

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 Friday, 6 December 2013

PRESENT: Mr A J King, MBE (Chairman), Mr M J Angell, Mr R E Brookbank, Miss S J Carey, Mr J A Davies, Mrs T Dean, Mr J Elenor, Mr M J Harrison, Mr C P D Hoare, Mr R A Latchford, OBE, Mr S C Manion, Mr D Smyth and Mr N S Thandi

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

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business Strategy and Support), Mrs A Beer (Corporate Director Human Resources), Mr P Bole (Director of ICT), Mr J Burr (Director of Highways and Transportation and Principal Director of Transformation), Mr S Charman (Head of Consultation and Engagement), Ms D Exall (Strategic Relationship Advisor), Mr R Hallett (Head of Business Intelligence), Ms J Hansen (Finance Business Partner BSS), Mr A McClure (Corporate Lead for Equalities), Mr C Miller (Reward Manager), Mr D Shipton (Head of Financial Strategy), 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

29. Introduction/Webcast announcement

(Item A1)

30. Apologies

(Item A2)

Apologies for absence were received from Mr Chard, Mr Long, Mr Ridings and Mrs Stockell. Mr Harrison, Mr Angell and Mr Brookbank attended as substitutes for Mr Chard, Mr Long and Mrs Stockell respectively.

31. Declarations of Interest by Members in items on the Agenda

(Item A3)

Mr Smyth attended declared an interest in the item about High-cost Short Term Credit Providers as he was a Co-operative sponsored councillor.

32. Minutes of the meeting held on 25 September 2013

(Item A4)

RESOLVED that the minutes of the meeting held on 25 September 2013 are correctly recorded and that they be signed by the chairman.

33. Dates of Policy and Resources Cabinet Committee Meetings for 2014

(Item A5)

RESOLVED that the dates of meetings for the Policy and Resources Cabinet Committee of 17 January, 23 April, 10 July, 19 September and 12 December 2014 be noted.

34. Business Strategy and Support Mid Year Business Plan Monitoring and Directorate Dashboard

(Item C1)

- (1) Mr Hallett introduced the report which comprised the mid-year business plan monitoring report that provided highlights of achievements to date for the divisions within the Business Strategy and Support Directorate and the Directorate Dashboard that showed progress made against targets set for Key Performance Indicators. He said the majority of indicators were either ahead of target or at acceptable levels for the year to date. He drew particular attention to three indicators that showed a red rag rating and explained that although red, they were not a cause for major concern.
- (2) In response to a question about compliance with the government's Code of Recommended Practice for Local Authorities on Data Transparency, Mr Wild (Director of Governance and Law) said that total compliance was being actively pursued, Kent was significantly ahead of other authorities and members could be confident that the authority would be fully compliant soon.
- (3) In response to a further question, Mr Wild said work was continuing with Finance and Internal Audit to identify all of the authority's spend on legal advice and all such expenditure was reviewed to determine if legal advice was required or if it could be obtained in a more effective way.
- (4) In response to questions about the Priority Schools Programme, Ms Spore said the Treasury had issued new best practice guidance for PFI projects and areas where savings could be identified. These included the development of PF2 which is being taken forward as part of the Priority Schools Programme. There were some changes but the key one was that "soft" services such as cleaning and waste services were no longer included in PFI agreements. She said discussions with contractors were underway to explore moving to PF2.
- (5) In response to a further question she undertook to confirm how much the review of PFI contracts for Kent schools undertaken by Bryanstone Square Education consultants had cost.
- (6) In response to a question about the internal audit plan being behind target because four members of staff had left, Mr Wood said the feasibility of establishing a career grade for audit staff was being investigated and in the meantime some good agency staff had been recruited.
- (7) RESOLVED that the report be noted.

35. Business Strategy and Support Directorate Financial Monitoring

(Item C2)

- (1) Ms Hansen introduced the report which asked the committee to note the second quarter's full budget monitoring report for 2013/14 that had been reported to Cabinet on 2 December 2013. She said that the second quarter's monitoring was generally a good indicator of the likely out turn for the year. She further said the budget for Business Strategy and Support was broadly on target with an underspend in relation to rolled over funding for a health reform project spanning two years and an underspend against the training budget following approval of all directorates' workforce development plans.
- (2) In response to a question about the Property Enterprise Fund 1 (PEF1), Ms Spore said that the money would be reimbursed and undertook to provide more detailed information outside the meeting.
- (3) Ms Spore also confirmed that there was a comprehensive programme of legionella and asbestos testing in place and an internal audit report was being finalised which would give the programme and practice an "adequate level of assurance".
- (4) RESOLVED that the revenue and capital forecast variances from budget for 2013/14 for the Business Strategy and Support Directorate based on the second quarter's full monitoring to Cabinet be noted.

36. FT Innovative Lawyers 2013

(Item C3)

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) and Mr Wild (Director of Governance and Law) introduced the report which reported that KCC Legal Services had been commended as Legal Industry Pioneers in the FT Innovative Lawyers 2013.
- (2) RESOLVED that the report be noted and staff be congratulated on the success.

37. Annual Equality Report

(Item D1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) and Mr McClure (Corporate Lead for Equality) introduced the report which included the Annual Equality Report for 2012/13. Mr McClure said all authorities had a duty to publish equality objectives and to review progress against those objectives annually.
- (2) In response to questions about the high level of exclusion and low educational attainment levels of Gypsy/Roma children and those who are travellers of Irish heritage, Mr McClure said that these issues were of great concern to the Education, Learning and Skills Directorate and the authority was participating in a pilot scheme to improve the education experience of pupils from this community. It was anticipated that improvements in educational attainment and a reduction in exclusion rates could make a significant difference in terms of employment for these communities and relationships with the wider community.

