

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 6th December, 2013

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 6 December 2013, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Ann Hunter**
Telephone: **01622 694703**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (14)

- Conservative (8): Mr A J King, MBE (Chairman), Miss S J Carey, Mr N J D Chard,
Mr J A Davies, Mr R L H Long, TD, Mr S C Manion,
Mr L B Ridings, MBE and Mrs P A V Stockell
- UKIP (3) Mr J Elenor, Mr C P D Hoare and Mr R A Latchford, OBE
- Labour (2) Mr D Smyth and Mr N S Thandi
- Liberal Democrat (1): Mrs T Dean

UNRESTRICTED ITEMS

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

Webcasting Notice

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

By entering the meeting room you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured then you should make the Clerk of the meeting aware.

A - Committee Business

- A1 Introduction/Webcast announcement
- A2 Apologies
- A3 Declarations of Interest by Members in items on the Agenda
- A4 Minutes of the meeting held on 25 September 2013 (Pages 7 - 14)
- A5 Dates of Policy and Resources Cabinet Committee Meetings for 2014
Friday 17 January
Wednesday 23 April
Thursday 10 July
Friday 19 September
Friday 12 December.

All meetings to start at 10am

B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement - none

C - Monitoring of Performance

- C1 Business Strategy and Support Mid Year Business Plan Monitoring and Directorate Dashboard (Pages 15 - 34)
- C2 Business Strategy and Support Directorate Financial Monitoring (Pages 35 - 48)
- C3 FT Innovative Lawyers 2013 (Pages 49 - 50)

D - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers

- D1 Annual Equality Report (Pages 51 - 68)
- D2 Update on Terms and Conditions Review (Pages 69 - 72)
- D3 Welfare Reform and Potential Impacts in Kent - withdrawn from agenda
- D4 High-cost short term credit providers (Pages 73 - 84)
- D5 Transformation Agenda (Verbal Update)
- D6 Budget 2014-15 and Medium Term Financial Plan 2014/17 Consultation (Pages 85 - 92)

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
(01622) 694002

Thursday, 28 November 2013

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 Wednesday, 25 September 2013

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey (Vice-Chairman), Mr M A C Balfour (Substitute), Mr N J D Chard, Mrs T Dean, Mr J Elenor, Mr C P D Hoare, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr S C Manion, Mr L B Ridings, MBE, Mrs P A V Stockell, 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 P Bole (Director of ICT), Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr R Fitzgerald (Performance Manager), Ms J Hansen (Finance Business Partner BSS), 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

12. Substitutes

(Item A2)

Apologies were received from Mr J Davies. Mr M Balfour attended as substitute for Mr J Davies.

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

(Item A3)

Mr Long made a declaration as a director and shareholder in a private practice of solicitors in respect of Agenda Item C1 – Legal Services' Evolution, Efficiency Enterprise Project Annual Report 2012/2013.

Mr Balfour made a declaration as a member of the local planning committee and the local member in respect of Agenda items E2 and F1 – Kings Hill.

14. Minutes of the meeting held on 20 June 2013

(Item A4)

RESOLVED that the minutes of the meeting held on 20 June 2013 are correctly recorded and that they be signed by the chairman subject to the following amendments:

Minute 5 (2)(a) replace the word "savings" with the words "capital receipts"

Minute 6 (2) the addition of the words "per employee" after the words "£8,000 net"

15. Minutes of the Property Sub-Committee held on 11 July 2013

(Item A5)

RESOLVED that the minutes of the Property Sub-Committee held on 11 July 2013 be noted.

16. Legal Services' Evolution Efficiency Enterprise Project Annual Report 2012/2013

(Item C1)

- (1) Mr Sweetland (Cabinet member for Commercial and Traded Services and Mr Wild (Director of Governance and Law) introduced the report which provided an overview of the first year of the Legal Services' Evolution, Efficiency and Enterprise Project. They said the project was a response to the growing need for legal advice at a time of significant budget restraint and had delivered cost savings and efficiencies to the council of £1.35m in addition to the surplus generated by Legal Services of £2.45m in 2012/13.
- (2) Mr Sweetland and Mr Wild noted comments and answered questions from members about:
 - the prospect of district and borough councils buying into the service;
 - whether the market would become increasingly competitive if other local authorities offered a similar service;
 - whether the focus on making a profit risked losing sight of service to the public;
 - suppressing demand for legal services by training staff internally;
 - whether the charges to external organisations were sufficiently high;
 - attendance of non-legal staff at training events; and
 - actions taken to ensure advice given was taken and implemented.
- (3) RESOLVED:
 - (a) That the report be noted;
 - (b) That the Legal Services team be congratulated on their success and innovation.

17. Business Strategy & Support Performance Dashboard

(Item C2)

- (1) Mr Carter (Leader of the Council) introduced the report by saying that most of the performance indicators were going in the right direction and that as the Council went forward it needed to ensure performance indicators remained relevant and useful.
- (2) In response to questions, Mr Fitzgerald (Performance Manager) said targets and indicators were continually reviewed and an explanation had been included in the report for performance indicators presented with red alerts
- (3) RESOLVED that the Performance Dashboard be noted.

18. Business Strategy and Support Directorate Financial Monitoring 2013/14

(Item C3)

- (1) Ms Hansen (Business Strategy and Support Directorate Finance Business Partner) introduced the report on the forecast outturn for the Business Strategy and Support Directorate. She drew members' attention to three areas (Finance and Procurement, Property and Infrastructure and HR) where some underspends were predicted and said that some underspends were offsetting other overspends.
- (2) Ms Hansen also said that all capital schemes were going ahead as planned although the delivery dates had changed for some of them.
- (3) In response to a question she confirmed that none of the delays in projects delivering in year would impact on the transformation agenda.
- (4) RESOLVED that the revenue and capital forecast variances from budget for 2013/14 for the Business Strategy and Support Directorate based on the first quarter's full monitoring to Cabinet be noted.

19. Business Planning 2014/15

(Item D1)

- (1) Mr Whittle (Head of Policy and Strategic Relationships) introduced the report which set out changes to the 2014/15 business planning process in response to Facing the Challenge: Whole Council Transformation and a review of the 2013/14 business planning round, with the aim of creating a more efficient and proportionate process.
- (2) There was general support for the proposals especially given the extent of the change required across the whole council and the need to maximise transparency. Concerns were raised about members' access to information in relation to issues at divisional level and were assured that business planning would be undertaken at the divisional and business unit level and would be available to members.
- (3) RESOLVED that it be noted that member-approved divisional business plans would be replaced with strategic priorities statements (The Year Ahead) for each directorate, as set out in Section 5 of the report.

20. Proposed changes to officer delegations, the impact on executive decisions and where and how Key Decisions happen now

(Item D2)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) and Mr Wild (Director of Governance and Law) introduced the report which set out the current position regarding the taking of executive decisions, detailed proposed changes to the Executive Scheme of Delegation to Officers and described the potential consequences on executive decision making should those changes be implemented.

- (2) Mrs Dean wished to record that she did not support the proposal to amend the “significant effect” criterion to apply to any decision likely to have a significant effect on communities living or working in an area comprising two or more electoral divisions.
- (3) RESOLVED that the proposed changes to the Executive Scheme of Delegations to Officers be noted.

