re-phasing		-583	+657	-74	0	0
Localism & Partnerships Portfolio						
Budget	0	503	500	500	0	1,503
Adjustments:						0
						0
Revised Budget	0	503	500	500	0	1,503
Variance		0	0	0	0	0
split:						
- real variance		0	0	0	0	0
- re-phasing		0	0	0	0	0
Directorate Total						
Revised Budget	8,953	15,111	11,462	9,799	2,663	47,988
Variance	0	1,651	263	-2,246	-50	-382
Real Variance	0	+2,234	-394	-2,172	-50	-382
Re-phasing	0	-583	+657	-74	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2010-11 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.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
CSS&PM	Commercial Services VPE	real	2,034			
			+2,034	+0	+0	+0
Underspends/Projects behind schedule						
CSS&PM	Sustaining Kent - Maintaining the Infrastructure	phasing		-450		
			0	-450	-0	-0
			+2,034	-450		-0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

There is a real variance of -£0.166m (+£2.451m in 2010-11, -£0.395m in 2011-12, -£2.172m in 2012-13 and -£0.050m in later years) which is detailed as follows:

Commercial Services VPE +£2.034m (in 2010-11): This overspend is due to the following:

The increase in expenditure on vehicles, plant & equipment will be funded by an increased contribution to and drawdown from their Renewals Fund. There are therefore no implications on resources.

Workplace Transformation (formerly Better Workplaces) -£2.616m (-£0.394m in 2011-12, -£2.172m in 2012-13 and -£0.050m in later years): The underspend is due a review of the scope of the Better Workplace Programme and the decision to relocate 17 Kings Hill Avenue within the Corporate Office estate rather than undertake a new build.

1.2.6 General Overview of capital programme:

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

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.

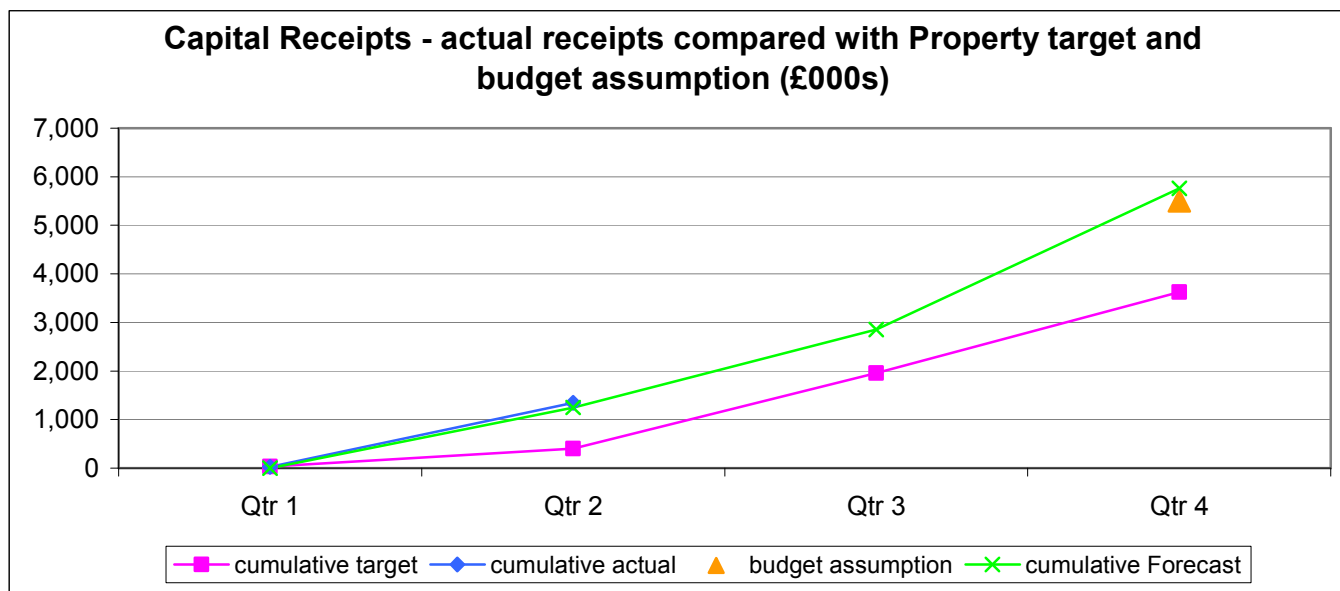
	2010-11	2011-12	2012-13	Future Years	Total
	£k	£k	£k	£k	
Gateways (CSS&PM)					
Amended total cash limits	+1,605	+720	+804		+3,129
re-phasing	-26	+100	-74		0
Revised project phasing	+1,579	+820	+730	0	+3,129
Sustaining Kent - Maintaining the Infrastructure					
Amended total cash limits	+5,150	+2,476		+250	+7,876
re-phasing	-450	+450			0
Revised project phasing	+4,700	+2,926	0	+250	+7,876
Total re-phasing >£100k	-476	+550	-74	0	0
Other re-phased Projects below £100k	-107	+107			0
TOTAL RE-PHASING	-583	+657	-74	0	0

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts – actual receipts compared to budget profile:

	2010-11			
	Budget funding assumption £000s	Cumulative Target Profile £000s	Cumulative Actual Receipts £000s	Cumulative Forecast receipts £000s
April - June		36	25	0
July - September		399	1,345	1,250
October - December		1,960		2,850
January - March		3,630		5,765
TOTAL	5,503	3,630	1,345	5,765

The cumulative target profile shows the anticipated receipts at the start of the year totalled £3.630k. The difference between this and the budget funding assumption is mainly attributable to timing differences between when the receipts are anticipated to come in and when the spend in the capital programme will occur. There are banked receipts achieved in prior years which were not required to be used for funding until 2010-11.



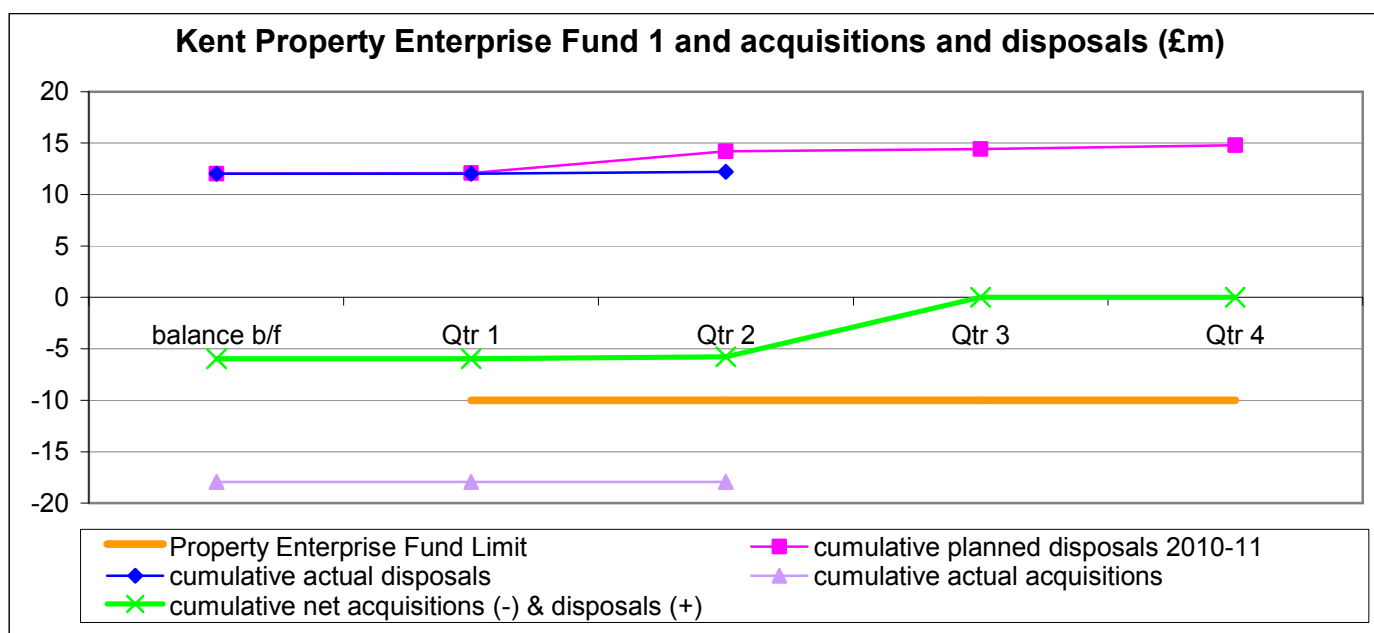
Comments:

- The table below compares the capital receipt funding required per the capital programme this year, with the expected receipts available to fund this.
- Property Group are actually forecasting a total of £5.765m to come in from capital receipts during the year. Taking into consideration the receipts banked in previous years and receipts from other sources there is a forecast surplus of £5.085m in 2010-11. This is due to receipts being forecast to be achieved during 2010-11 which are earmarked to fund spend in future years of the programme.

	2010-11 £'000
Capital receipt funding per revised 2010-13 MTP	6,170
Property Groups' actual (forecast for 10-11) receipts	5,765
Receipts banked in previous years for use	2,600
Capital receipts from other sources	2,890
Potential Surplus Receipts	5,085

2.2 Capital Receipts – Kent Property Enterprise Fund 1:

	2010-11				
	<i>Kent Property Enterprise Fund Limit</i> £m	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions (-) £m	Cumulative Net Acquisitions (-) & Disposals (+) £m
Balance b/f		12.019	12.019	-17.967	-5.948
April - June	-10	12.102	12.019	-17.967	-5.948
July - September	-10	14.199	12.209	-17.967	-5.758
October - December	-10	14.420			0
January - March	-10	14.778			0



Background:

- County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), 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 the disposal of assets are 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 2009-10 on PEF1 was **-£5.948m**.

A value of **£2.868m** has been identified for disposal in 2010-11. This is the risk adjusted figure to take on board the potential difficulties in disposing some of the properties.

As at the 30 September 2010 there has been one disposal which amounted to £0.19m.

The fund has been earmarked to provide **£1m** for Ashford Library and **£0.309m** 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 **£0.173m**.

Forecast Outturn

Taking all the above into consideration, the Fund is expected to be in a deficit position of £4.562m at the end of 2010-11.

Opening Balance – 01-04-10	-£5.948m
Planned Receipts (Risk adjusted)	£2.868m
Costs	-£0.173m
Acquisitions	-
Other Funding:	
- Ashford Library	-£1.000m
- Gateways	-£0.380m
Closing Balance – 31-03-11	-£4.562m

Revenue Implications

In 2010-11 the fund is currently forecasting £0.033m of low value revenue receipts but, with the need to fund both costs of borrowing (£0.460m) against the overdraft facility and the cost of managing properties held for disposal (net £0.138m), the PEF1 is forecasting a £1.5m deficit on revenue which will be rolled forward to be met from future income streams.

2.3 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. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight 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

	2010-11 Forecast
	£m
Capital:	
Opening balance	-33.274
Properties to be agreed into PEF2	-26.686
Forecast sale of PEF2 properties	18.038
Disposal costs	-0.902
Closing balance	-42.824
Revenue:	
Opening balance	-2.153
Interest on borrowing	-1.522
Holding costs	-1.154
Closing balance	-4.829
Overall closing balance	-47.653

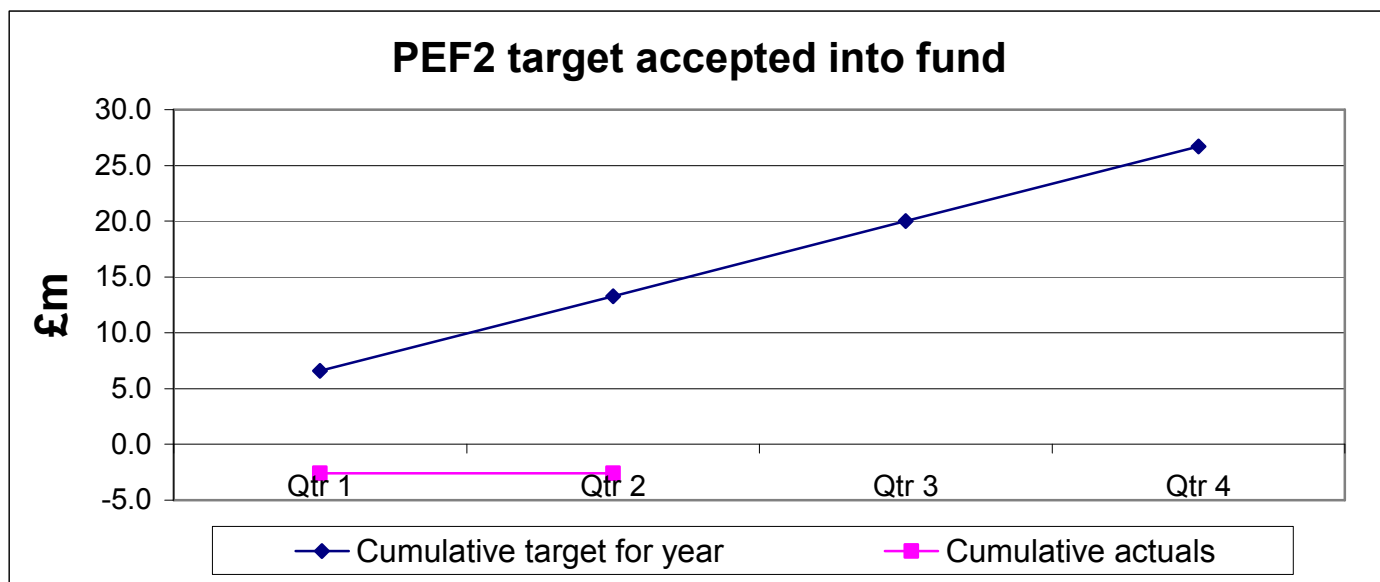
The forecast closing balance for PEF2 is -£47.653m, this is within the overdraft limit of £85m.

The target receipts to be accepted into PEF2 during 2010-11 equate to the PEF2 funding requirement in the 2010-13 budget book, and achievement against this is shown below:

	2010-11	
	Cumulative target for year	Cumulative actuals
	£m	£m
Balance b/fwd	-2.6	-2.6
Qtr 1	6.6	-2.6
Qtr 2	13.3	-2.6
Qtr 3	20.0	
Qtr 4	26.7	

Comments:

- The above table shows a £2.6m deficit which is the net of a £5.4m deficit within CFE and £2.8m of PEF2 achieved in 2008-09 by KASS and EH&W that was not required until later years.
- To date no properties have been transferred into PEF2. Corporate Property and Directorates continue to work together to enable properties to be transferred into the fund.



PEF2 Disposals

To date seven PEF2 properties have been sold and four are in the process of completing. The cumulative profit on disposal to date is £1.29m. 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 2010-11 were expected to total £1.56m.