- (3) Questions were also asked about the potential impact of reducing staff numbers on the delivery of frontline services and the efforts being made to ensure the number of staff from black and minority ethnic communities reflected the population of Kent as a whole.
- (4) RESOLVED that the Annual Equality Report for 2013 be endorsed.

38. Update on Terms and Conditions Review

(Item D2)

- (1) Mr Miller (Reward Manager) introduced the report which provided an update on the implementation of changes to the terms and conditions of employment previously reported to the Policy and Resources Cabinet Committee on 27 September 2012. He said that the principal changes related to: weekend and evening enhancements; the reduction of the standard overtime rate from time and half to time plus one-third; the payment of disturbance allowances and loss of earnings compensation.
- (2) Mr Miller answered questions about incentives to staff to work in East Kent where there were shortages of social workers and the savings made in OPPD Provision Modernisation.
- (3) RESOLVED that the outcome of the terms and conditions review be noted.

39. Welfare Reform and Potential Impacts in Kent

(Item D3)

This report was withdrawn from the agenda.

40. High-cost short term credit providers

(Item D4)

- (1) Mr Carter (Leader), Mr Whittle (Head of Policy and Strategic Relationships) and Ms Exall (Policy and Strategic Relationships Advisor) introduced the report which set out the current position around high-cost short-term credit providers, the proposed national changes in regulation, action already underway in Kent and some possible areas for action that the County Council might wish to explore further.
- (2) A number of proposals set out in the paper were discussed including: limiting access to high-cost short-term credit; promoting credit unions as an alternative source of loans; providing information, advice and guidance on money management; working with partners to promote financial inclusion: and encouraging banks to promote easy access to basic bank accounts.
- (3) RESOLVED that
 - (a) Mr Carter (Leader of the Council) be asked to consider formalising the policy banning advertising for high-cost short-term credit providers from all KCC-owned property;

Mr Hill (Cabinet Member for Communities) be asked to consider:

- (b) Banning access to high-cost short-term credit providers' and brokers' websites from public computers provided by KCC;
- (c) Training staff in libraries, children's centres and other frontline services to signpost or provide money management advice and also raise awareness of the Kent Savers Credit Union via leaflets, posters and other publicity;

Mr Dance (Cabinet Member for Economic Development) be asked to consider:

- (d) Encouraging high street banks to promote basic bank accounts;
- (e) Lobbying the Chancellor of the Exchequer to review regulations relating to credit unions in particular to enable applications for loans to be decided faster;

Mr Gough (Cabinet Member for Education and Health Reform) be asked to consider:

- (g) Reviewing the Personal Health and Social Education (PHSE) curriculum to ensure that financial awareness was being promoted through schools, and young people were receiving relevant education about how to manage money.

41. Transformation Agenda (Verbal Update)

(Item D5)

- (1) Mr Carter (Leader) gave an update on progress on the transformation programme (Facing the Challenge) including the market engagement process and the top tier re-alignment and referred to the report that would be considered by County Council on 12 December 2013. He also said that the establishment of the Transformation Board which included the opposition group leaders was a significant part of the process and members would be kept informed of all key decisions over the next 2-3 years.
- (2) John Burr (Director of Highways and Transportation, and Principal Director of Transformation) said that the three elements of the transformation programme (Facing the Challenge): service review and market engagement; managing change better; and integration and service redesign were on target. As part of the service review and market engagement each service had produced a fact based questionnaire to inform the review team. These had been used to produce scoping documents which had been signed off by the Transformation Advisory Group. Draft proposals for delivering services would be considered by the end of February 2014 and business cases agreed by the end of April 2014 for implementation over the following 12-18 months.
- (3) Mr Burr said the Transformation Team was working with staff to review improvement programmes that were already underway to ensure the anticipated benefits were realised.

- (4) Mr Burr said that a dedicated area on KNET, briefings for directors and managers which were cascaded to staff, floor talks and “talk to the top” and his blogs were the main vehicles for communicating with staff. He also said that the risk register had been completed; none of the risks were rated “red”; and the Challenger group had met to consider and challenge the culture and approach to risk.
- (5) Mrs Beer (Corporate Director for HR) said the new structure set out in the report to be considered by the County Council on 12 December enabled staff to map their team in the new structure and this would be followed up with further information to staff. To ensure the transformation project was successful she said it was essential that staff and managers were engaged in the process, they were equipped with the skills they would need to operate in the ways outlined in Facing the Challenge and they needed to be supported through the change process itself.
- (6) It was suggested that an example of a service that had been subject to the transformation plan be presented at a future meeting of the Policy and Resources Cabinet Committee.
- (7) RESOLVED that the verbal update on the transformation programme be noted.

42. Budget 2014-15 and Medium Term Financial Plan 2014/17 Consultation *(Item D6)*

- (1) Mr Shipton (Head of Financial Strategy) gave an update on three matters of interest from the Chancellor’s Autumn Statement. The Chancellor had said that funds would not now be transferred from the New Homes Bonus grant into the Single Local Growth Fund; local government would not face any additional funding cuts in 2014/15 and 2015/16 above those already announced. He also said that it was likely that local government would be compensated for changes proposed to the business rates although the detailed information would not be available until the provisional settlement was received later in December.
- (2) Mr Shipton introduced the report and said the aim of the consultation was to engage with and better inform Kent residents and businesses of the financial challenges for the authority as a result of: reductions in funding from central government; additional demands on spending; and restrictions on the ability to raise council tax.
- (3) Mr Charman (Head of Consultation and Engagement) and Mr Shipton gave a presentation about the consultation on the Budget 2014/15 and the Medium Term Financial Plan 2014/17.
- (4) Members were generally supportive of the approach.
- (5) RESOLVED that the consultation process be endorsed.