21. Medium Term Financial Outlook

(Item D3)

- (1) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) introduced the report. He said local government had experienced the largest reductions of any part of the public sector and local authorities would be required to make greater savings in the future than the 10% implied by the Spending Round announcement. He further said that: local government had responded well to the challenge of budget reductions to date; the coming years would continue to be challenging; and Kent County Council had already launched a response strategy.
- (2) Mr Simmonds said the report set out the indicative government settlement for 2014/15 and 2015/16 as well as estimates for the following three years assuming the current trend was repeated. He concluded that further public spending reductions of a similar magnitude to those made to date would be necessary if the Chancellor’s deficit reduction strategy was to be achieved.
- (3) Mr Shipton (Head of Financial Strategy) said last year the County Council had been able to consult on its proposed budget in September but, because of the uncertainty about funding and government consultations that had not yet closed, the County Council’s budget consultation would not start until November. Mr Shipton also outlined in more detail how the 10% reduction announced for 2015/16 had become 13.1% in the provisional settlement and the proposed pooling of New Homes Bonus money into a Single Local Growth Fund allocated to local enterprise partnerships.
- (4) Members asked questions about the impact of benefits changes on council tax collection rates, the re-allocation of the New Homes Bonus monies to local enterprise partnerships, the potential loss to the Council from PFI contracts and whether the government’s proposals indicated a return to ring-fencing.
- (5) RESOLVED that the potential implications of future funding settlements on the Council’s Budget/Medium Term Financial Plan and the likely timetable for setting the 2014/15 budget be noted.

22. Transformation Agenda - Verbal update

(Item D4)

- (1) Mr Carter (Leader of the Council) gave an update on the Transformation Agenda. He said, following the savings to be delivered as set out in the

Medium Term Financial Plan in 2012/13 and 2013/14, the County Council would need to deliver bigger and more significant savings from 2015/16 onwards. He was pleased that a paper setting out Phase 1 of the Transformation Plan had been agreed at the Council meeting on 19 September 2013 and the leaders of the opposition groups had agreed to join the Transformation Board. He said that, following the agreement of the macro-structure of the organisation at the Cabinet meeting on 14 October 2013, work would begin on moving business units into the new structure, stripping out management costs, as well as taking external advice and challenge to assist with making decisions about the provision of services in the future.

- (2) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) said the emphasis was on reducing demand particularly by intervening with support at early stages and planning to avoid having to make cuts to frontline services.
- (3) RESOLVED that the update be noted.

23. New Ways of Working - Thin Client

(Item D5)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) and Mr Bole (Director of ICT) introduced the report which outlined the technology required to support the future operations of the County Council and the progress on implementing a change in technical solution to meet this demand, improve security and reduce total cost.
- (2) Concerns were raised about the government's wish to increase data security and the possibility that this might mean that personal ICT equipment could not be used to access the Council's network.
- (3) RESOLVED that progress in planning and implementing a revised architecture to support New Ways of Working be noted.

24. The granting of a long leasehold interest to Orbit Housing of the site known as the former Residential Care Home, Sampson Court, Mongeham Road, Deal to facilitate the redevelopment of the site for Extra Care Housing with nominations rights - Decision 13/00055

(Item E1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which set out details of an urgent decision taken between meetings of the Policy and Resources Cabinet Committee as it could not be reasonably deferred to this meeting of the Committee.
- (2) RESOLVED that Decision No 13/00055 – Sampson Court taken in accordance with the process set out in Appendix 4, Part 7 paragraph 7.18 of the Council's constitution be noted.

25. Kings Hill - the granting of a loan at commercial rates for the purposes of facilitating Phase Three of the redevelopment and in particular allowing the Council to achieve the strategic objectives of delivering a new school and fulfilling a key element of the accommodation strategy.

(Item E2)

RESOLVED that Decision No 13/00020/2 – Loan to Rouse Kent (Residential) Limited relating to the relocation costs associated with 30 Kings Hill Avenue, West Malling taken in accordance with the process set out in Appendix 4, Part 7 paragraph 7.18 of the Council's constitution be noted.

26. Motion to Exclude the Press and Public

(Item)

RESOLVED that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

27. Kings Hill - the granting of a loan at commercial rates for the purposes of facilitating Phase Three of the redevelopment and in particular allowing the Council to achieve the strategic objectives of delivering a new school and fulfilling a key element of the accommodation strategy

(Item F1)

- (1) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) outlined in detail the reasons why an urgent decision had been taken. Mr Simmonds and Ms Spore (Director of Property and Infrastructure Support) answered members' questions.
- (2) RESOLVED that Decision No 13/00020/2 – Loan to Rouse Kent (Residential) Limited relating to the relocation costs associated with 30 Kings Hill Avenue, West Malling taken in accordance with the process set out in Appendix 4, Part 7 paragraph 7.18 of the Council's constitution be noted.

28. Thin Client Project - Decision to approve the purchase of software licences and associated maintenance to deliver the Thin Client project as part of New Ways of Working sourced by public tender and to approve the purchase of computer hardware under existing contracts to support the thin client project

(Item F2)

- (1) Mr Cooke, Cabinet Member for Corporate and Democratic Services, introduced the report which set out details of an urgent decision taken between meetings of the Policy and Resources Cabinet Committee as it could not be reasonably deferred to this meeting of the Committee.

- (2) RESOLVED that Decision No 13/00064 – Thin Client taken in accordance with the process set out in Appendix 4, Part 7 paragraph 7.18 of the Council's constitution be noted.

This page is intentionally left blank

From: Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation
Gary Cooke, Cabinet Member for Corporate and Democratic Services
John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement
Bryan Sweetland, Cabinet Member for Commercial and Traded Services
David Cockburn, Corporate Director for Business Strategy and Support

To: Policy and Resources Cabinet Committee – 6 December 2013

Subject: Business Strategy & Support Mid-Year Business Plan Monitoring and Directorate Dashboard

Classification: Unrestricted

Summary:

The mid-year Business Plan monitoring provides highlights of achievements to date for the divisions within the Business Strategy and Support Directorate, and the Directorate Dashboard shows progress made against targets set for Key Performance Indicators.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to NOTE the report.

1. Introduction

- 1.1. The Business Plan monitoring and Directorate Dashboard are provided to assist the Committee in its role in relation to reviewing performance.
- 1.2. Divisional Business Plan monitoring is reported to the Cabinet Committee twice a year and the current report is for the mid year position of the financial year 2013/14.
- 1.3. Performance Dashboards are regularly reported to the Cabinet Committee throughout the year, and the current report includes data up to the end of September 2013.

2. Mid-year Business Plan monitoring

- 2.1. The mid-year Business Plan Monitoring Report is provided in Appendix 1.
- 2.2. The monitoring report provides highlights of Key Achievements and Issues in the delivery of the current financial year Business Plan objectives.
- 2.3. A detailed review was completed to produce the Business Plan monitoring report, with progress against every Business Plan action considered.