Latest forecasts show interest costs of £1.52m, a decrease of £0.04m. This is because there has been an increase 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 2010-11 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, including the virement of £75k from the debt charges budget to the Arts Unit within the Communities portfolio to fund a contribution towards the Contemporary Coast marketing campaign, as approved by Cabinet in October.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. 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	
Corporate Support & Performance Management portfolio							
Contribution to IT Asset Maintenance Reserve	2,352		2,352			0	
Audit Fees & Subscriptions	764		764	-178		-178	subscriptions -£112k; audit fees -£66k
Contribution from Commercial Services		-6,960	-6,960			0	
Total Corporate Support & PM	3,116	-6,960	-3,844	-178	0	-178	
Finance Portfolio							
Insurance Fund	3,479		3,479	1,000		1,000	increase in liability claims
Modernisation of the Council	3,810		3,810			0	
Environment Agency Levy	344		344			0	
Joint Sea Fisheries	264		264			0	
Interest on Cash Balances / Debt Charges	126,215	-10,043	116,172	-7,026	1,268	-5,758	2010-11 write down of discount saving from 2008-09 debt restructuring; saving on leasing costs; in year MRP reduction; savings on new borrowing
Transferred Services Pensions	22		22			0	
PRG	-1,500	0	-1,500			0	
Contribution to/from Reserves & Provisions	1,948		1,948	1,108		1,108	transfer of 10-11 write down of discount saving from 08-09 debt restructuring to reserves; transfer of MRP saving to reserves to fund potential impact on future years; drawdown of insurance reserve to cover pressure on Insurance Fund; review of balance sheet
Drawdown from Kings Hill reserve	-1,000		-1,000			0	
ABG Centrally Held Allocations	90		90			0	
Total Finance	133,672	-10,043	123,629	-4,918	1,268	-3,650	
Total Controllable	136,788	-17,003	119,785	-5,096	1,268	-3,828	

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:

Corporate Support & Performance Management portfolio:

1.1.3.1 There is an underspend of £0.112m on the local authority subscriptions budget and a £0.066m underspend on the External Audit Fee budget. The final amount of the External Audit fee is yet to be agreed, so there could be further savings. The current forecast takes into account the estimated fees for grant claim audits and a rebate to mitigate the increase in fees arising from the transition to International Financial Reporting Standards (IFRS).

Finance portfolio:

1.1.3.2 Insurance Fund:

A forecast pressure on the Insurance Fund is largely due to an increase in the value of outstanding liabilities, as a result of a continued rise in the number of liability claims recorded for 2010 (currently more than twice the annual average since 2001), together with some notable increases in reserves for some claims. This will be met by a drawdown from the Insurance Reserve (see 1.1.3.4(c) below).

1.1.3.3 Interest on Cash Balances and Debt Charges:

- a) There is a saving of £1.016m which relates to the write-down in 2010-11 of the £4.024m discount saving on debt restructuring undertaken at the end of 2008-09. (£2.362m was written down in 2008-09 and 2009-10, therefore leaving a further £0.646m to be written down over the period 2011-12 to 2012-13).
- b) There is an in-year saving in the Minimum Revenue Provision (MRP). This used to be based on 4% of our capital financing requirement but 2008-09 was the last year we were able to calculate it that way. Thereafter we must make an amount of MRP which we consider prudent. We have adopted the asset life method. This method provides authorities with the option of applying MRP over the life of the asset once it is in operation, so for assets that are not yet operational and still under construction we effectively have an "MRP holiday". MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. Due to the re-phasing in the capital programme during 2009-10, fewer assets became operational than anticipated and therefore MRP in 2010-11 is £1.9m less than budgeted. However, once these assets do become operational we will incur MRP in the following year, therefore we need to transfer this £1.9m to reserves in order to fund the potential impact in future years of this re-phasing.
As this method of calculating MRP is very complex and it is only the second year of calculating it this way, we were also holding a contingency of £0.7m (1.5% of the MRP budget) in case of any adverse impact compared to the budgeted amount; this contingency can now be released.
- c) There is a saving on leasing costs of £0.277m.
- d) There are savings of £2.409m on debt charges largely due to delays in taking new borrowing and achieving lower interest rates on new borrowing than assumed in the budget.
- e) There is a pressure of £0.680m on the interest on cash balances budget which is due to:
 - The downgrade of the Spanish sovereign rating resulting in the policy decision to remove £40m on call deposit with Santander UK and to place these funds with the Government's Debt Management Office has resulted in a reduction in the interest rate from 0.8% to 0.25%.
 - The transfer out of Pension Fund cash, which now has to be handled wholly separately, and a reduction in government grants following the emergency budget has had an adverse impact on our cashflow and consequently our interest returns.
 - Reduced cash balances compared to that assumed when the budget was set due to policy of internalising debt, as reported in the cash balances financial health indicator in Appendix 3.
 - Reduced interest returns due to the impact of maturing long-term deposits.
 - Additional brokerage costs on new borrowing, including two market loans taken in advance for 2011-12.

1.1.3.4 Contributions to/from reserves & provision Page 52

- a) As planned, the £1.016m write down of the discount saving earned from the debt restructuring in 2008-09, will be transferred to the Economic Downturn reserve.
- b) As referred to in 1.1.3.1(b) above, £1.9m will be transferred to reserves in order to fund the potential impact in future years of the current year saving on MRP.
- c) In addition, £1m will be drawdown from the Insurance Reserve to fund a forecast pressure on the Insurance Fund (see 1.1.3.1 above)
- d) As part of the balance sheet management process, regular reviews of balances held within the balance sheet are undertaken. Following this latest review and settlement of some of our outstanding liabilities, £0.807m has been identified which can be released back to revenue as it is no longer required.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
FIN	Contribution to economic downturn reserve of 2010-11 write down of discount saving from 2008-09 debt restructuring	+1,016	FIN	Treasury savings - lower debt charges	-2,409
FIN	Contribution to reserves of in year MRP saving to cover potential impact in future years	+1,899	FIN	In year Minimum Revenue Provision saving as a result of 2009-10 re-phasing of the capital programme	-1,899
FIN	Pressure on Insurance Fund due to rise in liability claims	+1,000	FIN	2010-11 write down of discount saving from 2008-09 debt	-1,016
FIN	Treasury - pressure on the interest on cash balances budget	+680	FIN	Drawdown from Insurance Reserve to cover pressure on Insurance Fund	-1,000
			FIN	release of provisions following review of balance sheet	-807
			FIN	release of Minimum Revenue Provision contingency	-739
			FIN	savings on leasing costs	-277
			CSPM	local authority subscriptions	-112
		+4,595			-8,259

1.1.4 Actions required to achieve this position:

N/A

1.1.5 Implications for MTP:

Please refer to section 1.1.5 above.

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]

A virement of £0.161m from the underspending on the debt charges budget to a new Restructure budget line, also to be held and reported within the Finance portfolio, is requested to cover the costs of the Transformation Programme Manager and related project costs. **Cabinet is asked to agree this virement.** It is proposed that further restructure costs, as they arise, will also be charged here, to be met from either a drawdown from the Restructure reserve, or other appropriate funding to be determined prior to the expenditure being incurred.

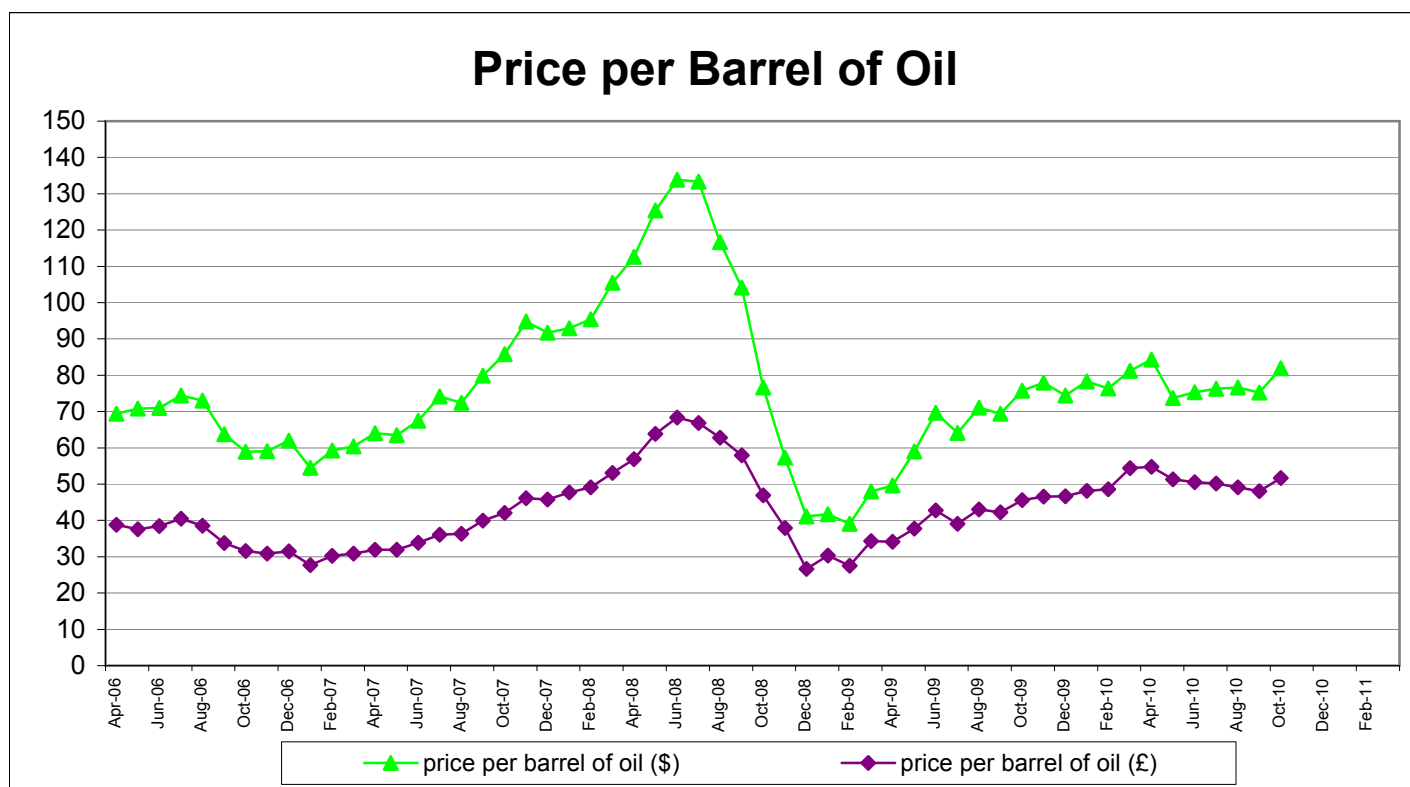
1.2 CAPITAL

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	2010-11
	\$	\$	\$	\$	\$
April	69.44	63.98	112.58	49.65	84.29
May	70.84	63.45	125.40	59.03	73.74
June	70.95	67.49	133.88	69.64	75.34
July	74.41	74.12	133.37	64.15	76.32
August	73.04	72.36	116.67	71.05	76.60
September	63.80	79.91	104.11	69.41	75.24
October	58.89	85.80	76.61	75.72	81.89
November	59.08	94.77	57.31	77.99	
December	61.96	91.69	41.12	74.47	
January	54.51	92.97	41.71	78.33	
February	59.28	95.39	39.09	76.39	
March	60.44	105.45	47.94	81.20	



Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC website.

By: Roger Gough, Cabinet Member for Corporate Support
Services & Performance Management
Tracey Gleeson, Central Web Manager

To: Corporate Policy Overview & Scrutiny Committee

Subject: KCC Website Update

Classification: Unrestricted

Summary: This report updates Members on progress to date and future plans for the KCC website – www.kent.gov.uk.

1. Introduction

A major programme of work began in 2009 to redevelop web services for both the public and staff. It is designed to meet the increasing demand and expectation for full online access to services and information, as well as offer ways to interact and express views.

Continuing to improve the website is also important if it is to fulfil its role in the council's Channel Shift Strategy, making it the default channel for all our services so that it can improve public access no matter what channel people use and contribute to the savings set out in the Access & Assessment programme.

The public website (www.kent.gov.uk) had not had any significant sustained investment since 2005. The priority, therefore, was to improve it so that people who prefer to use it to contact us could:

- find a wide variety of rich information (including video content)
- interact with the website (search databases, use maps and news feeds)
- apply for services or report problems
- have their say (start a petition, respond to a consultation)

The first phase of this programme was completed with the re-launch of the website in December 2009, and there have been a series of improvements to the site throughout 2010.

In 2010, the Kent TV pilot ended but the council retained an element to run a Kent digital service. All video content produced promotes council services and

initiatives, as well as video content promoting tourism to the county. It is now hosted on www.kent.gov.uk/digitalkent, which shares the same brand as the website. This video content is also embedded within the main kent.gov.uk site where appropriate and the video content is also distributed across the web to other sites such as You Tube. Between April and November 2010, Digital Kent videos received 145,562 plays.

Digital Kent acts as an internal commissioner of films for KCC. If a video needs to be made by an external film company, Digital Kent will work with the relevant film company and KCC service commissioning the film to make sure they are getting best value for money and adhering to industry and organisational standards.

The Digital Kent team also run the popular What's On events listing (www.kent.gov.uk/whatson), which includes events from Visit Kent, KCC services and those organised by communities who can upload details of events to the website themselves.

2. Background

More and more people are using the internet in the UK - in 2010 more than 44 million people were online and around 70% of households had broadband.

What people in the UK do online and how they divide their time there is shifting. Email, research and shopping are still popular, but this year's standout increases have been social networking and video viewing. To put this in context, people are watching 2 billions videos a day on YouTube (a worldwide video channel) and uploading hundreds of thousands of videos daily.

Ways of going online are also proliferating, thanks to more wireless availability and the wide range of mobile devices available such as smartphones and tablets. People are also using games consoles, such as Wii and XBox to go online.

Consumers are increasingly engaged with brands and content on their mobile devices. In October 2010, almost 27 million people (56% of mobile phone owners in the UK) had used mobile media such as apps or downloaded data onto their handsets.

The council's medium term strategy *Bold Steps for Kent* sets out the commitment to improving frontline service delivery. It will expand the Gateway principles to include a single Gateway website and telephone number.

As the council faces tough financial challenges during the next four years, it will be even more important to make better use of online channels and use technology to automate back office processes.

Research by the Society of IT Managers shows that the difference in cost of web, phone and face-to-face channels is huge:

- Face-to-face: £4.83 to £9.62
- Telephone: £3.21 (average call cost via Contact Kent is £2.50)
- Online: £0.22 to £0.56

However, their research suggests that if the web transaction is done badly, the costs of failure will be much higher as customers try other, more expensive channels to resolve their problems. Poor usability may prevent people using online services.

The website will play a central role as KCC changes its shape to support the aspirations set out in *Bold Steps for Kent*. It can be the foundation for the proposed single Gateway website, offering people access to services provided throughout the public and voluntary sector in Kent and nationally.

Continued investment in online services will also contribute to the savings indicated in a new simpler approach to access and assessment. It is cheaper to put an online form on the website which talks directly to a back office system than it is to make this available in a physical Gateway location or by the Contact Centre. The Access & Assessment programme has identified potential savings of £14million over the next few years and using the website as the default channel can help deliver some of these savings.

But, providing usable and accessible online services and making sure they are fully automated is a must if we are to encourage more people to use what should be our cheapest contact channel – and save money. The new shape of KCC to support Bold Steps for Kent will give us the much-needed opportunity to reorganise our approach to digital services and respond to the changing needs of the public.

A Channel Shift Strategy commissioned as part of the Access and Assessment programme will be making recommendations for how the council can realise the potential savings opportunities that the web offers and how it can support the other contact channels. It recommends that the website becomes the default channel for all our services because it can then be used by Contact Centre and Gateway staff to support public access to these services.

3. Web development within KCC

3.1 A more stable, accessible website

The priority for the web redevelopment programme was to improve the customer experience of the website.

This entailed:

- jointly procuring a new web content management system with Medway Council in March 2009
- consulting members of the public on what they wanted from the website and using this feedback to improve the content and design, making popular information more prominent, creating a feed from the popular What's On website that was previously on Kent TV, providing a more comprehensive A to Z list of council services and embedding video content on the website
- training staff not only how to publish web pages but also how to write good web content and organise and present it in a usable and accessible way
- reviewing content and publishing information that met new quality standards
- creating a more contemporary and accessible design

Following the re-launch, we encountered some technical difficulties affecting the way the website worked - in particular the search, the ability to consume news feeds from other websites and the display of embedded videos. To resolve the problems, ISG needed to replace the web servers. This was a six-month project completed in September 2010 and has resulted in a more resilient and robust website.

3.2 Improving content and interactivity

The next phase of the redevelopment programme started in 2010 and consisted of more than 30 projects to improve the content and interactivity of the website. Some of the technology-related developments were delayed until the new web servers were installed in September.

