

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 20 June 2013

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mr N J D Chard, Mr J Elenor, Mr C P D Hoare, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr L B Ridings, MBE, Mr D Smyth, Mr N S Thandi, Mr R H Bird (Substitute for Mrs T Dean) and Mrs A D Allen (Substitute for Mrs P A V Stockell)

ALSO PRESENT: Mr G Cooke, Mr J D Simmonds and Mr B J Sweetland

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Enterprise and Environment), Mrs A Beer (Corporate Director of Human Resources), Mr P Bole (Head of ICT), Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr R Fitzgerald (Performance Manager), Mr R Hallett (Head of Business Intelligence), Mr I McPherson (Managing Director Commercial Services), Ms R Spore (Director of Property & Infrastructure Support), Mr D Whittle (Head of Policy and Strategic Relationships), Mr G Wild (Director of Governance and Law), Mr A Wood (Corporate Director of Finance and Procurement) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

2. Membership

(Item A3)

It was noted that Mr Long, TD had replaced Mr R A Marsh as a member of the Policy and Resources Cabinet Committee.

3. Election of Vice-Chairman

(Item A5)

Proposed by Mr King, seconded by Mr Chard and

RESOLVED that Ms Carey be elected as Vice-Chairman of the Policy and Resources Cabinet Committee.

4. Minutes of the meetings held on 15 March 2013 and 23 May 2013

(Item A6)

RESOLVED that the minutes of the meetings held on 15 March and 23 May 2013 are correctly recorded and that they be signed by the Chairman subject to amendments to the minutes of the meeting held on 15 March 2013 as follows:

Minute 85(1) - replace "introduce" with "introduced"

Minute 85(2) – replace "premising" with "premises"

Minute 86(2) – replace "training" with "trained".

5. Asset Management Strategy

(Item B1)

- (1) Mr Cooke, Cabinet Member for Corporate and Democratic Services, introduced the report which provided the updated draft of the Asset Management Strategy and invited the Committee to consider and endorse or make recommendations on the proposed decision to adopt the Asset Management Strategy. He said the current Asset Management Plan had been adopted in 2007 and not 2002 as stated in the report.
- (2) In response to questions, Mr Cooke, Mr Simmonds and Ms Spore said that:
 - (a) The Asset Management Plan was a living document that required further refinement to ensure it remained current;
 - (b) The *capital assets** target of £100m was developed with directorates and to an extent would depend on the general condition of the market;
 - (c) Efforts were made to avoid expenditure on schools that had declared their intention to become academies but the Council had statutory duties as a landlord, which it must ensure it met;
 - (d) There would be delivery plans underneath the overarching Asset Management Strategy and the Committee would therefore receive regular updates on progress;
 - (e) One of the elements of the New Ways of Working project was to ensure all buildings owned by the Council were fully utilised and work was continuing in conjunction with Customer Services to ensure services were delivered effectively from suitable buildings.
- (3) Members of the Committee commented that:
 - (a) The Asset Management Strategy was a good document and that it should be refined to add clarity and focus and to avoid jargon and repetition;
 - (b) This Committee should review the Asset Management Strategy in 12 months time.
- (4) The report authors were commended for the quality of the draft strategy.
- (5) RESOLVED that the proposed decision to approve the Asset Management Strategy set out at Appendix 1 to the report be endorsed subject to the comments set out at paragraph (3) above.

6. Commercial Services

(Item C1)

- (1) Mr Sweetland, Cabinet Member for Commercial and Traded Services, and Mr McPherson, Managing Director Commercial Services, introduced the report which provided information about the progress made to improve the management, governance and operations of Commercial Services following an independent review and consideration by the Shareholder Board for Commercial Services.
- (2) Mr McPherson also gave a short presentation outlining the transformation journey undergone by Commercial Services from being an organisation that had delivered services to the Council for the last 70 years without any real

consideration of cost, profit or loss to a commercial arm that is properly structured, governed and managed to meet the growth challenges of the future in a viable, sustainable and profitable way. He outlined the scheme of delegation, the mission statement, the divisional structure and drew attention to some highlights including the facts that Kent Commercial Services: is the largest single public sector owned trading organisation; had returned over £60m to KCC over the last 15 years; employs 820 staff locally; contributes more than £8,000 *per employee** net per annum to KCC; conducts 83% of its turnover outside the influence of KCC; and brings income exceeding £250m into the county annually.

(3) In response to questions, Mr Sweetland, Mr Austerberry and Mr McPherson said that:

(a) Staff previously employed in 26 separate business units had transferred to the relevant commercial company; there was no cross subsidy from the "Teckal" company to the S95 company and complex measures were in place to ensure corporation tax and other liabilities were correctly assigned.