3. Directorate Dashboard

- 3.1. The Business Strategy and Support Performance Dashboard, attached at Appendix 2, includes results up to the end of September 2013 for the Key Performance Indicators (KPIs) included in this year's Divisional Business Plans.
- 3.2. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against business plan targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 2.
- 3.3. The majority of indicators are either ahead of target or are at acceptable levels above the floor standard for the year to date position.
- 3.4. The following indicator has a Red RAG rating for the year to date position:
 - Percentage of Health & Safety risk audit findings reported to the responsible manager within two weeks of the visit – following slippage that occurred in Quarter 1 there have been no scheduled audits in the last quarter.

The following indicators had a Red RAG rating for the month of September:

- Percentage of rent due to KCC outstanding at 60 days – This includes sums for two tenants who went into liquidation. The total amount of outstanding over 60 days is under £10,000.
- Percentage of net capital receipts target of £24.3 million achieved - This is a challenging stretch target set above requirement in the Medium Term Financial Plan which was at £16.0million. Actual net capital receipts have exceeded the non-stretch target.

3. Recommendation(s)

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to Note this report.

4. Background Documents

5.1 KCC Business Plans 2013/14

http://www.kent.gov.uk/your_council/council_spending/financial_publications/business_plans_2013-14.aspx

6. Contact details

Report Author: Richard Fitzgerald, Performance Manager,
01622 221985, richard.fitzgerald@kent.gov.uk

Mid – Year Business Plan Monitoring**Business Strategy – Business Intelligence (BI)**

1. The team continues to provide demographic research and analysis, with 2011 Census briefings and analysis delivered this year. A range of other information products on various subjects continue to be developed and updated and are available in the KCC web site.
2. Contributions have been made to a range of key projects across the council, including analysis and research to support Children’s Centres future options review, Adult Social Care transformation, developing an evaluation framework for KIASS and evaluation of the new KSAS service. Detailed research and impact analysis has been completed for Welfare Reform.
3. The team supports the work of Select Committees and the future agenda was considered and agreed in November.
4. Work has been undertaken to review the approach to customer experience surveys and recommendations for improvement to deliver consistent approaches across the council are to be taken forward within the context of the ‘Facing the Challenge’ transformation plan.
5. The team continues to provide high level performance reporting for the Council with an enhanced Quarterly Performance Report for Cabinet for 2013/14 delivered, including more qualitative and customer experience information. Directorate Dashboards for Cabinet Committees have also been delivered.
6. The Risk Management framework for the Council has been enhanced and continues to be promoted with webinars, e-Learning and e-Induction packages now in place for staff. The Council’s Strategy Risk Register is under constant review to ensure management action is taken to mitigate identified risks, and this is supported by risk awareness and registers at Directorate and Divisional levels.
7. The team manages the ERP programme which continues to deliver projects to improve processes for HR, Finance and Procurement, including more access to self-service tools and management information.
8. Developments to the i-Procurement system have improved functionality and made it more intuitive to use, to ensure that i-Proc is the primary ordering tool used within the council.
9. Oracle Business Intelligence (OBI) development is ongoing with new dashboards for Corporate Landlord and for staffing data being introduced, with further developments planned for later in the year.
10. There has been some re-phasing of projects under ERP, such as remote access and single sign-on, with revised dates for delivery later in the year. The procurement of an e-Invoicing solution was halted due to cost restrictions and alternative options are being examined.

Business Strategy – Policy and Strategic Relationships

11. Focus continues on providing both pro-active and demand-led professional policy support to KCC, focusing on horizon scanning, analysis and interpretation of key policy and legislative trends. Advice and guidance is provided to Cabinet, Corporate Directors, senior officers and elected members.
12. The team developed and prepared 'Facing the Challenge: Whole Council Transformation', the policy framework for the council to meet the challenges it faces over the medium term, approved by County Council in July 2013. This was then followed by 'Facing the Challenge: Delivering Better Outcomes', a more detailed transformation plan for KCC which provides the corporate framework for delivering systematic change across the authority, considered and approved by the County Council in September 2013.
13. The Child Poverty Strategy for Kent was developed and approved by the Cabinet Member for Specialist Children's Services in July 2013.
14. Policy support has been provided across a range of key transformation projects and programmes, including KIASS, 0-11 integration and the development of a new delivery model for Emergency Planning for the county (Kent Resilience).
15. Analysis and advice has been provided on key new legislation including the Growth and Infrastructure Bill, the Care Bill and the Children and Families Bill. Responses to a range of Government consultations have also been co-ordinated and prepared on behalf of the council.
16. Prepared (with Business Intelligence) research on the impact on Kent of welfare reform, considered by Policy and Resources Committee in September 2013.
17. Prepared (with Business Intelligence) research on the potential impact on Kent of the removal of transitional working restrictions on Bulgarian and Romanian nationals, considered by Cabinet in October 2013.
18. The team also provides on-going policy support to Directorate Management Teams (DMTs), as well as the Budget Programme Board and the Commissioning and Procurement Board.

Finance and Procurement

19. A comprehensive training plan is being delivered to budget managers. The integration of business systems into financial forecasting systems and greater use of Oracle to produce budget information is in progress and on track.
20. We were the only County Council to deliver an unqualified set of accounts before the end of July.
21. We have had the consultation on the provisional financial settlement from Government for 2014-15 and 2015-16 and we're making good progress toward developing a strategy to deal with the envisaged funding reductions. We launched the public consultation on the Budget on 8th November and this will run

until mid-December. A final draft Budget will be produced in January, following completion of the consultation.

22. The actuarial valuation of the Kent Pension Fund has proceeded to timescale and we communicated the results to Kent councils in November. We led the national procurement of a pension's administration system framework and this has been completed with 2 suppliers now on a national framework.
23. The roll out of e-Invoicing is on hold, as the initial solution we sought was unaffordable and an alternative solution is now being considered.
24. A revised Treasury Management Strategy has been developed and was approved by Cabinet in September.
25. Delivery of the audit plan is behind target due to four staff leaving and three on secondment. However, by backfilling with external providers we are still aiming to achieve 90% of the plan by the end of the reporting year.
26. The Counter Fraud team has continued to provide fraud awareness training to various teams around the Council. The roll out of anti-fraud and corruption awareness e-learning is on target and will be achieved. We continue to investigate all allegations referred to Internal Audit and have reported outcomes to the Governance and Audit Committee every quarter.
27. A compliance programme and comprehensive training programme for schools is on track and being delivered. Schools Financial Services are on track to meet their £1m traded income target for 2013-14.
28. The ongoing development of the EduKent website has continued and Phase 2 went live in April. The intranet for Service Providers is up and running. However, the development of the EduKent website to include full E-Commerce functionality, such as on-line ordering has been delayed and options to put this in place continue to be explored.
29. A review of the performance of PFI contracts for Kent schools has been undertaken by Bryanstone Square, Education Consultants. The results of this local review will be combined with the results of a wider CIPFA review which has a focus on the areas of the contract where savings could be generated. Meetings have been held with each of the three PFI contractors for an initial discussion around savings, with a particular focus on varying the contract arrangements to bring them more in line with the Priority Schools programme.
30. The development of the iProcurement application for further roll out is complete. The go-live date for iSupplier has been re-scheduled. eSourcing is now being used for the majority of tenders over £50k, with further roll out to be delivered for Property and Transport.
31. Medway Council are now using the Kent Business Portal and they've bought the eSourcing tool from us. Shepway, Maidstone and Kent Fire are all advertisers on the site. The Kent Business Portal was launched at the construction expo we delivered in November, where the sub-contractor part of the system was

featured. The use of the Portal by Kent Business is increasing. As at the close of 2012/13 over 50% of First Tier business was with local suppliers.