Below is a highlight of some of the projects completed or scheduled to complete by March 2011:

- news feeds (for council news releases and the ability to consume news feeds from other websites)
- automatic display of service-specific events on the relevant parts of the website (e.g. library events on the libraries pages)
- a new consultations directory with ability to subscribe to consultations of interest
- trial of e-newsletters (to replace some printed material) for people interested in finding out news about libraries and the coast and countryside
- analysis of the services and information most requested on both the website and via the Contact Centre to improve access to the most used content on the website and inform design changes (in progress)
- improvements to the site search (in progress)
- events booking and payment system for countryside parks (in progress)

- implementation of new Google-style maps and a new Find your nearest public service/facility (in progress)
- interactive diagrams showing how much KCC spends on providing its wide range of services, as well as information on senior management jobs roles, salaries and out-of-pocket expenses reimbursed
- a new open data page that points to a range of data available on the website.

During 2011, work will also start on providing a single customer log-in to the website, which people will be able to use to track the progress of services requested or issues reported or use it to personalise their experience of the website.

3.3 Digital Kent

Digital Kent has begun to integrate more seamlessly within KCC's online provision, providing a video channel branded as part of the KCC website. It also provides the popular What's On in Kent Local events section (www.kent.gov.uk/whatson), branded in similar terms with the KCC website.

In addition to providing a video service within KCC, filming events and issues in coordination with the wider Communications Team, Digital Kent has begun to provide videos to support public and internal staff communications. For example, the team produced a video message to staff by the Group Managing Director on her first day in post, one of several films by communicating her messages direct to staff. They also filmed a series of 'head and shoulders' short videos for the transparency initiative, as well as a series of brief video CVs of Cabinet Members.

In addition to the 80-plus films that Digital Kent has made so far, it has also begun to sell its expertise to the wider community. They were commissioned to make a series of films for Emergency Planning's private sector partners 'Resilience' that have won widespread acclaim from their clients.

Further internal commissions to produce films have come from Clean Kent, Kent Drug and Alcohol Awareness and the Reward Management Team. They have also been working on improving the search rankings for the Grads Kent website.

What's On in Kent has continued to flourish with 34,337 visits between April and November 2010 and building up a unique film-based archive to nearly 100 films. There are currently 7,362 events on the system.

Digital Kent now has 7,300 followers on Twitter - more than any other organisation in Kent (including other KCC departments) - while What's On has more than 2,500 Twitter followers.

4. Supporting the vision for frontline services

As previously mentioned in this report, KCC has made a commitment to improving frontline services and putting web at the heart of these.

This will be in the context of less money, more digital channels, increasing public demand and expectations to be able to personalise their experience, the need to open up government data and the socialisation of the web. These changes will influence the way in which the website can support how we deliver services and continue to be relevant and of value to the public in the future.

It is not just our website that will play a vital role in connecting people and services - how we use other digital channels such as mobile internet and social media will also be important.

It will be important to make sure what is available on the web and other digital channels can both improve customer experience and save the council money.

During 2011, further work will be done to:

- use customer insight to make sure that new online services are usable and accessible and right first time, supporting the aims of the Access & Assessment programme
- develop the means for the website to become the default customer contact channel to support the Gateway Channel Shift Strategy and Access & Assessment programme, capable of enabling people to do things for themselves with no unnecessary staff intervention, while supporting the other channels in helping people access services and information in the way they prefer to do so
- actively encouraging people to switch where appropriate to do so to using the web instead of other contact channels, supporting both the Gateway Channel Shift Strategy and the government's Race Online initiative
- consult, plan and implement the single Gateway website, as set out in *Bold Steps for Kent*, making the most of the existing investment made to the KCC website.

5. Conclusion

The web and other digital channels such as the social media and mobile will be at the heart of KCC's multi-channel access strategy, the Gateway frontline service delivery model, access to information, transparency agenda and the way we engage with the public. They will play a vital role in helping the council to make significant savings through the Access & Assessment programme.

Members of the Corporate Policy Overview and Scrutiny Committee are asked to note the contents of this report.

By: Roger Gough, Cabinet Member for Corporate Services and Performance Management
Carol Patrick, Head of Kent Connects & the Technology Transformation Team

To: Corporate Policy Overview and Scrutiny Committee – 13 January 201

Subject: Open Kent

Classification: Unrestricted

Summary

This report provides Members with an overview of the Open Kent project and an update on progress ¹.

Introduction

Open Kent is a powerful and innovative online tool that enables users to find, download, evaluate, map and visualise information and data owners to upload, share and compare it across the partnership in a cost effective and joined up manner. Open Kent will be accessed via a website that will be linked to each Kent Connects partner's open data site on their own website. It is a system that will provide organisations and customers easy access to a wide range of publically available data in a simple and secure way. It will enable users to intuitively navigate their way through complex data sets which they can analyse to produce bespoke solutions to their information needs. It will also provide the platform to help Kent Connects partners develop and implement a coherent approach to sharing and comparing both local and national public information across the County.

Although similar to data.gov in as much as both are data storage and publishing systems , Open Kent offers the user greater opportunities to manipulate and visualise the information as well as being able to access it from a simple browser interface . Being catalogued the information is far easier to find and share.

Its development will be staged. Key milestones as follows:-

- Completion of the back-end implementation – 31st January
- User testing completed – 28th February
- Go live – 15th April
- Engagement events – May- July
- Pilot project completion – 30th September
- Review and transition – October

¹ As initially outlined in the Cabinet paper dated 13 September 2010 'Transparency Programme: How we are spending your money.

Background

Open Kent was initially developed as a pilot concept by KCC's Technology Transformation Team after they had won the national 'Innovate 08' award. In September 2010, the development of the original concept to a fully fledged trial was approved by the Kent Connects Strategic Board. It is now being driven forward through this wider partnership that includes all the local authorities in the County, Kent Police and Kent Fire and Rescue. Funding has been awarded to enable the concept to be fully developed and trialled for a year by all partners. In addition, the Open Kent Steering Group is working with the Department for Communities and Local Government and the Cabinet Office as well as data.gov and the Local Public Data Panel in order to look at how the system can be integrated more widely and support broader thinking on the national Transparency Agenda.

Open Kent is being further developed so that the system will:-

- **Simplify** the process for managing data
- **Allow** information & intelligence to be shared across organisations
- **Visualise** the data for multiple audiences
- **Empower** users to take control of local information
- **Encourage** community engagement
- **Deliver** efficiencies and rationalises processes

For the public, Open Kent aims to be the source of Kent public sector and other open data in local and central government data stores such as www.data.gov.uk, as well as the technology platform to make use of it. For data owners, Open Kent will allow users to link their data to enable them to access and manipulate it.

Kent Connects role

Kent Connects is a countywide ICT partnership. It was recognised that Open Kent offered numerous benefits for all partners including:-

- reducing the need for each local authority to either develop or buy their own solution
- re-using the technology
- increasing joined up working
- significantly reducing development costs
- ensuring that the data is made available to the same standards and in the same way.

The proposal for the further development of Open Kent was agreed in September and a working group, championed by David Lindsay (Maidstone Borough Council), was established with members from KCC, Maidstone, Medway and Tunbridge Wells.

Three key strands are being developed. They are:-

- a. further development of the technology to ensure that it is robust, stable and secure. The team is working with IBM to develop the tools for the next stage of Open Kent and shape the proposal to franchise the system to other public bodies
- b. understanding the data requirements, accessibility issues and user needs. This will be completed through research and a series of user testing workshops. Participants will include staff, Members and others.
- c. training and engagement as it is clear that although the tools have been simplified to make access and usage as easy as possible there remains an element of 'training' in order to maximise benefits for all users. This is currently in the form of on-line FAQ's although there is a review of other, more innovative options. In addition, it is important that as many data owners 'feed' the system as possible as well as making potential users aware of the benefits of Open Kent. This will be undertaken through a variety of channels as it is recognised that the overall success of the trial hugely depends on both interactions.

Links to Transparency Agenda

Transparency is a major theme running through the Coalition Government's agenda. Eric Pickles has urged local government to be open about a whole range of information starting from 1st January 2011 with expenditure data over £500. KCC views transparency as a fundamental principle of how we do business and so this agenda sets the context in which Open Kent sits. It is vital that Kent residents are able to access information and data easily. Better access to information about the County Council itself will enable us to continue to improve our relationship with Kent residents through a more informed conversation, and facilitate "armchair auditors" to provide some scrutiny on what we do. However residents and organisations also want access to a whole raft of information about Kent and its economy, people and geography. For instance they may be thinking about setting up a new venture, or targeting voluntary activity to support a particular need, or undertaking research into the particular needs of their local community.

Whatever the reason, through the County Council's transparency programme, we will open up more information than ever before to residents and make it easier for them to find information that is already in the public domain. Open Kent is a key vehicle for delivering this.

Data Provision and standards

Open Kent's data is open and re-usable in line with national standards. Its ability to query existing databases with Kent Connects partner organisations makes 'linking data' much easier.

Open data is "non-personal" information that will be published in a way that enables people to be able to make use of it by visualisation and by comparing

it with similar datasets (either from a similar geographic place or service in another council).

Technology

Open Kent is currently delivered through the IBM Lotus Mashup Centre. It is in essence three products in one-

- The catalogue is where data is uploaded and stored in an internal database
- The toolbox provides an intuitive point, drag and drop interface to help visualise data and create new applications with it.
- The web server delivers all these services to the client internet browser.

Open Kent connects to a variety of raw data sources and once catalogued, data from separate sources can be combined without any programming skills required by the service user. In addition, information suppliers will not be required to re-key the raw data as the system will be able to access it directly either through the network or by uploading a report.

Open Kent will be accessed via a website that will be linked to each Kent Connects partner's open data site on their own website. This will make it easier for users to connect and visualise the data from across the partnership. The Open Kent site will be a shop window for the users. Through it they will be able to access the catalogue of all the data that has been made available by the partners. There will also be a set of tools which will enable users to look at the data, convert into charts and tables, visualise it and map it. Finally there will be a showcase area for the data that has already been combined and enhanced.

Benefits

There is strong demand for both transparency of and access to information. By actively making our data easily available it will not only help improve confidence in public sector activities but will once again show KCC and its Kent partners as leading the agenda for greater transparency.

Open Kent provides the tools to help users better access and visualise this information including the most popular types of data requested by the public such as:-

- comparison of services, spend and performance
- finding location of specific services and combining this with other data
- making sense of complex information

The benefits, over time for Kent County Council and the other Kent Connects partners will include:

- minimising the need to directly fulfil the majority of requests for information, although where required staff and others could provide the data on behalf of users. Initial trials suggest that user satisfaction levels increase.
- reducing staff time and costs (although it is fair to say that this is not always through direct cashable savings), by enabling users to access data in ways that they decide.
- enabling easier access to asset and performance data to inform more “place-based” decision making around improving performance, identifying gaps and pooling resources
- accessing what has been created using Open Kent and using this knowledge to capture customer insight and interact with the people who are making the visualisations. It can help them identify new trends and compare performance.

Next steps

There is the potential to offer the product to other authorities either in its entirety or in modules. The national agenda for local authorities to publish more information and provide greater transparency means that they will increasingly be looking for workable solutions. As a result, as part of the overall progression and transition of the project, further work will be undertaken to ensure exploitation of the system.

The initial development of the new system will be completed by 31st January 2011. This will then be tested and user feedback will contribute to its further development. It is currently expected that the system will be ready to go live by early April. Upon completion Open Kent will be reviewed with recommendations for sustainable transition discussed through the Kent Connects Strategic Board. Promotion, support and maintenance of the service will be needed although this will be through existing resources.

User testing

User testing will take place in February when the initial site is completed but not yet live. User activities will include testing the

- design and information architecture
- web compatibility
- accessibility –KCC and the Kent Connects partners are committed to aligning Open Kent with the Local Government Equality Standards and with specific user testing by equality and diversity groups
- training tools

It is planned to use and build on the findings from the research on how Members access information (commissioned by MIMOG) during the testing period.

Conclusion

Members of the Corporate Policy Overview Committee are asked to note the contents of this report

Open Kent – Technical Information

Open Kent is currently delivered through the IBM Lotus Mashup Centre - predominantly a JAVA platform. It is accessed using an Internet connection and browser. It is in essence three products in one: a catalogue of services, a mashup tool box and a web server.

- The catalogue is where data is uploaded, stored in an internal SQL database and published primarily as data (RSS type) feed.
- The mashup toolbox provides an intuitive point, drag and drop interface with tools called widgets to help visualise data and create new applications with it.
- The web server delivers all these services to the client internet browser.

Open Kent connects to a variety of raw data sources such as Excel, Access, CSV files, XML files and SQL database. Once catalogued, data from separate sources can be combined to infer new information from the combined data without any programming skills required by the service user.

Information suppliers will not be required to re-key the raw data as the system will be able to access it directly either through the network or by uploading a report.

The platform is hosted on an EIS virtual server running the IBM Mashup Centre licences software. The hosting arrangement covers:-

- Virtual server platform and support
- Internet connectivity
- Firewall and support

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PROPOSED COMPANY STRUCTURES

Advice on Rules Applying to the Provision of Legal Services

1. Introduction

1.1 Kent County Council (“KCC”) is considering how best to structure its Legal Services unit (“KCC Legal”). Currently it is an in-house unit made up of lawyers and support staff directly employed by KCC, with some locum lawyers employed through an agency. Most of the fee-earners are qualified, practising solicitors who have a valid practising certificate issued by the Solicitors Regulation Authority, although there are also some barristers, one licensed conveyancer, and a number of legal executives of varying degrees of qualification.

1.2 The objectives are that the appropriate structure would:

- (a) allow KCC Legal to offer its services to a wider client base
- (b) facilitate the building up of the legal business, and therefore the income stream to KCC
- (c) give KCC Legal substantial operational freedom from KCC
- (e) enable KCC to seek redress by claiming against PII in the event of professional negligence
- (d) provide an ability to cap the amount of income that is passed back to KCC, so that KCC Legal can retain money to invest in its business and offer staff appropriate incentivising pay and benefits packages

1.3 One model that has been suggested is that of a separate legal entity from KCC. This note considers whether the way in which solicitors are regulated would present any barriers to the proposed delivery of KCC legal services via a corporate structure and, if it were permitted, whether there would be any substantial advantage to such a structure.

1.4 This note assumes that the end result of the process would be a legal practice regulated by the Solicitors Regulation Authority (and which as a result can provide reserved legal services – for definition of these please see Rule 20.01(1) of the Solicitors Code of Conduct, which can be found at <http://www.sra.org.uk/solicitors>). Whilst it is true that legally some of the work (e.g. drafting of certain contracts) could be carried out by persons who were not qualified lawyers, in fact the expertise in these matters is generally with lawyers and law firms, and anything other than a law firm would not command the confidence of the clients.

2. Executive Summary

2.1 Because of the restrictions imposed by the Solicitors Code of Conduct, it does not appear viable or lawful at present to transfer KCC Legal to a corporate entity in which KCC would have any interest or control. The rules contained in the Solicitors’ Code of Conduct present significant barriers to the proposed inclusion of legal services in the list of KCC functions to be considered suitable for transfer to a corporate entity.

2.2 This position might change once Alternative Business Structures (“ABS”) are permitted under Part 5 of the Legal Services Act 2007. But it will not be known until mid-late 2011 what the new rules are to be regarding use of ABS to provide legal services. The latest SRA consultation on a new solicitors’ code of conduct even suggests that there will be no provision for authorising in-house legal services to trade with the private sector through a company until March 2013 at the earliest. Therefore any substantial consideration of that possibility needs to be deferred until those new rules appear and can be considered in the light of KCC’s objectives at the time.

2.3 Because of its current status as a local authority in-house practice, KCC Legal can already supply legal services direct (without a company structure) to any organisation to which KCC is statutorily empowered to provide services. That effectively means the whole of the public sector except central government. There is also a possibility that this extends (using a combination of the well-being and charging powers contained in the Local Government Acts 2000 and 2003) to the provision of services to any person (individual or corporate) whether within Kent or outside.