(b) It was difficult to obtain an accurate market value for Commercial Services as some elements such as Laser (in effect a cooperative of local authorities combining to leverage the energy markets) were not saleable and there were no private sector bench marks. It had, however, been previously valued at between £35m-£40m. Mr McPherson also assured members that Commercial Services was an independent, arms length, viable company wholly owned by KCC and that it did not receive any capital or revenue injections from the authority and paid an agreed dividend to KCC annually;

(c) Appropriate branding was used in supplying goods and services to private sector organisations;

(d) By having a bus and coach business the market had been successfully moderated. This business would cease in autumn 2013 when the remaining contracts which were only marginally profitable came to an end;

(e) Although there was no need to moderate the bus and coach market at the present time, it was not being ruled out for the future if the need re-emerged;

(f) Commercial Services employed apprentices and were looking to employ more. In addition Yeoman's (an arm of the landscape division) successfully employed people with learning difficulties.

(4) Members of the Committee also commented that:

(a) It was pleasing to see the progress of Commercial Services over the last 2-3 years;

(b) The decision not to follow other authorities' example in disposing of their commercial services was a good one.

- (5) RESOLVED that the progress made following the changes to improve the management, governance and operations of Commercial Services be noted.

7. Performance Dashboard

(Item C2)

- (1) Mr Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement, and Mr Fitzgerald, Performance Manager, introduced the Business Strategy and Support 2012/13 end of year Business Plan outturn monitoring and Directorate Dashboard. This outturn monitoring provided highlights of the achievements against Business Plan priorities and actions during the financial year and the Directorate Dashboard showed progress against targets set for key performance indicators. All Directors and Heads of Service were present to answer questions relating to their service area.
- (2) Answers to questions were given as follows:
- (a) Mr Fitzgerald said that the number of Freedom of Information requests had levelled off in the last year but the number of requests had not reduced. Current performance for responses issued within the statutory timescale was 98%.
 - (b) Mr Bole said that the systems reconfiguration required in response to the Ofsted recommendation had changed as a result of new statutory requirements set out in "Working Together" published in spring 2013. A decision had been taken to wait on the release of a software upgrade being developed to meet those requirements and it was anticipated that this would be in place by the end of the year;
 - (c) Mr Wild said that KCC would soon be fully compliant with all 10 elements of public data in accordance with the Code of Recommended Practice for local authorities on data transparency;
 - (d) Mr Whittle said achievement in relation to supporting effective strategic relationships both within and beyond Kent was rated "amber" because some over optimistic proposals had been set at the beginning of the year, one being the development of a shared approach to the management of the Community Right to Bid which did not happen;
 - (e) Mr Wood said that around 90% of invoices were paid within 30 days and efforts were being made to pay as many invoices as possible within 20 days. He also said that the Collaborative Planning system had been successfully rolled out to managers who held budgets considered to be low or medium risk. Managers were now beginning to see the benefits. At some stage a decision would need to be made to extend it to managers holding high risk budgets and to develop better links between finance and other systems such as SWIFT being used in the authority.
- (3) Mr Smyth congratulated officers on being named in the Audit Commission report "Auditing the Accounts 2011/12" as the only county council where auditors were able to issue an unqualified opinion on the 2011/12 accounts by

31 July 2012 and said this was particularly remarkable as the requirements changed from year to year.

- (4) RESOLVED that the outturn monitoring and the performance dashboard be noted.

8. Oracle Update - Presentation

(Item C3)

- (1) Mr Hallett, Head of Business Intelligence, gave a presentation on “Doing Things Differently”. He said the Enterprise Resource Planning (ERP) Programme brought HR, Finance, Procurement, ICT and Business Strategy Systems together to drive systems and process improvement, compliance, and cultural change with the aim of achieving operational excellence by increasing quality and reducing costs. The next phase was to achieve management excellence which is about reducing the time spent finding, collating and reconciling data, preparing and distributing reports, the reliance on IT and local reporting experts and increasing the time spent considering the messages from the information and formulating appropriate action. Mr Hallett concluded by demonstrating the Oracle Business Intelligence System.
- (2) Mr Simmonds said the introduction of this system would contribute to a change in culture in relation to managers’ responsibilities.
- (3) RESOLVED that the development of the Oracle Business Intelligence System be noted.

9. Use of Sprinklers in New and Existing Buildings

(Item D1)

- (1) Mr Cooke, Cabinet Member for Corporate and Democratic Services, introduced the report which provided general information on sprinkler systems, including current practices and legislative requirements. The report asked the Committee to consider and note recommendations as to the Council’s future use of sprinklers within its existing estate and in any new buildings.
- (2) Mr Chard said that references to Kent Fire Brigade should be amended to read Kent Fire and Rescue Service. He also proposed that there should be specific reference to the use of sprinklers in the Kent Design Guide. This was seconded by Mr Bird and agreed.
- (3) Mr Cooke and Ms Spore said it should be noted that the Kent Design Guide was used by external organisations and KCC would not be able to enforce any non-statutory requirements included in it.
- (4) RESOLVED:
 - (a) That reference to the use of sprinklers be made in the Kent Design Guide and the agreement of the precise wording be delegated to the

Director of Property and Infrastructure Support following consultation with the Cabinet Member for Corporate and Democratic Services.