32. Best practice standards of procurement continue to be developed for staff as part of the Management Guides on Knet (KCC intranet). The 'Spending the Council's Money' guidance document is now undergoing a thorough review to reflect the Central Procurement Team's more active role in developing the management framework for major procurements. A revised document will be delivered by March 2014.
33. The Transport and Construction Category Strategies for procurement will now be completed by December this year (planned for July and August).
34. We are on track to deliver planned Procurement savings across the Council (£20m by March 2015 in the current Medium Term Financial Plan).
35. Four "Back To The Floor" visits have taken place with the Corporate Director visiting Divisional teams. Another four are planned before March 2014. "Gatherings" for finance staff have been well attended with 150 attending the latest on 8 November, which focused on Facing the Challenge.

Governance and Law

36. Legal Services is working across the council to suppress the amount of money spent on meeting the council's legal needs. Through its 'Evolution, Efficiency, Enterprise' programme, Legal Services is exploring service delivery models that ensure that future provision of legal advice is better and cheaper for the council.
37. A range of training programmes are in place for staff designed to reduce reliance on lawyers, whilst informing them of current legislation and reducing risk to the council.
38. A suite of precedents and templates have been developed for services, to increase self-sufficiency and reduce reliance on lawyers, for example a template for social workers for care proceedings.
39. The council's expenditure on external legal services is being further suppressed by ensuring that more complex legal work is delivered in-house. Legal Services now advise on a number of the council's biggest projects, which previously would have required external advice.
40. By working with external partners, Legal Services ensures that the costs of legal proceedings to KCC are minimised. This includes successful lobbying of the local Kent judiciary to introduce a change in the way child care cases are processed through the courts.
41. Legal Services have commenced work on the automation of a number of our processes through the use of work flows. This will support new ways of working and allow work to be delivered in a more cost effective way.
42. A trainee solicitor scheme has been developed and is about to be launched. The scheme aims to provide opportunities for young legal graduates to develop their

careers within Kent. Legal Services is also recruiting legal assistances and apprentices where opportunities arise.

43. The Democratic Services unit continues to provide administrative support for admission and exclusion appeals for Academies, with some £85,000 in fees from Academies being achieved during the 2013/14 appeals season.
44. The Democratic Services unit is responsible for providing administrative and constitutional support to the Kent and Medway Police and Crime Panel, which began its formal operations in November 2012, following a period of time in shadow form. The Panel is working well and is now an integral and constructive part of the community safety landscape in Kent and Medway.
45. The co-ordination and supervisory role in relation to the operation of the County Council Elections in May 2013 was undertaken successfully and in accordance with the performance standards laid down by the Electoral Commission. Feedback from district councils was positive about the way in which the County Returning Officer and his staff carried out their duties. The Council's Electoral and Boundary Review Committee received a detailed report on the operation of the County Council Elections in September 2013 and endorsed the success of the CRO's approach to organising and co-ordinating the elections.
46. Immediately following the County Council Elections, the Democratic Services Unit began to deliver a comprehensive Member Learning and Development programme, which has been well-received by all Members and key aspects of the programme are ongoing. The cross-party Member Development Group is being reformed to drive forward this important work for Members.
47. KCC is now almost fully compliant with the government's Code of Recommended Practice for Local Authorities on Data Transparency. The two outstanding items are publication of information on contracts and tenders to businesses and to the voluntary community and social enterprise sector, and grants to the voluntary community and social enterprise sector.
48. The Freedom of Information Act Publication Scheme and asset register have been revised in line with the new Information Commissioner's Office requirements and were published in September 2013.
49. A review of procedures for Subject Access Requests received under the Data Protection Act has been completed, with proactive assistance provided to operational units to support this process.
50. The Information Resilience and Transparency Team have implemented improved processes for safeguarding checks (the team deal with approximately 10,000 social services background checks per year) and have eliminated the previous backlog.

Human Resources (HR)

51. Strategic and operational HR advice and support continues to be provided to transformation programmes, with HR processes aligned to specific transformation projects and lead HR support identified.
52. Work has been completed with the Troubled Families Programme to identify workforce development requirements. Advice and support was provided to KIIASS during the pilot phase and full integration of services is now moving forward, starting with recruitment to key roles.
53. An action plan for recruitment and retention activity is in place for qualified social workers to support the Improvement Plan for children's social services, with dedicated HR support in place. Recruitment activity will include a dedicated overseas campaign with a focus on Ireland. External advice has been sought to support branding and campaigns. Succession planning for Senior Practitioners to Team Manager roles is in place, and 47 newly qualified social workers were recruited and have been taking up posts since September.
54. "Your Perfect Kent Day" campaign resulted in a 16% increase of hits to the Kent-teach website. Following detailed market research, a future campaign will be delivered, targeted mainly at secondary teachers in Kent and London.
55. The Kent Commercial Services Company was established and staff transferred with a new management team established to deliver profit targets.
56. A programme of training webinars and consultancy to managers is being delivered to enable greater self-sufficiency and improve cost-effectiveness.
57. Improvements to manager self-service include Oracle Change Location and Change Manager (supervisor) functions which have been rolled-out and User Acceptance Testing for Remote Access is planned for November, with schools access planned for next year. There are also developments being made to the Total Contribution Pay process for the 2013/14 cycle.
58. A Training Plan has been developed with Organisational Development (OD) Groups and planned learning and development activity is being delivered. All Health and Safety e-learning is published and available to staff. Customer Services training continues to be available to managers and staff and will run until the end of the financial year with ongoing evaluation.
59. A programme of training on commissioning and contract management skills has been delivered to large numbers of Highways and Transportation staff and will continue as needed.
60. Aspects of the OD and People Plan have been discussed with management teams and communication to managers and staff has been enhanced through the active involvement of OD Groups. The OD Action plan covers all strands of the OD and People Plan with a particular focus on resourcing for social care, the competency framework and workforce development.

61. Models have been developed for workforce planning, succession planning and talent management forming the workforce strategy to build capacity.
62. A pay and progression framework for apprenticeships, including higher level apprentices has been agreed and will be piloted.
63. Outcomes from the Terms and Conditions review have been implemented with agreed business cases for exceptions published. An Equal Pay Review has been carried out across all diversity strands and an evaluation of the outcomes is being undertaken.
64. The Employment Value Proposition (EVP) Staff Survey was carried out and results discussed with managers. The Kent Rewards package continues to be developed with a recent focus on Health and Wellbeing. The directorate Staff Awards framework has been delivered.
65. Work is in hand to implement changes to the Local Government Pension Scheme, including changes to the payroll system and ongoing communications to staff.
66. The People and Communications Group has been delivering on staff engagement and communication for New Ways of Working, including workforce planning and culture, now in the wider context of Facing the Challenge. Workforce planning pilots are underway, addressing identified working styles to support New Ways of Working through “Day in the Life” interviews and stakeholder engagement briefings.
67. To support wider Kent public service workforce development, a Kent Skills Matrix has been developed for the KIASS workforce. A Key Skills review was undertaken and initial workforce development activities have been commissioned and are being delivered. Workforce development plans have also been drafted for the Health and Social Care Integration programme.
68. In relation to trading activity, all steady-state activity is being delivered to the East Kent HR Partnership in accordance with the Service Level Agreement. Warrington Council, Dorset Council and LGGS have all confirmed contracts for Disclosure and Barring Service and we continue to market services to schools through EduKent.
69. The Health and Safety programme is on target for delivery. Specialist Children’s Services risk profiling project completed. A Wellbeing and Health promotion plan has been developed and approved.
70. Health and Safety have undertaken several team interventions and case management involvement to assist individuals. The Head of Health and Safety took over management of Staff Care Services from 1 September so existing links further strengthened.
71. Working with the Health and Safety Executive the Medway Estates Excellence project was developed with partners and delivered in May 2013. There is good responsive working with the local inspectorate regarding highways incident investigation and school incidents.