2.4 KCC Legal has a specific expertise, presence, reputation and marketing advantage in the public sector part of the overall legal services market. It seems sensible therefore to concentrate its immediate future efforts in that sector.

2.5 Moving KCC Legal staff into a separate company vehicle (at any stage) would create significant problems. It might, instead, be appropriate at a later date to consider offering legal services to the private sector *through* a KCC-owned company. This would be best achieved by retaining staff in-house, who would then sell services through the company. Whether this would be commercially advantageous would depend on the ABS rules then in force and on the level of competition in the private sector legal services market, which itself is rapidly changing and in a state of flux.

2.6 There is no inherent advantage in a company as a structure, other than it provides the power to trade with private sector under the Local Government Act 2003. KCC Legal already has this ability, to a greater or lesser extent.

2.7 It would not be possible for KCC to claim against its own legal company’s insurance policy in the event of professional negligence. This is because there is a major shareholder exclusion clause within professional negligence policies, which prevents major shareholders (in this case KCC) from making a claim against an arms length company.

2.8 The impact of HM Government proposals needs to be taken into account, including how the suggested new power of general competence would affect this and the potential for Eric Pickles to abolish local government companies (and the need for them) as part of the bonfire of the quangos.

3. The Regulatory Framework

3.1 The Solicitors’ Code of Conduct (“SCC”), which is monitored and enforced by the Solicitors Regulation Authority (“SRA”), imposes extensive obligations on solicitors working in practice. The rules which comprise the SCC have the status of statutory rules.

3.2 Rules 12, 13, 14 and 20 of the SCC make up the framework which set out the ways in which individuals and bodies subject to the SRA’s rules can practise, and restrictions upon those individuals and bodies.

3.3 Rule 12 (Framework of practice) specifies the types of businesses through which solicitors may practise. This includes partnerships, companies and limited liability partnerships. The rule requires that solicitors must not provide services to the public except through a firm which is a recognised body or a recognised sole practitioner (both regulated by the SRA) or through an authorised non-SRA firm (regulated by another approved regulator).

3.4 Rule 14 (Recognised Bodies) governs the composition and structure of a “recognised body” and the services a recognised body may provide. It seems clear that KCC Legal is not, and could not become, a recognised body whilst KCC (or any other corporate body) retains an interest. Paragraph 32 of the Guidance note to Rule 12.04 points out that:

“...Non-lawyer participation in all recognised bodies is restricted to 25% as measured by three different indicators:

- (a) number of managers;*
- (b) proportion of shares or other ownership rights;*
- (c) proportion of voting rights exercised or controlled”*

In addition, the non-lawyer participation must be approved individuals, rather than a body corporate such as KCC. The intention appears to be just to permit a law firm to bring in one or more professional non-lawyer individuals to assist the lawyers in managing their firm.

3.5 Rule 12 does permit in-house legal practices, but subject to certain restrictions. In particular, in-house solicitors may act only for their employer or in the circumstances set out in Rule 13.

3.6 Rule 13.03(1) includes provision for in-house solicitors to act for:

- (a) the employer's...holding, associated or subsidiary company;*
- (b) a partnership, syndicate, LLP or company by way of joint venture in which the employer...and others have an interest;*
- (c) a trade association of which the employer...is a member; or*
- (d) a club, association, pension fund or other scheme operated for the benefit of employees of the employer*

However, 13.03(1) (a) and (b) do not apply if the solicitor is employed in local government (Rule 13.03(2)).

3.7. Rule 13.08 states that solicitors employed in local government may act:

- (a) for another organisation or person to which or to whom the employer is statutorily empowered to provide legal services, subject to the conditions in (b) to (g) below;*
- (b) for a member or former member of the local authority, provided that:*
 - (i) the matter relates to or arises out of the work of the member in that capacity;*

- (ii) *the matter does not relate to a claim arising as a result of a personal injury to the member;*
- (iii) *you are satisfied that the member does not wish to instruct some other lawyer; and*
- (iv) *no charge is made for your work unless those costs are recoverable from some other source;*
- (c) *for a company limited by shares or guarantee of which:*
 - (i) *the employer or nominee of the employer is a shareholder or guarantor; or*
 - (ii) *you are, or an officer of the employer is, appointed by the employer as an officer of the company, provided the employer is acting in pursuance of its statutory powers;*
- (d) *for lenders in connection with new mortgages arising from the redemption of mortgages to the local authority, provided:*
 - (i) *neither you nor any other employee acts on behalf of the borrowers; and*
 - (ii) *the borrowers are given the opportunity to be independently advised by a qualified conveyancer of their choice;*
- (e) *for a charity or voluntary organisation whose objects relate wholly or partly to the employer's area, provided that there is no charge to the charity or voluntary organisation in non-contentious matters, and in contentious matters the employer indemnifies the charity or voluntary organisation in relation to your costs insofar as they are not recoverable from any other source;*
- (f) *for a patient who is the subject of a Court of Protection Order where you are acting for a work colleague (under 13.02 above) who is appointed as receiver for the patient; or*
- (g) *for a child or young person subject to a Care Order in favour of the employer on an application to the Criminal Injuries Compensation Authority.*

3.8 The conditions specified in Rule 13.08 (b) to (g) do not limit the areas of work that can be done to those areas specified. Rather, they impose restrictions only on how those particular categories of work should be dealt with. Therefore KCC Legal, as currently constituted as an in-house practice, can act for any organisation or person "to which or to whom (KCC) is statutorily empowered to provide legal services" (as long as it complies with the restrictions in (b) to (g) where it is that kind of work that is being done).

3.9 By virtue of the Local Authorities (Goods and Services) Act 1970, KCC is empowered to provide goods and services to any organisation that is considered to be a local authority or a "public body" for the purposes of that Act. This effectively covers most of the public sector (including the NHS) except for central government.

3.10 The cumulative effect of this is that KCC Legal can already (without the need for any additional corporate structure) provide legal services to the wider public sector as an in-house unit, as well as being able to provide legal services to KCC itself without the need for a tender process.

3.11 KCC can also already provide legal services to private sector clients through the use of its spare capacity. It is also able to provide wider-ranging legal services to private sector clients specifically in Kent by using a combination of the well-being and charging powers contained in the Local Government Acts 2000 and 2003.

3.12 The conclusion therefore is that the in-house model as currently operated is the only model that is currently permitted that delivers the required outcomes. It has the freedom and flexibility to grow and expand as a business without the need for reconstitution or incorporation.

4. The Future Regulatory Framework

4.1 Under the provisions of Part 5 of the Legal Services Act 2007 there are proposals for Alternative Business Structures (“ABS”) to be permitted for the delivery of legal services.

4.2 It is anticipated that when ABS come in, they will allow corporate bodies such as KCC to own a stake in, and possibly control a legal business. But until the new rules are disclosed (which is expected to be in mid-late 2011) it will not be known exactly what is to be permitted, and subject to what conditions. Therefore any discussion of the use of ABS (and whether this would be advantageous to KCC) must wait until the new rules appear.

4.3 This, however, ignores the fact that KCC already wholly owns and controls its own legal business in the form of KCC Legal. The ‘Kent Model’ of legal services delivery is nationally recognised as the leading exemplar and most successful trading operation of its kind anywhere in the country.

4.4 The latest SRA consultation on a new solicitors’ code of conduct suggests that there will be no provision for authorising in-house legal services to trade with the private sector through a company until March 2013 at the earliest.

5. Business Advantages of the current in-house structure for KCC Legal

5.1 An in-house practice owned by a local authority does not have to comply with the same requirements as any other kind of solicitor’s practice. In particular, the Solicitors’ Accounts Rules do not apply and there is no requirement for separate office and client bank accounts, accountant’s certification, etc. All monies held by the practice at any time are already in KCC’s bank.

5.2 A great number of expenses and overheads are significantly reduced. Professional indemnity insurance (which is a major cost for private practice) is obtained as part of the KCC general insurance policy, at a very small premium. If it were a private entity the cost of such insurance would amount to a prohibitively high proportion of what is now profit. Practising certificates are also significantly less expensive in-house than in the private sector.

5.3 Surplus income of the unit is already in the coffers of the authority, without cross-charging or corporation tax issues. KCC Legal also comes under the KCC VAT exemption rules without any further complications.

5.4 KCC Legal competes for public sector work and the fact that KCC Legal is itself an in-house part of the public sector is a major selling point that sets it apart from the competition. Public sector clients particularly like the idea of keeping the money and

the business in the public sector. Moreover, giving work to KCC Legal is seen as a form of collaboration between public bodies (which is prima facie good and can be done relatively informally), rather than awarding a contract to a corporate entity/private body (which requires the formalities of a formal tender process, etc).

5.5 The *Law:Public* arrangement with Top-100 law firm Geldards (which has been widely publicised and well received nationally as a potentially lucrative way of generating significant additional income) is marketed on the basis of being a private/public partnership. If KCC Legal were to become something other than an in-house team then this would clearly no longer be applicable.

5.6 There is the ability for KCC Legal to provide legal services to KCC without any form of tender process, and on terms that can be dictated by KCC. The other side of this same point is that KCC keeps control of the specialist staff that it needs to assist with its own legal and governance issues.

5.7 Good staff have been recruited and retained over many years on the basis of working for and within the public sector. There may be a negative reaction and retention issues if staff were required to move out of the main-stream public sector (see paragraph 8.8 below).

5.8 It is not possible for these same advantages to be obtained using a company structure model.

6. Business disadvantages of the current in-house structure for KCC Legal

6.1 KCC cannot sue its own legal section if substantial mistakes are made. Whilst it is very rare that this would be an issue in practice, there seem to be two possible ways of dealing with this problem whilst retaining an in-house legal unit:

(a) reciprocal arrangements with another local authority with a substantial legal team (e.g. Essex) whereby each carried out specific large deals for the other. This would have no net cost to either body (assuming that each did similar amounts of work for the other)

(b) putting out to the private sector any complicated or politically difficult matters (as happens at present)

6.2 It should be noted that if KCC did specifically want the ability to sue a company operating KCC Legal, this would have its own cost. One would assume that this would obliterate any hope that KCC's insurers might offer the company preferential professional indemnity rates as part of the KCC family. It would also encourage a cautious approach to the provision of legal advice, hedged with caveats to minimise the risk of liability.

6.3 KCC Legal can already act in certain circumstances for private sector clients. However, whilst all new clients are welcome, the area in which KCC Legal has specialist expertise (and an advantage over the competition) is the public sector. There is potentially enough scope in the public sector for KCC Legal to expand its business for the foreseeable future. The restrictions on this seem to be political, rather than legal or structural. If KCC Legal were to expand into supplying services to the private sector it would be in direct competition with other legal practices in the county, and could give rise to claims of unfair or inappropriate competition from the Kent business community.

6.4 KCC Legal cannot easily reward staff as they might wish to be rewarded as an incentive to bringing in additional external income. It is not clear whether this is a real problem. Discussion with the KCC Reward Manager suggested that:

(a) the fixing of KCC salaries on certain scales was a matter of discussion and negotiation with the unions

(b) a pilot scheme had been discussed with regard to KCS which might allow incentive-based rewards to some staff

6.5 It would therefore appear possible to negotiate such a deal with staff whilst remaining employed by KCC.

6.6 Terms and conditions are tied to those of KCC, including the LGPS. This is unlikely to be a real problem. The issue, as regards highly qualified legal staff, is more likely to be paying staff enough to attract and retain them when the economy revives.

7. Business Advantages of KCC Legal being transferred into a company structure (if/when it becomes legal to do so)

7.1 KCC could sue the company if mistakes were made – see paragraph 5.2 above as to the likely effect of this on insurance premiums, paragraph 6.1 as to alternative solutions and quality of advice and Section 12 below on the ability of major shareholders making a claim against their own company's PII policy.

7.2 The company could potentially trade with, and provide services to, the private sector – but see paragraph 6.2 as to existing powers to do this, and section 9 below as to why this would prevent the company being a Teckal company which can, at the same time, provide services to KCC without a competitive process.

7.3 The company could be rebranded so as to lose/minimise the connection with KCC. It seems uncertain whether this would be a benefit or not. Given the public sector client base, it might be a disadvantage.

7.4 The company could enter into employment contracts that reward staff in different ways. See paragraph 6.3 as to whether this could be achieved in another way. So long as KCC owns a material stake in the company it will still be subject to the criticism that an incentive scheme is spending public money improperly.

7.5 Depending on the HMG view on a two-tier workforce, the company might in future be able to recruit new staff without offering them LGPS membership. But query how this reduction in benefits helps to recruit/retain good new staff. (Current staff will already have membership of LGPS - see paragraph 8.5 below).

7.6 At some point, it might be possible or desirable to sell off the company (or a share in the company). It is unclear whether and, if so, when the legal services market will develop so as to make this a profitable exercise. If it were to happen, it would undoubtedly have an effect on staff and KCC would also lose control of its own supply of legal services.

8. Business disadvantages of KCC Legal being transferred into a company structure (if/when it becomes legal to do so)

8.1 It is unclear whether clients would use KCC Legal in the same way if it did become a private company. At that point, it is hard to see what would be the attraction

and what would differentiate that KCC Legal company from the many other solicitors' firms in an already saturated market. It would certainly not be able to offer legal services to KCC clients at such a low cost as it currently charges.

8.2 Taxation: profits in the company would be subject to corporation tax (not currently payable).

8.3 The company would need its own VAT arrangements – and all of the other costs and regulatory arrangements that come with being a private sector law firm.

8.4 KCC could not guarantee work to (or subsidise) the new company without being potentially in breach of state aid rules.

8.5 The company would also have to become an admitted body of LGPS. Existing staff would transfer under TUPE, and this would carry an obligation to provide the same pension, or one certified by the Government Actuary's Department as broadly comparable. To provide a private pension which is broadly comparable is prohibitively expensive – therefore admitted body status of LGPS is the only option.

8.6 Collaboration/sharing services with other public sector bodies becomes more problematic.

8.7 There would be a need for formal arrangements (e.g. lease) for sharing of accommodation with KCC, etc.

8.8 Good legal staff, who accept lower benefits as part of the public sector ethos, might not be prepared to remain on this basis if they are to be part of the private sector.

8.9 There are potential problems as to how KCC itself would obtain its legal services – see section 9 below.

9. How such a company might relate to KCC if staff were transferred to it.

9.1 The EU Treaty requires all contracts (even those to which the full EU procurement process does not apply) to be awarded on a fair and open basis. This generally means advertising contracts through a competitive process. If KCC Legal staff were in a separate company, then KCC would have to tender out its legal services requirement on a fair and open basis, and the KCC Legal company would have to tender for it.

9.2 There can be no guarantee that the KCC Legal company would be awarded all or any of the work. A private sector competitor might even consider it worthwhile to take on all or part of the work at a loss.

9.3 If the KCC Legal company fails to win the tender, then at that point the work goes to the winning outside firm. In such a situation TUPE would probably apply to transfer the relevant staff to the winning tenderer. At that point KCC would have lost its in-house legal capacity and its income stream, and would henceforth be at the mercy of the open market.

9.4 KCC would only be allowed to award the work to the KCC Legal company without tender if the company came under the Teckal exemption, i.e. it was wholly owned by KCC, did materially all of its work for KCC, and was subject to the same degree of control as other departments of KCC. At that point the company would be considered to be a part of KCC itself for EU procurement purposes. That then would

leave all of KCC's legal staff in a company that cannot (by definition) work for external organisations – which defeats the object as it would kill the external client business.