- (b) That when the Council is constructing new buildings (non schools), consideration as part of the construction specification is given to the use of sprinklers as part of an overall fire management strategy to comply with guidelines and legislative requirements be noted. Where the assessment indicates that it is appropriate sprinklers will be included.
- (c) That when the Council is constructing new school buildings, consideration as part of the construction specification is given to the installation of sprinkler systems and assessed in accordance with Department for Education's Building Bulletin 100 and other legislative requirements. Where this assessment indicates it is appropriate, sprinklers will be included. This policy can only be applied to schools for which the County Council is responsible.
- (d) That the fire safety inspection regime for the existing estate be continued.
- (e) That, as a result of a new policy from the Kent Fire and Rescue Service, a risk assessment is undertaken in relation to buildings which are located in isolated areas whereby the alarm cannot be easily raised. It was noted that this is primarily to address property protection rather than life safety issues.

10. Welfare Reform

(Item D2)

- (1) Mr Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement, Mr Whittle, Head of Policy and Strategic Relationships and Mr Hallett, Head of Business Intelligence introduced the report which: presented information about the range of reforms taking place; gave an analysis of the scale and scope of those changes; considered the potential impacts for Kent; and suggested responses to mitigate the impacts and manage risk. A framework to monitor and assess impacts, including population shifts into Kent, had been developed and was included in the report.
- (2) Mr Whittle drew the Committee's attention to section 2 of the research report which set out the main welfare reform measures and the timetable for their introduction and to section 5 which set out the potential cumulative impact of the changes.
- (3) Mr Hallett said that it was important to establish a baseline for migration into Kent in order to distinguish between these "normal" migration patterns (the baseline) and future migration patterns which might change as a result of the impact of benefit changes. He said there was initial indication of an increase, but not just from London as was originally expected. Initial findings showed that an equivalent number of people were coming from other parts of the UK as were coming from London and there was a need to establish the reasons for this and check that these findings were correct. He also said it was difficult

to differentiate between moves made as a result of benefit changes and those caused by the general economic situation. He further said that Business Intelligence would produce a research report, twice a year, drawing together a range of evidence to address questions such as; whether there was increased in-migration; what the impacts on people in Kent were; whether there was more demand for KCC and district council services; and the impact on places.

- (4) Ms Carey said she was pleased to note the reference to economic development and regeneration, as employment was particularly important in lifting people out of poverty, and people should not be trapped in a benefits system. She said the report was a “worst case scenario” and she drew attention to the benefits of people moving to Kent to live while continuing to work in London, the benefits of good rail links and the support being offered by at least one council in London to those who needed to move out of London.
- (5) In response to a question about the impact of paying benefits monthly rather than weekly or fortnightly, Mr Whittle said that this was still being tested in a few areas by the DWP, it was down to local delivery partnerships to co-ordinate advice in response to universal credit and KCC was hosting a website to enable individuals understand the impact of universal credit and to demonstrate that in most cases people would be better off working.
- (6) Concerns were raised about the projection that both relative and absolute poverty would increase for children and working age people and it was confirmed that the government had not made any additional resources available to local authorities to support the transition and the money to be made available under the Local Support Services Framework had not yet been determined.
- (7) RESOLVED:
 - (a) That the evidence, potential impacts and implications presented in the report be noted;
 - (b) That the research questions in the framework to monitor and assess impacts addressed KCC’s information needs.

11. Cavendish Road - The granting of a lease for the purposes of providing supported accommodation and completion of a nominations agreement - Decision No. 13/00030

(Item E1)

- (1) An urgent decision relating to the granting of a lease for the purposes of providing supported accommodation and completion of a nominations agreement was taken by Mr Gough, Cabinet Member for Business Strategy, Performance and Health Reform on 14 March 2013 in accordance with the process set out in Appendix 4 Part 7 paragraph 7.18 of the Council’s Constitution.
- (2) RESOLVED that Decision No. 13/00030 - Cavendish Road – taken in accordance with the process in Appendix 4 Part 7 paragraph 7.18 be noted as follows:

- (a) A 125 year lease be granted to the Town and Country Housing Group (TCHG) for the purposes of providing supported accommodation for KCC Families and Social Care (FSC) clients on the site at Cavendish Road, Herne Bay;
- (b) Authority be delegated to the Director of Property and Infrastructure Support to negotiate the final terms and conditions;
- (c) A nominations agreement between TCHG and KCC to allow KCC to nominate clients to receive services for the duration of the lease be established; and
- (d) Authority be delegated to the Director of Learning Disability and Mental Health to sign the nominations agreement, subject to him being satisfied as to the detailed terms and conditions.

*The minutes were agreed by the committee at its meeting on 25 September 2013 subject to the amendments in italics and marked with **