72. The ERP programme being delivered according to plan with Oracle Business Intelligence and dashboards pilot in HR, one view solution, self-service including improved leavers procedure and remote access for KCC under development. Delivery date adjusted to March 2014 or in accordance with project plan.
73. A contract has been awarded to a supplier for a new recruitment management system, with implementation due in the new year.

Information and Communications Technology (ICT)

74. A strategic partnership has been established with Microsoft to support improved ICT capability.
75. The BDUK procurement is complete to improve Broadband provision across Kent, with the contract awarded to BT, and work is ongoing to ensure this delivers maximum economic benefit.
76. The procurement process to enable a thin client delivery model for user devices, supporting New Ways of Working, has been completed and is now in the first phase of implementation.
77. The replacement for the Capita Integrated Children's Services (ICS) system is planned to go live in December. The implementation of this project was delayed to take account of changes in statutory guidance published by the Government in March 2013.
78. Deployment of Unified Communications is in hand, which will standardise and improve the use of telephone technology across the council. An approach for the Contact Centre technology was approved by the Procurement Board in November which is behind schedule following a revision to the business case to reduce costs through accessing a 'Cloud' based solution.
79. Procurement of the Customer Relationship Management (CRM) system infrastructure has been approved and the final decision on purchase will be taken in Spring 2014 when any requirements of the 'Facing the Challenge' initiative can be incorporated.
80. Work has been completed to move the KCC website to a cloud solution and the launch of the new website is scheduled for December.
81. Rationalisation of the Oracle hardware infrastructure has been rescheduled for December with delays due to other Oracle product related work taking priority. Oracle BI dashboards have been implemented during the year, with more planned for release. The e-invoicing project has been put on hold due to funding constraints.
82. Planning work for ISO27001 accreditation, which is an internationally acknowledged security standard is underway to maintain and improve ICT security. The council scored zero failures on the recent Payment Card Industry technical compliance test.

83. The migration programme of electronic files to SharePoint technology is on hold and options are to be reviewed as part of the market testing exercise currently underway.
84. The new members' ICT solution was successfully introduced after the elections and the pilot is on-going.
85. A service catalogue to align ICT functions, services and unit costs is being refined and updated to inform the market testing activity to be delivered as part of the 'Facing the Challenge' initiative.
86. Various projects are underway to support New Ways of Working, including improved wireless access for staff, use of Tablets to support mobile working, with a smart-phone policy near completion. Bring Your Own Device is subject to further consideration due to central government's Code of Connection.
87. An audit of the printer estate is underway and the first printers have been installed by Xerox as part of a new joint procurement with Surrey County Council.
88. Information Technology Infrastructure Library (ITIL) training has been completed for relevant ITC staff during the year with an approved plan in places to address other training needs, helping to ensure skills gaps are reduced.
89. A work experience and apprenticeship programme for children in care has been developed within ICT, with six apprentices placed so far.
90. A school support marketing plan is being delivered and field services are being reviewed, with the aim of improving cost effectiveness of service delivery. Schools purchasing of School Information Management System (SIMS) hosting services has significantly increased, the product roadmap and review of the pricing model for EiSNet (network infrastructure) is complete, and there has been an increase in training income from schools.
91. Other work in supporting schools has included an upgrade of schools' servers, which is almost complete, Apple training is being delivered and an Apple installation service is available.
92. Preparatory work for the delivery of a managed service to four Building Schools for the Future schools is on-going.
93. The development of shared service initiatives to reduce unit costs continues with delivery of ICT project services to Medway Council and development of a GIS shared service solution with East Kent Shared Services and Mid Kent Improvement Partnership.
94. An ICT proof of concept project has been developed for the care sector for SMEs and is being piloted. A marketing plan is under development. Assisted living solutions are also being developed as a second service offering.
95. Work has continued on supporting the development of a future shared technology platform with the NHS.

96. The Public Service Network (PSN) connection between Kent, East Sussex and Surrey is on target for delivery by December. A Memorandum of Understanding has been drafted for data sharing with the health sector to support multi agency working, with potential projects currently being considered.
97. Preparation for the tender for a replacement Kent Public Services Network (KPSN) is underway, and is on schedule for a contract award in July 2014.
98. KCC has been involved in lobbying central government regarding the updated Public Service Network Code of Connection, and a joint central and local government security advisory group has now been established on this issue.

Property and Infrastructure Support

99. The team continues with the delivery of the Building Maintenance programme across the schools estate.
100. A new Strategy and process for determining the priorities under the Modernisation of Asset's programme across the corporate landlord estate has been implemented, enabling a more strategic approach to investment to maximise medium and long term impact.
101. Life-cycle costing pilots have been completed ahead of potential roll-out across the estate to enable the council to keep an appropriate balance between reactive and planned maintenance.
102. A robust Statutory Compliance Training programme for Asbestos and Water Hygiene has been delivered to all Property and Infrastructure Support Staff, Directorate Building Managers and Schools Staff. Training on Inclusive Access (DDA) requirements is currently being planned.
103. A review of Emergency Plans for Key Buildings has been undertaken.
104. The team have continued to provide accommodation advice to service reviews and corporate initiatives, including Integrated Adolescent Services, Health & Social Care Integration, Adult Social Care Transformation and the integration of the Public Health Team into County Hall.
105. The contracts for the implementation of the new Property Asset Management System are about to be signed, with a phased implementation by the end of the financial year. The new system will replace two obsolete systems and link into the council's Oracle financial system.
106. The adoption of iProcurement across various work streams has been completed. The procurement of Total Facilities Management Contracts for the Corporate Estate is progressing to schedule and is due for signing in February 2014, with a go live date in May 2014.
107. The estates team have refocused its activity to push forward the remaining corporate landlord transfers and rent collection activity.
108. An updated Asset Management Plan has been adopted by the Council.