9.5 It might, in theory, be possible to form a joint Teckal company with other public sector bodies to provide legal services to them all, but:

(a) the legal position is uncertain – the only attempt at this so far has been the Brent/LAML insurance case where the aggrieved private sector challenged in court. The case is expected to reach the Supreme Court soon, on appeal from Court of Appeal

(b) it is assumed that the objective of this exercise for KCC is primarily to make money from the rest of the public sector, rather than to collaborate with them on a shared-cost basis

9.6 There is therefore no easy or immediate solution based on transferring the legal staff into a company.

10. The value of a strong internal legal function

10.1 Recent concerns have been raised in the press by the Chair of the Solicitors in Local Government Group and others, regarding putting local government lawyers at arm's length:

"I have concerns about shared services if it means that people begin to see the cost of everything and the value of nothing. I will never believe that legal services is a back office function or merely transactional – the role of the lawyer in local government is very central to the delivery of services and the vibrancy of the organisation as a whole. The legal department is like a corporate glue in terms of governance, standards and ethics, decision making and I think that you separate out legal services from that at your peril.

This is the importance of the discussion about the monitoring officer role. I have always seen the role as a facilitator because the monitoring officer is one of the people closest to the decision-making process and it is by occupying that role and being seen to be enabling in that role that I think the Chief Lawyer positions his or her service as being at the centre.

*The legal department's role is about being proactive and being involved in strategic matters at an early stage. That is the difficulty with outsourced or shared services – **the further you remove legal services from the corporate centre and the more you regard it as simply being transactional or at arm's length, the later you bring the lawyers into the process. The real value of the local government lawyer is in helping to ensure that you fix the parameters of what you can do and that you help to plot the journey that your corporate client wants to make.**¹*

11. A possible compromise solution: "optimum solutions to maximise value"

11.1 By making reference to "Legal Services transition to arm's length trading organisation", this unnecessarily and prematurely narrows the scope of other exciting

¹ The words in bold are emphasised as this is what Legal Services does and what it could easily do more of - but this often isn't credited by managers, e.g. Legal Services often advise HR who then simply pass on the advice, mostly without acknowledging Legal's input - so the value of Legal Services can be lost in the eyes of the managers running the core functions.

and potentially preferable options available to the council in developing and re-inventing its legal service (and other support) functions.

11.2 The proposition could be re-worded along the lines of:

“...It is also intended to explore how we could further develop our currently very successful legal services, through examining a variety of externally-facing options aimed at increasing income, improving efficiency and collaborating with partners, whilst at the same time maintaining the highest standards of internal lawfulness, propriety and good governance.”

11.3 Such alternative options could well include alternative business structures such as companies, but should not be expressed to be exclusively limited to that. This is partly because the law does not currently permit local authorities to establish their own legal companies. But it is also because the public sector landscape is changing so rapidly at the moment that other, more attractive, options may present themselves in the form of collaborative ventures involving the public sector, but also including the private and voluntary sectors as well.

11.4 Examples include the recent press coverage entitled “Blueprint for local government revealed”², in which it was announced that local government legal services could be delivered from just six regional centres of excellence within the next decade. A national network of six legal hubs would provide cost-effective legal services to local authorities across the country, with Kent being the hub for the south-east; Essex for the east; Bristol for the south-west; Cardiff for Wales; and Leeds for the north.

11.5 Another example is the expansion of *Law:Public* after its successful launch in 2010. This vehicle has attracted a considerable amount of interest (even north of the border in Scotland), since it enables KCC’s lawyers to provide services to other public sector bodies both on their own account and in collaboration with a Top 100 law firm partner. The intention is to spread this out not just within our own geographical/political boundaries, but across the country, and possibly to franchise the model nationwide.

11.6 A further option would be to develop the managed or hosted legal service, whereby rather than trading with other bodies, those bodies (typically smaller local authorities) would instead transfer their legal team (other than a core retained function) to KCC to resource their legal services requirements at an agreed funding level, with an appropriate blend of lawyers working on-site from the previous in-house regime and expert teams working within KCC and its legal service partners.

11.7 There are many other options, some existing, and some just emerging, including the option of KCC buying a stake in an existing law firm. More will follow and Kent needs to be prepared to select for itself its own best way forward. Whichever options are ultimately pursued, they must be underpinned by a full business case, intelligent multi-sourcing and proprietary information technologies, so that the outcome is cheaper, better and simpler for the client. Such detailed scoping has not taken place up until now, and needs to be completed before any final conclusions on the most appropriate options can be drawn.

11.8 We need to identify a solution that is client-centric, innovative and collaborative, offering great value and delivering resourcing flexibility, efficiencies, greater pricing certainty, enhanced legal risk management and systems, processes and resources which enable the lawyers to be more effective. Put succinctly – an optimum solution to maximise value.

² Law Society Gazette, Thursday 7 October 2010

11.9 That will not be achieved by restricting our options at this early stage to just one. Indeed, the current pre-selected option would effectively rule out most of the other possible options, which would be counter-productive and restrict our ability to work collaboratively with other public bodies.

11.10 Instead, any proposal to reconfigure Legal Services should prejudge nothing but instead institute a review of how the service could be best structured in the future, i.e.:

- set out KCC's key aspirations for the service in a public and formal way
- appoint an independent officer or external consultant to advise on an "expert" independent basis
- allow Members and officers input into the brief, i.e. to ensure that it is fair and balanced
- provide for an open and reasoned conclusion so that everyone can see that what is finally proposed is the best way to proceed and makes KCC Legal flourish in accordance with the pre-stated objectives

12. Professional negligence

12.1 One of the stated wishes is to be able to set Legal Services up as a company in order to be able to claim against its professional indemnity insurance policy in the event of an incident of negligence.

12.2 If the ability for KCC to be able to sue in respect of potential professional negligence by the Council's own staff is to be the deciding factor in the structure, then the question arises as to why all of the professional staff in Finance, IT, Property, Personnel, etc are not proposed to be similarly outsourced for the very same reason. It is unclear why this should be cited as a reason for restructuring Legal Services alone.

12.3 Unfortunately, there is no insurance product available to purchase which would provide protection against losses sustained by one department of the Council as a result of advice given by another. The analogy of accidental damage under a household insurance policy cannot be applied since there is no 'asset' to insure which forms the basis of the cover. The insurance market simply views this scenario as a business risk.

12.4 Even if Legal Services were set up as an arm's length company this would not provide a route for redress, because there is a major shareholder exclusion clause within professional negligence policies that prevents major shareholders (in this case KCC) from making a claim against their own company. If Legal Services were totally separate to KCC then it could obtain insurance in its own right and would enjoy the same status as any other legal firm, but then KCC would lose all the benefits that would flow from its ownership of the company.

12.5 If this is still considered to be a real issue of concern, then the best solution would be to either reach a reciprocal agreement with another authority or to outsource high-risk projects to the private sector on a piecemeal basis (see paragraph 6.1 above).

13. A viable company model

13.1 A compromise solution based on retaining staff in-house but trading their services through a limited company is conceivable.

13.2 The basis of this would be the provisions of section 95 of the Local Government Act 2003, which provides a power for a local authority to trade. This requires that trading must be done through a limited company but does not specifically require the relevant staff whose services are being supplied to be employed by that limited company.

13.3 There would therefore seem to be a possible model whereby:

(a) legal staff remain employed by KCC and therefore all of the advantages of this in terms of staff retention, relationship to clients, cost savings, marketing and reputation, etc, remain

(b) the in-house staff supply services under contract to the KCC Legal company, which in turn supplies those services to external private clients

(c) KCC would be obliged to charge the company the full cost of providing those services, which would ensure the repatriation of profits back into KCC

(d) There would still be issues of additional costs of running the company, but because most of the KCC Legal business would still be done in-house, these would remain relatively low, especially in comparison with the setting up of a separate corporate delivery vehicle

13.4 Whether and when this scheme is deliverable will depend very much on the new rules for ABS and the view taken by the Solicitors Regulation Authority at the time.

13.5 Whether this scheme is desirable will depend also on where potential clients are coming from at that point, and on the level of competition in the private sector legal market.

13.6 It is important to note that:

(a) such a compromise solution would already be available *now* for use by other KCC functions (such as Personnel, ISG, etc) where there is not the same high level of professional and statutory regulation

(b) it is currently very unlikely that any KCC company set up to provide other services would also be allowed to provide legal services

14. Market caveat

14.1 This advice is based on the assumption that the overall legal services market will continue as at present. This cannot be taken for granted. Things are changing very fast, and once the ABS are actually in place the whole market will change yet further.

14.2 Before KCC put in place a change in its structure, it would need to be satisfied that:

(a) there will be a market in which a new company of this sort can be expected to survive and flourish

(b) the process of passing the business over to a company will not materially reduce the existing market for the business's services and

(c) that financial projections give reason to believe that the company can make more of a profit for KCC than in any other structure, whilst covering all of its proper costs.

14.3 If any of these were not the case at the time, then the status quo should be maintained until such time as a more advantageous way forward for KCC is identified.

Geoff Wild
Director of Law & Governance

November 2010

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By: Roger Gough, Cabinet Member for Corporate Services and Performance Management
Katherine Kerswell, Group Managing Director

To: Corporate Policy Overview and Scrutiny Committee – 13 January 2011

Subject: Core Monitoring Report

Classification: Unrestricted

SUMMARY

The purpose of this report is to inform members on key areas of performance and activity across the authority.

FOR INFORMATION

1. Introduction

The second Core Monitoring report was reported to Cabinet on 29 November. The report includes graphs and commentaries on a wide range of indicators, covering key activity and performance relating to the main services provided by the council.

Each Policy Overview and Scrutiny Committee is receiving the section of the report relevant to their remit.

2. Core Monitoring Report

Indicators within the Core Monitoring report are presented with historic trends shown by graph, a RAG (Red/Amber/Green) rating, a DoT (Direction of Travel) rating along with relevant commentary.

A summary of the RAG ratings by indicator is provided at the start of the Core Monitoring report in the Contents and Summary page.

Key changes to the report format compared to the last report include the following:

- Data tables have been added to each page below the graphs
- Information relating to annual benchmarks and current year quarterly trends have been combined into one graph for each indicator rather than being shown separately
- Some new comparative data has been added, including statistical neighbour figures where relevant
- Graph colours have been altered to improve readability when printing in black and white

3. Data Quality and Interpretation

Please be aware that much of the quarterly data included in the Core Monitoring has the status of management information, and for the most recent quarter is provisional and may be subject to revision at a later date.

4. Children's Safeguarding

The outcome of the recent OFSTED Inspection of Safeguarding and Looked after Children Services was provided to Cabinet at the same time as the last Core Monitoring report, with the report being received too late to include within the Core Monitoring.

A paper on the draft improvement and development plan was presented to Cabinet on 10 January. An Improvement Board will be established, and will report quarterly to Cabinet.

Given the outcome of the inspection, the improvement plan will require separate monitoring for the present, but at a future date outstanding actions could be included within the Core Monitoring process.

5. Recommendation

Members are asked to NOTE this report.

Contact officers: Sue Garton & Richard Fitzgerald, Performance Management, Chief Executives Dept

Kent County Council

Core Monitoring Report

Extract from Paper presented to Cabinet 29 November 2010

**Including Information up to the end of
September 2010**



Contents and Summary

Description	Page	Current Status	Previous Status
Key to interpreting the data	3		
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Group Managing Director's Commentary	4 – 5		
Contact Kent – calls answered within 20 seconds	6	Green	Green
Gateways	7	Provided for Information only	
Complaints	8		
Staffing numbers and age profile	9	Amber	Amber
Staffing equalities – disability	10	Amber	Amber
Staffing equalities – ethnicity	10	Amber	Amber
Staff turnover	11	Information only	
Staff sickness absence	11	Green	Green
CO2 emissions from KCC non-schools estate	12	Amber	Red
CO2 emissions from schools	12	Red	Red
Appendix			
Comparative benchmarks	13		

General notes on interpreting the data included in this report

A wide selection of indicators for the core areas of activity and performance of the council is included in this report, as well as some contextual indicators relating to the Kent economy. Indicator values are shown by graph and data tables, including Direction of Travel and RAG ratings (see tables below for a key to interpreting these).




A range of presentation styles are provided for different indicators depending on the information available. In some cases we provide the most recent results for the last four financial year quarters, while for other indicators we provide annual data for the last few years with the most recent two quarter's data also shown.

Where relevant and available, the indicators are provided with comparative data showing national averages or other suitable benchmark information. See the Appendix for more information on the comparative benchmarks used.




It should be noted that annual data provided in this report (ie a full financial year up to and including financial year 2009/10 which ended on March 2010), is generally validated data which is public domain and available in many cases within the remit of national statistics.

However, quarterly data provided in this report and all information subsequent to March 2010 is classed as provisional local management information which in some cases is provided on an estimated basis. This data is likely to be subject to future revisions.

Key to RAG (Red/Amber/Green) ratings

		RAG Ratings
Green		Performance exceeds local targets where set or is significantly better than the most recently published national average/benchmark
Amber		Performance not significantly different from most recently published national average or close to but not exceeding local targets
Red		Performance significantly behind local targets where set or significantly worse than the most recently published national average
N/a		Data not available in order to assess performance

Key to DoT (Direction of Travel) ratings

		DoT Ratings
		Improvement in performance or change in activity levels with a positive impact on budgets and resources
		Fall in performance or change in activity levels with a negative impact on budget and resources
		No change in performance or activity levels

KCC Core Monitoring

Group Managing Director's Commentary

This is our second Core Monitoring report for 2010/11. It provides information for the second financial quarter up to the end of September 2010. As well as the key indicators reported each quarter, this report also provides a mid-year stock take on some key projects and actions within our service business plans.

The publication of this report is part of our transparency agenda, making the information and data we use as an organisation more open to public scrutiny. We are interested to hear what residents think of this information and how we could improve it to make it more relevant and easy to understand.

Some key highlights from this quarter's report are:

Customer Services

- Residents are making good use of Kent's new Gateway facilities to access public services. Transaction levels at our 7 outlets continue to increase each quarter.
- Our contact centre and location switchboards answered more than 85% of the 270,000 calls received within 20 seconds. This is slightly down from last quarter but well ahead of target.
- The number of complaints received this quarter was lower than last quarter, but still higher than last year. See the 'You said - We did' section of our web site for how we have improved our services in response to customer feedback.

Services for all residents

- Our Find & Fix highways repair programme has now completed. This means that a significant backlog of pothole repairs have now been dealt with. Pothole response times for the quarter show as very long, due to the data including a backlog of repairs from much earlier in the year.
- Recycling levels in Kent are not showing any increase but diversion of waste from landfill continues to improve.
- The level of serious injury due to road traffic accidents continues to reduce.
- The level of library visits has held up well despite a number of temporary closures to various libraries due to refurbishment as part of our modernising libraries programme, but book issues are down.

Children and young people

- Kent children are now performing extremely well at Foundation stage and for GCSE their performance continues to exceed the national average.
- We continue to experience increasing rates of referrals to children social services.
- Children's social worker vacancy rates continue to reduce.
- We have exceeded our target for take up of Apprenticeship offers.
- Continued reduction in the number of young people becoming involved in crime and being referred to the youth justice system.

Services for adults and older people

- Adult education enrolments continue to exceed target, although levels have dropped this quarter.

- We continue to deliver more personalised adult social services with the successful roll-out of Self Directed Support, giving people control and choice over the support we provide, through the allocation of Personal Budgets.
- We are experiencing upward demand to support older people who require nursing care but this is within affordable budgeted levels, and expected due to demographic changes.
- Similar pressures are being experienced for clients with learning disability who require residential care.

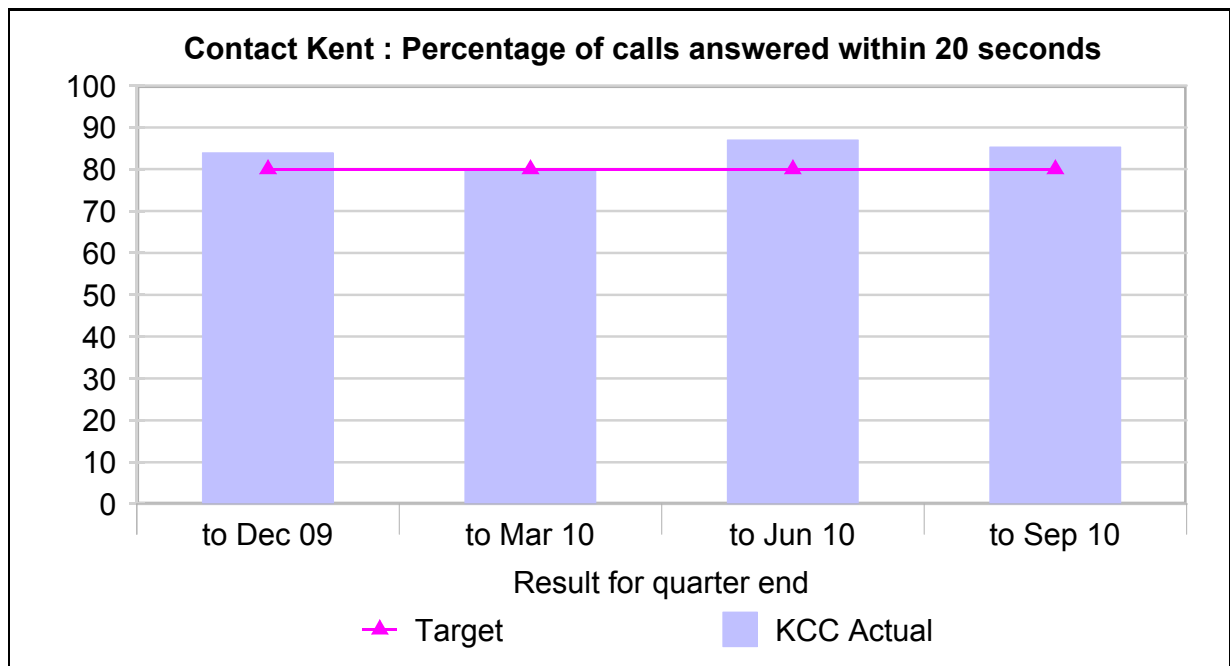
Support for Businesses

- We continue to work hard on our Backing Kent Business campaign to help support local businesses through the worst recession seen in decades.

Environment

- We have made good progress in reducing carbon emissions from our direct estate but emissions from school buildings have been increasing.

Katherine Kerswell
Group Managing Director
Kent County Council



Higher value is better	Quarter end Dec 09	Quarter end Mar 10	Quarter end Jun 10	Quarter end Sept 10
KCC Result	83.9%	79.6% ↓	87.0% ↑	85.3% ↓
Target	80%	80%	80%	80%
RAG Rating	★	●	★	★
Calls received	269,000	304,000	261,000	270,000

Contact Kent currently supports 87 different services on a 24 hours a day, 7 days a week, 365 days a year basis. The range of services provided includes library book renewals, reporting pot-holes, arranging temporary housing for Maidstone residents and handling reporting of child protection concerns for both new and existing cases. This requires a high level of customer service skills, dealing with different needs and conversing with a wide range of callers. The services with the highest volumes of calls received are Libraries, Highways and Registrations.

Contact Kent continues to perform well with 85.3% of the 270,000 calls received in the last quarter being answered within 20 seconds.

Detailed performance information is as follows :

	2009 Full year	2010 To date
Percentage of calls that were answered	94%	95%
Average wait time	15 seconds	12 seconds
Average abandon time	57 seconds	1 min 2 sec

Gateways

Transactions	Jul - Sep 09	Oct – Dec 09	Jan – Mar 10	Apr – Jun 10	Jul – Sep 10
Ashford	8,893	8,461	8,829	11,126	12,958
Dover	5,944	8,239	11,514	11,780	11,735
Maidstone	12,035	10,576	13,244	12,652	16,742
Tenterden	5,291	4,534	4,633	6,030	4,987
Thanet	25,152	21,835	29,807	33,586	32,385
Tonbridge	10,381	9,246	15,991	17,640	21,029
Tunbridge Wells	14,720	11,927	17,516	13,409	11,999
TOTAL	82,416	74,818	101,534	106,223	111,835

Variations between quarters reflect seasonal variations and other changes to services offered/advertised at any given time.

Footfall	Jul – Sep 09	Oct – Dec 09	Jan – Mar 10	Apr – Jun 10	Jul – Sep 10
Ashford	16,341	16,607	17,495	22,103	24,735
Tenterden	47,883	59,653	61,209	56,940	63,672
Thanet	116,483	99,386	109,813	104,764	121,012
Tunbridge Wells	Not available	27,840	34,018	30,952	28,407
TOTAL	180,707	203,486	222,535	214,759	237,816

The Tunbridge Wells footfall counter was installed in September 2009. Counters are not currently installed at Maidstone, Dover or Tonbridge. Thanet and Tenterden Gateway footfall includes library visitors but library transactions are not counted under Gateways.

Gateways have had a busy quarter with transaction levels continuing to increase. Many transactions are processed through the Meet and Greet function (26%) or as routine transactions (27%). The benefits section takes the most specific enquires (36%).

Gateway is working with Gravesham Borough Council to develop the Gravesend Gateway at the Civic Centre, which is expected to open in autumn 2010.

Complaints Monitoring

Service area	Apr – Jun 10	Jul – Sept 10	Current year Apr - Sep	Previous year Apr - Sep
Kent Highway Services (KHS)	534	532	1,066	328
Adult Social Services	139	126	265	213
Children, Families & Education	131	104	235	229
Environment & Waste	103	102	205	193
Risk Management & Insurance	96	49	145	41
Community Learning & Skills	32	49	81	17
Other services	31	29	60	65
Commercial Services	11	27	38	33
Libraries & Archives	45	25	70	235
Youth Service	5	12	17	57
Supporting People	8	12	20	15
Total	1,135	1,067	2,202	1,426

During 2009/10, lessons learned from complaints received have been published within the '**You said, we did**' section of the kent.gov website to illustrate the changes that are made as a direct result of complaints

The total number of complaints received for the quarter to September was slightly down from the previous quarter with the risk management and insurance section showing a large drop in the number of complaints being now being received in relation to delays in processing insurance claims for pothole damage.

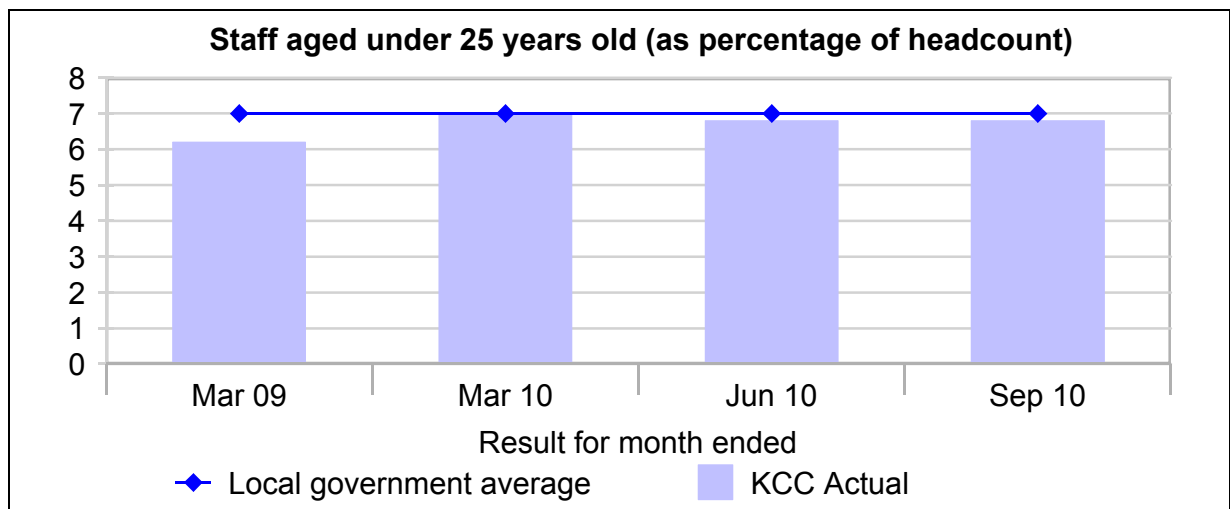
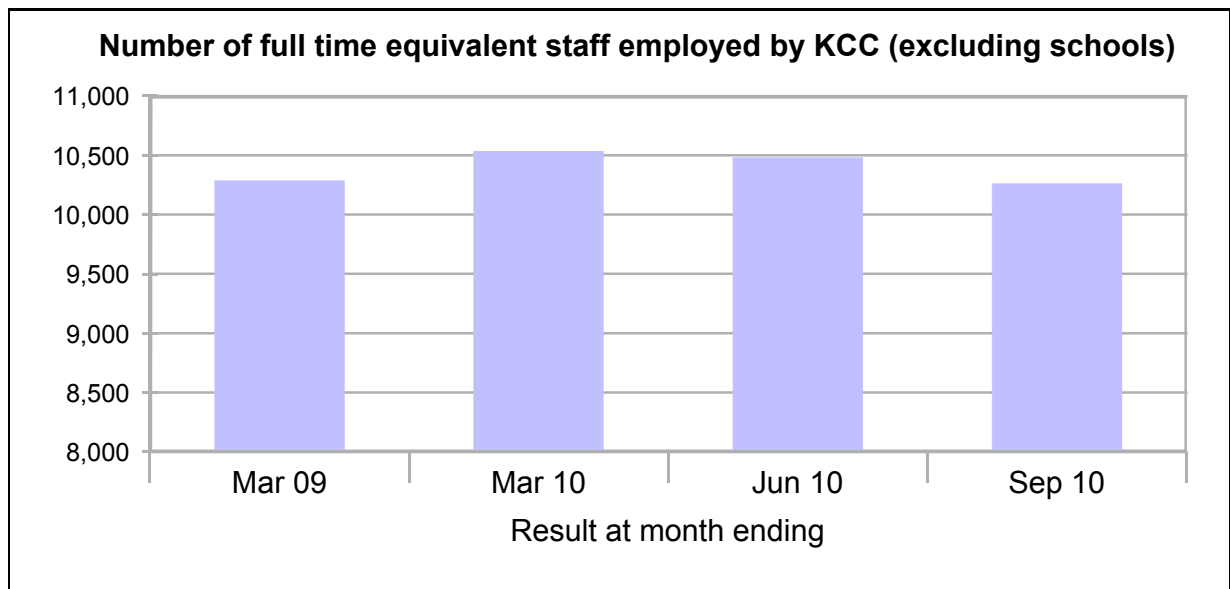
So far this financial year we have received 54% more complaints than for the same period for last financial year, although some services are seeing less complaints. However the number of complaints is currently lower than it was during the last winter (2,475 complaints in the six months October to March).

In part the increased level of complaints this year will be down to initiatives such as 'You said, we did' where we actively encourage residents to make complains to help us improve our services. However the main cause for the increase in complaints has been in relation to problems with the condition of the roads as explained below.

KHS received over 1,000 complaints during the first half of this financial year from over 90,000 enquiries received. This compares to 328 complaints in the same period last year from 50,000 enquires. The increase was primarily as a result of the extremely harsh winter conditions that led to severe damage to the road network and fuelled concerns from residents about the time to repair potholes and dealing with the significant increase in insurance claims.

KHS have now addressed the backlog of faults which led to the increase in complaints, through the winter pot hole damage Find & Fix programme. This should reduce the number of complaints, although another harsh winter could again cause significant damage to the highways in Kent.

Services with reduced numbers of complaints this year include Libraries and the Youth Service.

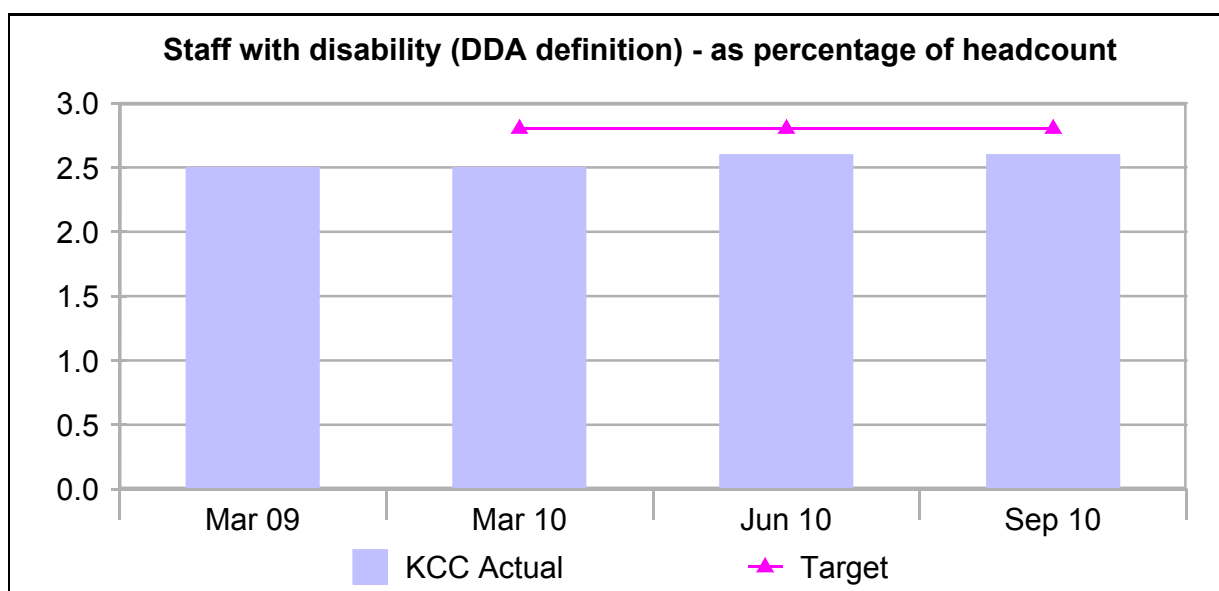
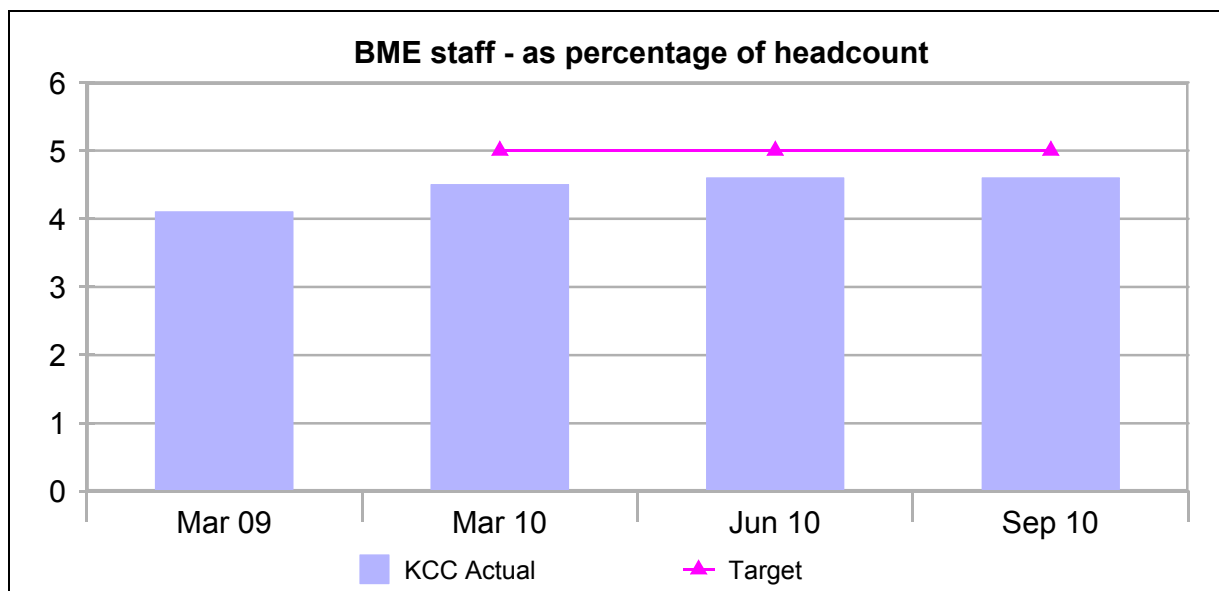


	Mar 09	Mar 10	Jun 10 Provisional	Sept 10 Provisional
Staffing levels – FTE	10,285	10,531	10,477	10,259
KCC Result – staff aged under 25	6.2%	7% ↑	6.8% ↓	6.8% ↔
Local government average	7.0%	7.0%	7.0%	7.0%
RAG Rating	▲	●	●	●

The current financial year shows a drop in staffing levels as funding becomes reduced and the council prepares for further funding reductions in the years to follow as government reduces its budget deficit.