109. Property is actively working with our South East Seven (SE7) councils to drive efficiencies and the exchange of best practice in Asset Management across the region.
110. The team have continued to engage with District Councils, Blue light services, Further and Higher Education and NHS organisations on property issues and exploring projects of mutual benefit through Asset Collaboration.
111. The Live Margate project for the redevelopment and refreshment of housing stock in Margate is progressing well with a number of acquisitions undertaken, and work is underway to attract an investment partner to deliver larger strategic site developments.
112. Proposed plans for the Rendezvous site, Margate have been launched with a planning application currently being prepared.
113. The team have supported the Education, Learning and Skills Directorate to submit a bid for Targeted Basic Need Funding and have successfully secured £31 million of funding to support the Council Basic Need capital programme for schools.
114. The team successfully delivered 41 new classrooms across 28 schools as part of the Basic Need Programme for additional school places for September 2013.
115. Good progress has been made on the delivery of the remaining Batch 2 Academy programme with 5 schools, approximately £60 million, on site and the final scheme due for contract signature in the new year.
116. Successful delivery of the Duke of York Academy on behalf of the Education Funding Agency.
117. The planning application for the Sevenoaks Grammar Annexe provision is due to be submitted later in the year.
118. Strong delivery on the disposal target to date and the team are on track to meet the financial disposals target for this year, with opportunities being explored to achieve an additional stretch target as set out in the business plan.
119. The total facilities management contract procurement is on track for implementation in May 2014.
120. Procurement is underway for a new Kent principal contractor framework and a review of the approved contractors list, consultancy services framework and reactive and planned maintenance framework. Alternative procurement arrangements are being implemented while the approach to estates management procurement is considered further
121. The team continues with the delivery of the New Ways of Working Programme. Plans have been announced for the West Kent Hub, with the acquisition of 30 Kings Hill Avenue, and Mid Kent. The team continues to work closely with service representatives as the projects move into the delivery stage.

This page is intentionally left blank

Business Strategy & Support Performance Dashboard

Financial Year 2013/14

Data up to September 2013 (Quarter 2)

Page 27

Produced by Business Intelligence, Business Strategy

Publication Date: 13 November 2013



Guidance Notes

RAG RATINGS

GREEN	Performance has met or exceeded the current target
AMBER	Performance at acceptable levels, below the target but above the floor standard
RED	Performance is below the floor standard

Floor standards are pre-defined minimum standards set in Business Plans and represent levels of performance where management action should be taken.

DoT (Direction of Travel)

↑	Performance has improved in the latest month
↓	Performance has fallen in the latest month
↔	Performance is unchanged this month

Page 28

Divisions and accountabilities

Ref	Division	Accountable Director
HR	Human Resources	Amanda Beer
PI	Property & Infrastructure Support	Rebecca Spore
FP	Finance & Procurement	Andy Wood
GL	Governance & Law	Geoff Wild
ICT	Information & Communications Technology	Peter Bole

Developing and supporting staff

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR 01	Expense claims made through self-service	79%	GREEN	↓	79%	GREEN	76%	75%	78%
HR 02	Sickness notification transactions by self-service	82%	GREEN	↓	80%	GREEN	60%	50%	64%
HR 03	Percentage take up of business transactions newly introduced to self-service	N/A			N/A		40%	30%	New Indicator
ICT 01	Calls to ICT Help Desk resolved at the First point of contact	69.6%	AMBER	↓	73.0%	GREEN	70%	65%	70%
ICT 03	Working hours where Kent Public Sector Network (data & voice network) are available to staff	100%	GREEN	↔	100%	GREEN	99.8%	99.0%	99.98%
ICT 04	Working hours where ICT Service (excluding Email and kent.gov.uk) are available to staff	98.1%	AMBER	↓	99.6%	GREEN	99.0%	98.0%	99.3%
ICT 05	Working hours where Email are available to staff	100%	GREEN	↔	100%	GREEN	99.0%	98.0%	99.6%

HR03, New self serve business transactions: No data has been recorded since the start of the year

Feedback and satisfaction

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR 04	Satisfaction with the resolution of people-management cases rated Good or above	97%	GREEN	↔	96%	GREEN	70%	50%	New Indicator
HR 05	HR commissioned training events with a participant satisfaction rating of 4 (satisfactory) or above	100%	GREEN	↑	99%	GREEN	85%	75%	New Indicator
HR 06	Manager satisfaction with learning effectiveness outcomes rated 4 or above	N/A			99%	GREEN	85%	75%	New Indicator
HR 07	Overall satisfaction with HR performance rated as Good or above	82%	GREEN	↑	81%	GREEN	60%	60%	New Indicator
ICT 02	Positive feedback rating with the ICT help desk	98.1%	GREEN	↓	98.3%	GREEN	95%	90%	98%
PI 04	Respondents satisfied or very satisfied with Property and Infrastructure Services	Annual survey – results available later in the year							35.7%

HR 05, HR commissioned training: August data is the latest available as reported one month in arrears.

HR06, Manager satisfaction with learning: Data currently only available for quarter one up to end of June.

Meeting timescales

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
FP 01	Pension correspondence dealt with within 15 working days	100%	GREEN	↑	97.8%	AMBER	98%	95%	99%
FP 02	Retirement benefits paid within 20 working days of all paperwork received	100%	GREEN	↔	99.9%	GREEN	98%	95%	99%
FP 03	Invoices received by Accounts Payable within 20 days of KCC received date	83.0%	AMBER	↓	83.8%	AMBER	90%	80%	New Indicator
FP 04	Invoices received on time and entered onto Accounts Payable systems by KCC within 20 days	86%	GREEN	↓	86%	GREEN	85%	75%	New Indicator
GL 01	Council and Committee papers published at least five clear days before meetings	100%	GREEN	↔	97%	AMBER	100%	96%	96%
GL 02	Freedom of Information Act requests completed within 20 working days *	94%	GREEN	↓	96%	GREEN	90%	85%	85%
GL 03	Subject Access requests, under the Data Protection Act, completed within 40 calendar days*	75%	GREEN	↓	79%	GREEN	70%	65%	68%
PI 03	Property Service Desk call out requests responded to with specified timescales	98%	GREEN	↓	98%	GREEN	90%	80%	99%
HR 09	Percentage of Health & Safety risk audit findings reported to the responsible manager within two weeks of the visit	N/A	N/A		52%	RED	100%	95%	New Indicator

* Reported as calendar year not financial year

PI03, Property Service Desk: Data collection started in June.

HR09, Health and Safety Audit Programme: There were no scheduled audits in the last quarter.

Financial control and efficiency

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
FP 05	Percentage of sundry debt outstanding under 60 days old	74%	AMBER	↑	Snapshot data		75%	57%	88.9%
FP 06	Percentage of sundry debt outstanding over 6 months old	6%	GREEN	↑	Snapshot data		10%	15%	8.2%
PI 01	Percentage of rent due to KCC outstanding at 60 days	11.5%	RED	↑	Snapshot data		2%	10%	New Indicator

PI01, Rent due: Includes two tenants that have gone into liquidation whose rents have not been written off to date. Debt recovery is monitoring the situation. The amount of rent outstanding that is over 60 days is under £10,000.

Annual Indicators - The measures below which relate to annual targets are provided with forecasts rather than year to date figures.

Ref	Indicator	Current Forecast	Forecast RAG	Target	Floor Standard
ICT 07	Annual cost per FTE of ICT	£1,517	GREEN	£1,517	£1,660
ICT 08	Users supported per ICT engineer	80	GREEN	80	75
PI 05	Percentage of net capital receipts target of £24.3 million achieved	70%	RED	100%	95%

PI05, Net Capital receipts: A number of properties in disposals have been re-phased. Currently identifying alternative properties to bring forward in the programme to meet the target. This is a challenging stretch target set above the requirement in the Medium Term Financial Plan which was £16.0million. The Medium term plan target has been achieved for this year.