The council has performed well in attracting younger people into the workforce, including young apprenticeships. Kent now performs close to the local government average of 7% of staff aged under 25 years old.

At least 350 additional apprenticeships will be taken on over the next four years.

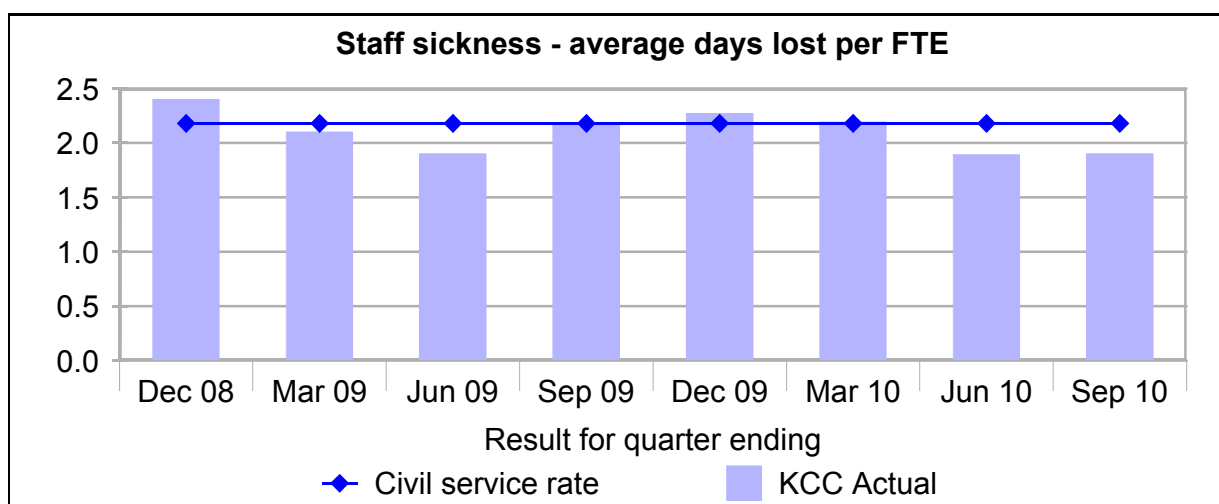
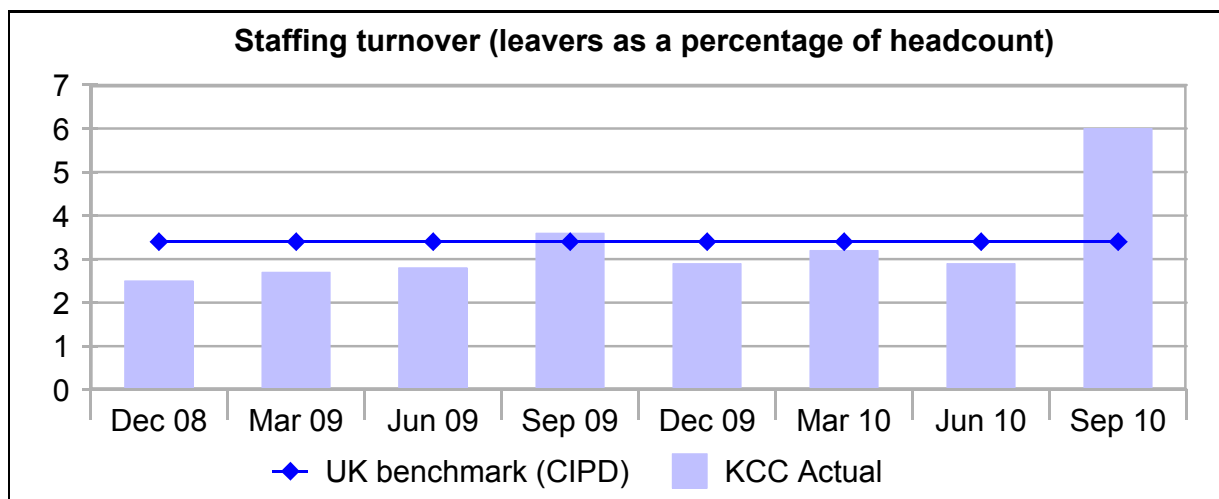


Higher value is better	Mar 09	Mar 10	Jun 10 Provisional	Sept 10 Provisional
BME staff actual	4.1%	4.5% ↑	4.6% ↑	4.6% ↔
Target	5%	5%	5%	5%
RAG Rating	▲	●	●	●
Staff with disability actual	2.5%	2.5% ↔	2.6% ↑	2.6% ↔
Target	2.8%	2.8%	2.8%	2.8%
RAG Rating	▲	▲	●	●

Progress is being made on attracting and retaining staff from black and minority ethnic groups with numbers continuing to increase.

Less progress is being made in relation to staff with disability with numbers not changing significantly in the last two years. Performance has however improved marginally since March 2010

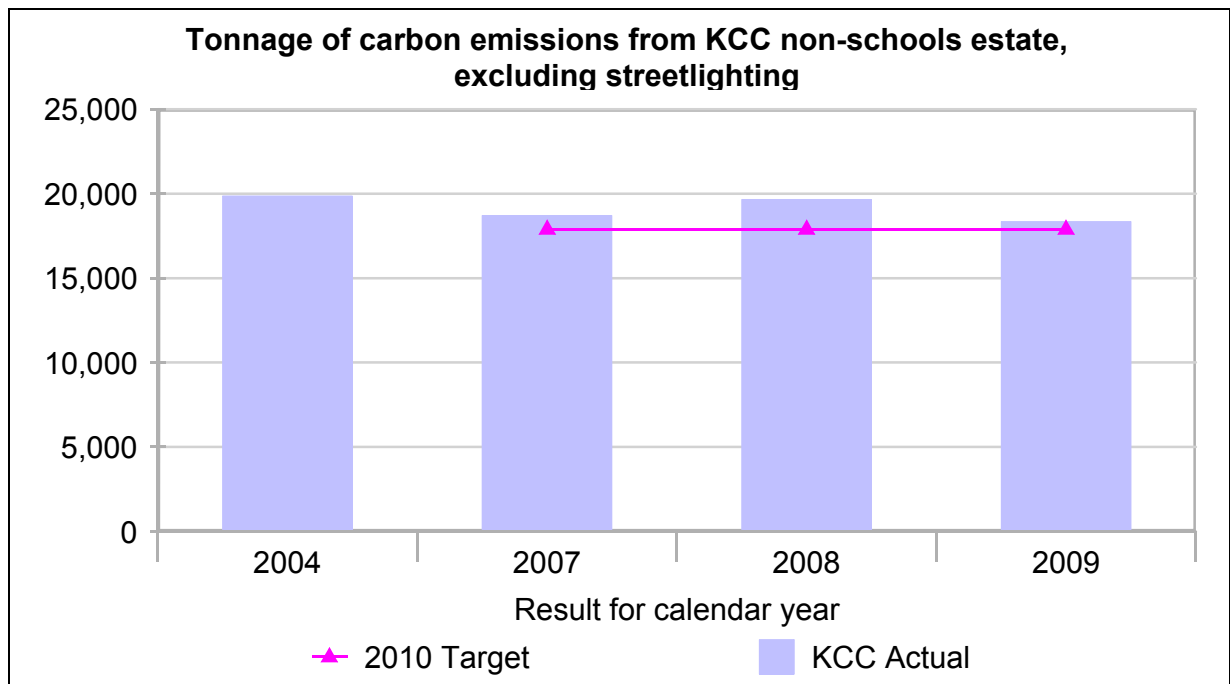
Results for both indicators could be erratic in future quarters due to staff turnover levels.



Lower value is better for sickness	Quarter to Dec 09	Quarter to Mar 10	Quarter to Jun 10 Provisional	Quarter to Sept 10 Provisional
Staff turnover actual	2.9%	3.2%	2.9%	6.0%
UK Benchmark	3.4%	3.4%	3.4%	3.4%
RAG Rating	Not rated – ideal is to be close to the benchmark over the medium term			
Staff sickness actual	2.3	2.2 ↑	1.9 ↑	1.9 ↔
Civil service rate	2.2	2.2	2.2	2.2
RAG Rating	●	●	★	★

The number of staff leavers has been high in the last quarter. This was a result of restructuring within services for Children, Families and Education where some posts were lost as well a result of some funding streams coming to an end. It is expected that high figures will continue to be reported over the next few years as funding cuts result in fewer staff being employed by the council.

Sickness days in the last 12 months have averaged 8.3 per full time employee which is down from previous figures, due to low levels in the last two quarters.



Lower result is better	2004 Baseline	2007	2008	2009
KCC non-schools result	19,900	18,700 ↑	19,700 ↓	18,300 ↑
Target		17,900	17,900	17,900
RAG Rating		▲	▲	●
Schools result (not graphed)	66,000	69,700 ↓	76,700 ↓	75,700 ↑
Target		59,400	59,400	59,400
RAG Rating		▲	▲	▲

The target for a 10% reduction in emissions from 2004 levels by 2010 is not being met although good progress has been made for the non-schools estate.

There has been an increase in emissions at schools including a 50% increase in electricity use. The increases are due to :

- Increase in physical estate (additional school buildings) e.g. Children's Centre Programme
- Significant increase in use of ICT in schools (ongoing)
- Longer 'hours of business' across KCC e.g. Extended Schools Programme
- New schools with higher energy use than those they replace

More than ever, a step change approach is now needed in energy and carbon management if the upward trend in energy demand and carbon emissions is to be reversed or even stabilised. Further options to take renewed action for the future are currently being explored including different funding mechanisms.

A plan of focused support for schools consuming large amounts of energy is underway and we are continuing to invest in energy saving projects where the payback is under 5 years.

Appendix : Comparative Benchmarks

In most cases the data is presented with the national average as the comparative benchmark. The national average will refer to data for all English councils.

We are developing the report to include more comparative information where relevant. For some services, the outcomes and performance will be correlated or related to various factors which are different in different places. Often the social and economic background of a local authority area will have a significant influence on the outcomes that are reported for key service areas. There are different comparators for different service areas and these are known as statistical neighbours.

For indicators for children, families and education we have included the average performance for the relevant statistical neighbour list, which is made up of the following local authority areas:

East Sussex
Essex
Lancashire
Northamptonshire
Nottinghamshire
Staffordshire
Warwickshire
West Sussex
Worcestershire
Swindon UA

For indicators relating to libraries we have provided a comparative benchmark for all county councils, as no agreed statistical neighbour lists exists but county council areas have similar geography to each other in terms of rural communities, whereas cities and metropolitan areas will have very different factors influencing the delivery of the service.

In relation to staffing data comparative benchmarks for local government and the civil service are used. These are used as workforces are similar in terms of size of organisation, age profile, gender balance and occupation. For example, staff sickness levels are highly influenced by age profile and gender balance of the workforce, the size of the organisation and the type of work. The nearest statistical neighbours for staffing matters such as sickness are therefore organisations which are similar on these characteristics such as other local government bodies and the civil service.

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By: Roger Gough, Cabinet Member for Corporate Support Services
and Performance Management
Katherine Kerswell, Group Managing Director

To: Corporate Policy Overview & Scrutiny Committee – 13 January 201

Subject: Reducing the National Performance and Inspection Burden and
Increasing Sector Self Regulation

Classification: Unrestricted

SUMMARY:

This report sets out the main changes to the national performance management and inspection landscape since the Coalition Government came to power.

FOR INFORMATION

1. Introduction

Since the Coalition Government came to power in May the national performance and inspection regulatory landscape has been transformed and is still changing. This includes the following:

- CAA has been abolished
- The Audit Commission has been abolished and will be disbanded by 2013
- Government Offices have been abolished
- Local Area Agreements have been abolished
- The National Indicator Set has been abolished - and will be superseded by a single data set to be provided by local government to central government from April 2011
- The Place Survey has been abolished
- The adult social care annual performance assessment and self assessment survey processes have been abolished
- Children's minister, Tim Loughton, has written to HM Chief Inspector at Ofsted asking her to seek the earliest opportunity to end the annual children's services assessment (likely to be in 2012)
- Local authorities are no longer required to set education performance targets for summer 2012 onwards
- We will be free to choose our own external auditors from amongst a more competitive and open market of audit firms (probably from 2012/13)
- There is a new office of Minister for Decentralisation (Greg Clarke).

2. Where does this leave us?

We support the Coalition Government's stance on reducing unnecessary top down bureaucracy and the drive to trust local government to 'just get on with it' and not to look to central government. We welcome the steps taken so far and would not want to see a return to unnecessary and overburdensome interference in authorities' own performance management arrangements. We would make the following points:

- We don't need government to tell us how to run the business. We have our own performance arrangements in place, which includes both qualitative as well as quantitative data and the potential to challenge ourselves. It includes overview and scrutiny processes that hold authorities to account as well as internal audit activity
- We are looking out to the public not up to government to tell us how we're doing
- Transparency is part of this – providing information and having a dialogue – and getting members to take the transparency agenda out to their communities
- Although CPA and CAA have helped the sector to improve its performance, we won't miss the CAA process. However, it must be said that without CAA there is no longer a proper focus on the collective performance of an area
- The huge financial pressures being put upon us should help to ensure that we focus on delivering the right outcomes in the best way, and we will use performance information and intelligence to tell us how we are doing
- Our budget situation is unprecedented and we will have to do more with less – or less with even less. Harsh decisions are being made on future service levels and there will be less 'gold plating'. It will need to be accepted that some areas of performance will not continuously improve – deliberately
- Our focus is on the customer in terms of setting priorities and targets and having a role in assessment, and not on government.

3. Sector self regulation

Against this background, the Local Government Group (LG Group), which includes the LGA, has campaigned for reduced inspection and regulation and for the sector to be responsible for its own performance. It invited responses to its consultation paper on 'Sector self regulation and improvement' in the early autumn. It was based on the following principles, which received wide support across the sector:

- Councils are responsible for their own performance
- Stronger accountability through greater transparency drives further improvement
- Councils have a collective responsibility for performance in the sector
- The role of the LG Group is to support councils by developing the necessary tools. These tools are set out later in this report.

The sector's overall concerns about the content of the LG Group's consultation paper were as follows (*NB Subsequent feedback from the LG Group is given in italics where relevant*):

- The LG Group mustn't put itself in the position of inspectors and regulators – we do not need things put in place just to fill the void
- The consultation proposals were too organisational in their approach and not 'place based', nor did they seek to give a model that takes into account localism or indeed working with our partners and the community in order to deliver services. There was no reference to the concept of the 'Big Society'. There was little reference to delivering outcomes and in particular combined outcomes with partners. Partners need to work together for the good of their locality and this must be recognised (*This has been accepted by the LG Group*)
- The proposals did not properly focus on the changing context of the public sector, especially a downsized organisation of the future, and the notion of delivering less with much less. What about the risks associated with this? What about how we tell the public about it - and the associated management of their expectations? The consultation paper didn't seem to reflect the issues associated with the scale of transition required over the next three to four years. Improvement is important but locally we may decide we can't now aim for improvement across the board.

As already mentioned, the consultation paper also proposed a number of tools to be used to assist the sector to self regulate. These were *peer review, a benchmarking tool and an enhanced knowledge hub*. The paper also sought views on *proposals for early warning signals*. *These four areas are described below together with some relevant comments or concerns which have already been raised in the response to the consultation or discussed with the LGA at various meetings.*

Our overall comment on the tools was that these should not be imposed and it should be up to each organisation to decide what to use and when (*This point has been accepted by the LG Group*).

1. Peer review

- Peer review was a main plank of the old IDEa regime in preparing for the CPA corporate assessment. Has any research been done to understand what peer review achieved first time round before setting off down this route again?
- The consultation paper suggested that peer review take place every three years as a minimum. This flies the face of a new era of reduced top-down prescription (*This point has now been accepted and peer review will now be voluntary and its frequency decided locally*)
- Aggressive vs. mild - Will peer review have the teeth to find the problems? Will it be bold enough to tell the authority about them? But will this then make it feel like an inspection event and require a big input of resource in order to prepare for it?
- What about the quality and capacity of peers in the face of sector downsizing?
- Has any thought been given to a different form of peer review e.g. by another authority, with your partners across an area, or within the organisation? (*This point has been accepted by the LG Group*).
- The role of Scrutiny is important but has been overlooked in the consultation (*This point has been accepted by the LG Group*).
- Will peer review be proportionate/based on risks? If it's voluntary you will not necessarily attract the weak authorities i.e. those that would benefit most from this process but if it is made mandatory it then flies in the face of the government's reduced top-down prescription agenda. It would then also be seen as an inspection 'event' involving an investment of resource by authorities in order to prepare
- What is the purpose of the peer review process? Is it just about improvement? Is it an early warning system to provide reputational resistance to the sector? Or is it an external validator of sound performance?
- Will each peer review produce a public report? If not, will authorities actually implement the recommendations made?

2. Benchmarking tool

- We need to have performance and contextual cost data over time, especially value for money. However, the national benchmarking tool proposed needs thinking through so we include the right things so valid comparisons can be made. (*The LG Group now have clarified that their proposals are about developing a consistent basic set of metrics, to be agreed with the sector and which also covers productivity whilst allowing a 'flexible fringe' for councils to select those metrics that are suitable for them. The core comparable metrics for councils and services are to be available from April 2011 with further developments from April 2012*)
- There need to be data standards
- The development of the benchmarking tool needs to be sector led not government led (*agreed, being led by LG Group*)

- We need to be able to compare with statistical neighbours where relevant (*Agreed, this will be the case*)
- Who is this benchmarking tool aimed at? If we get it right it will inform the organisation, its members, the sector, as well as inform the public in terms of the transparency agenda
- Qualitative data must not stand alone, it should be accompanied by qualitative data e.g. independent evaluation of a complex outcome
- To get the best from it, it needs to be the single benchmarking source for the sector. But how do you get all authorities using it if there is to be no top-down prescription from government to join?
- Importantly the development of the benchmarking tool needs to be tied to the single data set (see later in this report).

3. An enhanced 'knowledge hub' (to share best practice)

- To be of real value this needs to focus on practicalities and the things you can actually change or influence
- Is some of this knowledge/best practice best provided nationally, sub-nationally, regionally, locally?
- Face to face networking or action learning is often more valuable than web-based knowledge especially if it's focused learning in small groups as it enables participants to leave the sessions feeling empowered to improve
- The 'knowledge hub' could also be used as a sounding board to help co-design services etc
- CAA green flags didn't encourage sharing of best practice as it wasn't face to face and you were forced to find out more about it for yourself. So is the 'knowledge hub' really going to help share best practice?

4. Early warning signals/system

- We need to look at the appropriateness of the LG Group's role in this as we need to be careful it doesn't become a replacement for the inspection burden that has been lifted (*This point has been accepted by the LG Group*)
- We need to look at the councils that have bought the sector into disrepute and ask if an early warning system could have bought that to light sooner? Would it have discovered a Doncaster? A Baby Peter?
- What about whistle blowing being part of this process?

(The LG Group has changed the stance a bit on this following consultation and is talking about doing this via political and professional networking nationally, regionally and sub-regionally).

Way forward in terms of future development of these tools

In terms of the way forward, the LG Group will be providing feedback on their consultation, including what they now intend to do. However, it's already clear these are just to be tools for the sector to use *if it chooses*.

4. Single national data set

As part of Eric Pickles' announcement to abolish the National Indicator Set, he promised a review of the national data collections and an agreement on a single data set to be provided by local government to central government.

CLG is leading on the review to provide a composite list of all the data burdens that the various government departments place on councils (these are the statistical and data returns which local government is required to submit to government) with the intention to reduce the list and then review it on an annual basis. CLG has been asking government departments what they think they will want in future. The single data set is due to be in place by April 2011.

On 17 December, CLG published the draft list, otherwise known as the Single Data List. This list is not to be confused with performance indicators previously used in performance management arrangements such as CAA and within Local Area Agreements (i.e. the National Indicator Set). Instead this list covers the far more detailed and more extensive data returns which underlie such performance indicators and includes a range of information collected for various purposes such as the production of national statistics.

Comments from local government on the draft Single Data List are welcomed by government and the closing date for comments is 4 February.

The Single Data List represents the complete set of data to be collected for 2011/12 and has been produced for transparency purposes and also to begin a process of reduction in undue burden. The list will be open to ongoing scrutiny and challenge and subject to annual review. It currently has the status of 'draft', on the basis that not every return may be included and the list is expected to grow as more returns are identified, in particular requests from other public bodies other than central government departments, which need to be added.

CLG promise a full and frank discussion before the list is finalised by April. This will include the cost of collection if the sector deems it a burden. CLG is hoping the review will lead to a reduction in number, that is the aim, but they don't want to reduce it if the data is deemed useful.

Reducing the burden is only one side of the consideration to be made when reviewing the data returns. Other considerations include delivering improvement in the quality and comparability of data, and the openness and transparency of results.

A great deal of resource goes into submitting vast amounts of data covering all major service activities of local government in terms of financial inputs, activity funded and outcomes achieved. The returns we complete overlap and include duplication of the same information in different formats, made to the different government departments, government agencies and also to CIPFA. Yet for all of this effort this data collection provides limited benefit back to local government and little transparency.

Surely for less effort we can collectively devise a set of returns which provides better quality, open and transparent comparative information, covering the major service areas we all need to keep track of, which meets government's information needs and which provides greater tangible benefit back to local government bodies.

The publication of the draft Single List is the start of a process but we still have a long way to go in order to achieve a sensible position in relation to the issues involved in this area.

We can expect some quick wins through this current consultation but in order to effect real meaningful long term change the current consultation should be considered as only the start of a much longer dialogue, and we need to ensure that this is not seen as just a one off exercise.

We must lobby hard to ensure that the list becomes more comprehensive and covers all the data returns we make to government agencies and that it is considered alongside other returns such as CIPFA statistics. We need to ensure that a process is put in place to conduct comprehensive reviews of all of these returns over a longer time period than allowed for within the current consultation. This will ensure that the burden is genuinely reduced, information benefits are improved and transparency is delivered through improving the existing returns which we already complete, rather than trying to achieve any of these secondary objectives by inventing new collections and publications.

5. CLG inquiry into the audit and inspection of local authorities

Following Eric Pickles' decision to abolish the Audit Commission, the House of Commons Communities and Local Government Committee has initiated an inquiry into the future arrangements in all the areas that previously fell within the responsibility of the Audit Commission, including:

- Audit of local authority expenditure
- Oversight and inspection of local authority performance; and
- Value for money studies.

The deadline was 6 January and we have provided a response. A summary of the key points made in our response is as follows:

- We support the Coalition Government's stance on reducing unnecessary top down bureaucracy, including inspection, and the move towards a decentralised approach to the audit and performance management arrangements for the sector
- To ensure improved value for money and local accountability of the auditors, we would prefer to see local selection and appointment from a pool of approved suppliers
- To ensure consistency and quality of provision an audit framework needs to be developed and monitored by a national regulatory body
- The sector is responsible for its own performance and we are looking out to the public (as part of the transparency agenda) not up to government to tell us how we're doing
- Government must ensure the inspectorates become much more joined up and that the inspection frameworks are rationalised, proportionate and risk-based
- It is right that inspection and intervention will remain for the most vulnerable
- We would expect to see the centrally-imposed data collection burden to be reduced substantially as part of the work to finalise the single data set for local government and for data only to be submitted to government departments where it genuinely adds value.

6. Conclusion

The Coalition Government has taken radical steps to reduce the regulatory burden in terms of the national performance and inspection frameworks.

Across the sector, we will need to ensure we balance the degree of reduction of the regulatory frameworks by ensuring our own performance arrangements are robust. As part of that we will want to use feedback from the public and our customers on what their priorities are and to tell them how we are doing against them through greater transparency.

Whether we will see a return to the national bureaucratic and burdensome processes of the past is likely to be down to whether performance of the sector declines significantly or maybe if we see a change of government.

7. Recommendations

Members are asked to NOTE the report and COMMENT as appropriate.

Accountable officer:

Sue Garton, County Performance & Evaluation Manager, Chief Executive's Department
01622 22(1980).

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By: Alex King, Deputy Leader and Cabinet Member for Localism and Partnerships
Paul Wickenden, Overview Scrutiny and Localism Manager

To: Corporate Policy Overview and Scrutiny Committee
13 January 2011

Subject: Decentralisation and the Localism Bill

Introduction

1. (1) The Coalition Government issued its eagerly awaited Localism Bill on 13 December 2010. The Bill makes the case for a radical shift of power from the centralised state to local communities.

(2) The Localism Bill provides the legislative foundation for change to deliver decentralisation down through every level of government to every citizen.

“We will be the first Government in a generation to leave office with much less power in Whitehall than we started with. Why? Because we feel the importance of this in our heads as well as our hearts.

“There’s the efficiency argument – that in huge hierarchies, money gets spent on bureaucracy instead of the frontline. There is the fairness argument – that centralised national blueprints don’t allow for local solutions to major social problems. And there is the political argument – that centralisation creates a great distance in our democracy between the government and the governed.

“But we feel it in our hearts, too. We are optimists. We believe that when people are given the freedom to take responsibility, they start achieving things on their own and they’re possessed with new dynamism. Multiply this transformation by millions of people and you’ll get an idea of why we are so passionate about this power shift.”

David Cameron, *The Observer*, 12 September 2010

(3) In addition to the Bill the Government has published *Decentralisation and the Localism Bill: an essential guide*. It sets out six actions central government will need to take to do things differently - in behavior, expectation, and culture, which must go alongside the changes in law proposed in the Bill.

(4) They are to:

* **Lift the burden of bureaucracy** - by removing the cost and control of unnecessary red tape and regulation, whose effect is to restrict local action;

***Empower communities to do things their way** - by creating rights for people to get involved with, and direct the development of, their communities;

***Increase local control of public finance** - so that more of the decisions over how public money is spent and raised can be taken within communities;

***Diversify the supply of public services** - by ending public sector monopolies, ensuring a level-playing field for all suppliers, giving people more choice and a better standard of service;

***Open up government to public scrutiny** - by releasing government information into the public domain, so that people can know how their money is spent, how it is used and to what effect; and

Strengthen accountability to local people - by giving every citizen the power to change the services provided to them through participation, choice or the ballot box.

What are the Highlights of the Localism Bill

2. (1) ***Devolving significant new powers to councils*** - In a major transfer of power from Whitehall to town halls, Councils will be freed from bureaucratic constraints with new freedoms and flexibilities to act in the best interests of their area. Councillors will have to approve and be required to publish new chief executive pay rules at full Council that management will have to follow. Councillors will no longer be prevented from voting on campaign issues; and there will be a new power to create directly elected mayors in 12 cities giving residents a say in a strong democratically elected leader;

(2) ***Establishing powerful new rights for local people and communities*** - powers for councils are accompanied by greater powers for local people to hold their local authorities to account. Local people and communities' will have real power and a bigger say over their area through a new right to challenge to take over services; a new right to bid to buy local assets such as libraries, pubs and shops; a new right to veto excessive council tax rises through a referendum. Bin tax laws repealed;

(3) ***Radically reforming planning*** - Ministers believe the current planning system is too centralised and bureaucratic, too adversarial and remote from the communities it affects. The Bill will restore democratic and local control over planning by replacing the Infrastructure Planning Commission with an efficient and democratically accountable system for major infrastructure. The Bill will enable regional planning to be swept away and in its place neighbourhood plans will become the new building blocks of the planning system where communities have the power to grant planning permission if a local majority are in favour;

(4) ***Making housing fairer and more democratic*** - The Bill will return decision-making powers on housing to local councils and communities through a new Community Right to Build giving communities the freedom they need in order to come together to build new homes & amenities in their towns & villages. Home Information Packs will be formally scrapped. The Bill will put councils in charge

of allocation and tenure of social housing, giving councils the flexibility to use their social housing stock to the maximum effect and reduce waiting lists., It will be easier for social tenants to relocate through a new National Homeswap Scheme, and councils will be able to offer flexible solutions to people at risk of homelessness. The Housing Revenue Account Subsidy System will be replaced with a more transparent system that serves local communities. Tenants will be able to scrutinise the services offered by their landlords and hold them to account. The Tenant Services Authority will be abolished but its vital economic regulation functions will be preserved;

(5) **Creating powerful incentives for economic growth-** The Bill will give local government a stronger financial stake in the local economy, helping rebalance the economy, so it is more entrepreneurial and attracts local business by allowing local authorities to grant discretionary business rate discounts; making small business tax breaks easier take advantage of; giving affected businesses a greater say in rate supplements and cancelling certain backdated business rates including port taxes

From Big Government to Big Society

3. (1) The big unanswered question is how will the shift from Big Government to the Big Society be achieved and how do you define what the “Big Society” is.

(2) In simple terms the Government is describing what happens whenever people work together for the common good. It is about achieving our collective goals in ways that are more diverse, more local and more personal.

(3) The Government has indicated that the best contribution it can make is to devolve power, money and knowledge to those best placed to find the best solutions to local needs: elected local representatives, frontline public service professionals, social enterprises, charities, co-ops, community groups, neighbourhoods and individuals.

Driving decentralisation

(4) The Government is therefore committed to decentralisation, which is the biggest thing that government can do to build the Big Society.

(5) However, the Government recognises that one of the biggest challenges is those who have the do not usually want to give it away. So the irony of decentralisation is that it requires a determined programme to ensure that power is given away to the lowest level.

Recommendation

4. The Committee are asked to note the report.

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By: Overview, Scrutiny and Localism Manager

To: Corporate Policy Overview and Scrutiny Committee
13 January 2011

Subject: **SELECT COMMITTEE - UPDATE**

Classification: Unrestricted

Summary: To update the Committee on the current topic review programme and to invite suggestions for future Select Committee topic reviews.

Select Committee Topic Review Work Programme

1. (1) There are currently no Select Committee topic reviews in the work programme which fall under the remit of this Policy Overview and Scrutiny Committee.

(2) The following Select Committees presented their reports to Cabinet on 29 November 2010 and to County Council on 16 December 2010.

- Renewable Energy
- Extended Services

(3) The Select Committee work programme consists of the following:-

- Educational Attainment of Pupils and Schools in Areas of High Deprivation – which is due to start its work shortly.
- Dementia – inaugural meeting on 5 January 2011.
- The Student Journey – due to start its work in Spring 2011.

Suggestions for Select Committee topic reviews

2. At the Scrutiny Board It was agreed that Members would be asked to consider whether there are any topics that they would like to put forward for consideration for inclusion in the future topic review programme. If Members do have any suggestions could they contact the Democratic Services Officer for this POSC.

3. **Recommendation** Members are asked to note the Select Committee topic review update and to advise the Democratic Services officer of any items that they would like to suggest for inclusion in the Select Committee topic review programme

Denise Fitch
Tel No: 01622 694269
e-mail: denise.fitch@kent.gov.uk

Background Information: *Nil*

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