From: Paul Carter, Leader
John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement
Gary Cooke, Cabinet Member for Corporate and Democratic Services
Bryan Sweetland, Cabinet Member for Commercial and Traded Services
David Cockburn, Corporate Director of Business Strategy and Support

To: Policy and Resources Cabinet Committee – 6 December 2013

Subject: Business Strategy and Support Directorate Financial Monitoring 2013/14

Classification: Unrestricted

Summary:

The Cabinet Committee is asked to note the second quarter's full budget monitoring report for 2013/14 reported to Cabinet on 2 December 2013.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note 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.

1. Introduction:

1.1 This is a regular report to this Committee on the forecast outturn for the Business Strategy and Support Directorate.

2. Background:

2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio together with key activity indicators and will be reported to Cabinet Committees after they have been considered by Cabinet. These quarterly reports also include financial health indicators, prudential indicators, the impact on revenue reserves of the current monitoring position and staffing numbers by directorate. In the intervening months a mini report is made to Cabinet outlining the financial position for each portfolio. The second quarter's monitoring report for 2013/14 is attached.

- 2.2 The attached relevant annex from the Cabinet report is presented in the pre-election portfolio structure. Given the inevitable changes that are coming from "Facing the Challenge", the Cabinet Member for Finance & Procurement has agreed that in terms of competing priorities, value added and risk, the work involved in mapping the pre-election portfolios to the post-election portfolio structure exceeds the benefits to be had, given the relatively short period that these new portfolios will be in existence before a further major change takes effect. Therefore, reporting for the remainder of this financial year will continue in the pre-election portfolio structure.

3. Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note 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.

4. Contact details

Report Author

- Jackie Hansen, Business Strategy and Support Directorate Finance Business Partner
- Telephone number: 01622 694054
- Email address: jackie.hansen@kent.gov.uk

BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY
BUSINESS STRATEGY AND SUPPORT (EXCL. PUBLIC HEALTH) SUMMARY
SEPTEMBER 2013-14 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+79,277	+280	-367	-87

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Regeneration & Enterprise portfolio						
Directorate Management & Support	172.2	0.0	172.2	+3		
Development Staff & Projects	5,043.7	-1,333.7	3,710.0	-3		
Total R&E portfolio	5,215.9	-1,333.7	3,882.2	0		
Finance & Business Support portfolio						
Finance & Procurement	18,707.1	-7,375.8	11,331.3	-359	-585 Appointments to the structure made last year at bottom of grade, budget set at mid-point of grade; the Division is also carrying a number of vacancies. +145 Under-recovery of income by Schools Financial Services +81 Other minor variances	These budgets will be realigned in the 2014-17 MTFP
- <i>Transfer to(+)/from(-) DSG reserve</i>				0		
Local Democracy:						
- Grants to District Councils	703.0	0.0	703.0	0		
- Other Local Democracy costs incl. County Council Elections	741.2	0.0	741.2	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Support for Local Council Tax Support Schemes	1,253.0	0.0	1,253.0	-3			
Total F&BS portfolio	21,404.3	-7,375.8	14,028.5	-362			
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	3,093.3	-4,520.0	-1,426.7	0			
Governance & Law	10,245.1	-12,407.9	-2,162.8	0			
Business Strategy	3,254.1	-56.7	3,197.4	-199	-87	Rolled forward funding from 12-13 for Health Reform to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups is to be spent over the period June 2013 to May 2015, therefore roll forward will be required.	
					-112	Other minor variances	
Property & Infrastructure	30,749.7	-5,074.8	25,674.9	+1,420	+1,665	New external property opportunities together with the need to protect and respond to the requirements of front line services and new service pressures, have resulted in a revised New Ways of Working programme plan. The revised plan, recognising service pressures, encompasses changes to the previously assumed timelines for moving out of some of our larger leasehold buildings, hence creating a pressure within the Corporate Landlord estate.	The revised timelines to the New Ways of Working programme plan including service pressures, have been costed and the related savings will need to be re-phased in the 2014-17 MTFP.
					+918	Statutory testing (primarily legionella, asbestos and electrical) and additional maintenance costs due to the poor state of repair of the buildings transferred across to Corporate Landlord.	This will need to be addressed as a pressure in the 2014-17 MTFP.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -750 Use of non-ringfenced DFE capital grant to fund revenue expenditure which cannot be capitalised -400 Additional income from Kent Commercial Services for leasing of property at commercial rates -252 Additional demands to support the capital programme have resulted in additional capitalisation of staff time (eg ELS Basic Need Programme) -107 Savings realised from the Park and Ride ticket scheme +346 Other minor variances, incl. spend on utilities, cleaning, grounds maintenance & agency staff.	The use of this grant will need to be quantified each year dependent on expected eligible spend. The current year assumes £750k and any expected future variations from this will need to be addressed in the MTFP. This saving will be reflected in the 2014-17 MTFP
Human Resources	16,883.1	-6,197.0	10,686.1	-352	-185 Underspend against training budget following approval of all directorate workforce development plans. -112 Additional income generated through providing recruitment services to schools -55 Other minor variances	
Information & Communication Technology	35,540.9	-16,399.1	19,141.8	-56	+1,875 Costs associated with the Integrated Children's System (ICS) -1,875 Drawdown from the IT Asset Maintenance Reserve to fund the costs of ICS	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+400	Pressure resulting from expenditure on Thin Client. Thin client computing essentially moves the point of processing from the end user device to a central server enabling users to access applications via any device capable of displaying an internet browser.
					-400	Drawdown from IT Asset Maintenance Reserve for Thin Client costs.
					-419	One off rebate from BT for changes to circuit use.
					+400	Alternative provision of telephony through unified communications.
					-37	Other minor variances
- <i>Transfer to(+)/from(-) DSG reserve</i>					0	
Total BSP&HR portfolio	99,766.2	-44,655.5	55,110.7	+813		
Democracy & Partnerships portfolio						
Finance - Internal Audit	1,175.9	-34.0	1,141.9	-74	-104	Taking time to recruit to staffing vacancies due to specialist nature of posts.
					+30	Other minor variances
Business Strategy - International & Partnerships	854.1	-173.0	681.1	-57		
Democratic & Member Services	3,865.9	-3.0	3,862.9	-40		
Local Democracy:				0		
- Other Local Democracy costs: County Council Elections	570.0	0.0	570.0	0		
Total D&P portfolio	6,465.9	-210.0	6,255.9	-171		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Total BSS Controllable (excl. Public Health)	132,852.3	-53,575.0	79,277.3	+280			
Assumed Management							
- R&E portfolio							
- F&BS portfolio							
- BSP&HR portfolio				-367		The Directorate is wholly committed to delivering a small underspend by the end of the financial year, to allow for the roll-forward within Business Strategy, and will continue to consider all options to ensure this happens. This includes Property Group Managers being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure within the division.	
- D&P portfolio							
Total Forecast <u>after</u> mgmt action	132,852.3	-53,575.0	79,277.3	-87			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to come in during 2013-14 is £17.047m. This is broken down between the various “pots” as detailed in the tables below.

2.2 Capital Receipts Funding Capital Programme

	2013-14
	£'000
Capital receipt funding required for capital programme	26,895
Banked in previous years and available for use	30,786
Receipts from other sources*	2,439
Requiring to be sold this year	0
Forecast receipts for 2013-14	<u>7,506</u>
Potential Surplus/(Deficit)	13,836

Page 40

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2013-14 totals £26.895m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), there is already enough in the bank to fund the requirement from this year's capital programme.

2.2.2 Current forecasts show receipts expected in during 2013-14 will total £7.506m, which leaves a potential surplus on capital receipt funding in the capital programme of £13.836m. This will continue to be monitored over the remainder of the year. The three year capital programme is reliant on £71m of capital receipt funding, therefore any “surplus” receipts achieved in 2013-14 will be needed to fund projects in the future years capital programme.

PEF1

2.2.3 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.

2.2.4 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.

2.2.5 Forecast 2013-14 position

	2013-14
	£000
Opening deficit balance 1 April 2013	-5,560
Planned receipts	3,590
Costs	-210
Planned acquisitions	0
Reimbursement - Eurokent Access	5,092
Closing balance	<u>2,912</u>

2.2.6 The previous table shows the opening balance on the fund as being £5,560k deficit. With forecast PEF1 receipts of £3,590k, reimbursement re Eurokent Access of £5,092k and associated costs of £209.7k, this results in a forecast closing surplus balance of £2,912k.

Revenue Position

2.2.7 The deficit balance brought forward at the 1st April 2013 was £3,285k. The anticipated net income from managing the properties held within the fund is estimated at £0.045k, but with the need to fund costs of borrowing of £315k against the overdraft facility, the PEF1 is forecasting a £3,555k deficit on revenue, which will be rolled to be met from future income streams.

PEF2

2.2.8 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.

2.2.9 Overall Forecast Position on the Fund:

	2013-14
<u>Capital</u>	£000
Opening deficit balance	-6,159
Properties to be agreed into PEF2	0
Purchase of properties	0
Forecast sale of PEF2 properties	5,951
Disposal costs	-108
Closing deficit balance	<u>-316</u>
<u>Revenue</u>	
Opening balance	-4,787
Net interest payments on borrowing	-270
Holding costs	-55
Closing deficit balance	<u>-5,112</u>
Overall deficit closing balance	<u><u>-5,428</u></u>

2.2.10 The forecast closing deficit balance on the fund is £5.428m, which is within the overdraft limit of £85m.

2.2.11 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.

3. CAPITAL

3.1 The working budget for the Business Strategy & Support Directorate for 2013-14 is £71,622k. The forecast outturn against the 2013-14 budget is £69,507k giving a variance of - £2,115k.

3.2 **Table 2a** below details the Business Strategy, Performance & Health Reform Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	7,950	2,530	-750	-750	Real - Grant	Property group has used £750k of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.	Green		
Disposal Costs	910	250	0				Green		
Modernisation of Assets	9,521	4,888	0				Green		
Individual Projects									
Connecting with Kent	532	361	0	0			Green		
HR Recruitment Management System	125	125	0	0			Green		
HR System Development	226	113	-47	-47	Rephasing		Green		
Innovative Schemes Fund	3,000	1,000	0	0			Green		
New Ways of Working	24,000	19,934	0	0			Green		
Sustaining Kent - Maintaining the Infrastructure	270	1,917	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
ORACLE Release 12	0	230	0	0			Green		
ORACLE Self Service Development	0	44	0	0			Green		
Property Asset Management System	0	297	0	0			Green		
Enterprise Resource Programme	0	877	35	35	Real - Prudential	To be funded from underspend in E&E capital programme.	Amber	Synchronised sign on and (elements of) remote access work streams cannot be delivered until server refresh has completed.	
Integrated Children's Systems	0	748	0	0			Green		
Total	46,534	33,314	-762	-762					

3.3 **Table 2b** below details the Regeneration and Economic Development Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Dover Priory Station Approach Road	0	-3	0	0			Green		
Broadband	23,500	2,650	0	0			Green		
Empty Property Initiative	7,500	3,710	0	0			Green		
Eurokent Road (East Kent)	65	84	-69	-69	Rephasing		Green		
Folkestone Heritage Quarter	380	402	-300	-300	Rephasing	Re-alignment of budget to agree with updated project plan, this has not affected the completion date.	Green		
Incubator Development	0	262	0	0			Green		
LIVE Margate	6,800	6,508	0	0			Green		
Managed Work Space - The Old Rectory	160	174	0	0			Green		
Marsh Million	0	100	0	0			Green		
No Use Empty - Rented Affordable Homes	750	750	0	0			Green		
Old Town Hall	94	25	0	0			Green		
Regeneration Fund Projects	5,061	3,555	0	0			Green		
Regional Growth Fund, including Expansion East Kent	37,200	14,384	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rural Broadband Demonstration Project	1,897	1,568	-984	-984	Re-phasing	Spend will be incurred on four or five local schemes this year with the remainder of the funding being kept as a contingency. The rephasing is not expected to impact on the completion date of the overall project.	Green		
Swale Parklands	0	65	0	0			Green		
TIGER	20,000	4,000	0	0			Green		
Tram Road/Tontine Street Road Works	0	74	0	0			Green		
Total	103,407	38,308	-1,353	-1,353					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

From: **Bryan Sweetland, Cabinet Member for Commercial & Traded Services**

David Cockburn, Corporate Director for Business Strategy and Support

To: **Policy and Resources Cabinet Committee**
– 6th December 2013

Subject: **FT Innovative Lawyers 2013**

Classification: **Unrestricted**

Summary: KCC Legal Services' commended as Legal Industry Pioneers in FT Innovative Lawyers 2013.

Recommendation(s): The Committee is asked to note the report.

1. Introduction

- 1.1 FT Innovative Lawyers 2013 is the premier rankings report and awards for Europe-based lawyers. Shortlists for the awards comprise the top-ranked lawyers and law firms from all areas of the profession.
- 1.2 The FT and its research partner RSG Consulting have devised a unique methodology to rank lawyers on innovation. Law firms, in-house legal teams and other legal service organisations are fully researched through extensive telephone interviews. No entry appears in the FT report without a robust client or independent reference. Market experts are also called in to assess the submissions and the research. A list of the experts is available online and all the ranking tables from this and previous years can be found online at www.ft.com/innovative-lawyers.
- 1.3 The Legal Industry Pioneers and the In-House Lawyers rankings are drawn from nominations as well as submissions, but all entries require third-party validation and commendation.
- 1.4 Each entry is scored out of 10 points on originality, rationale and impact for a maximum score of 30. They are benchmarked against each other to arrive at the final rankings. Lawyers are ranked for delivering exceptional value to business.
- 1.5 For the FT Innovative Lawyers 2013 report, more than 600 submissions and nominations were received and almost 800 interviews were conducted with senior lawyers and executives. Submissions were received from 111 law firms, and an additional 48 in-house teams and 97 "legal industry pioneers" were studied. The research was conducted by eight RSG researchers between May and September 2013.
- 1.6 Last year, not only did the FT Innovative Lawyers awards name Geoff Wild as 'Legal Industry Pioneer', it also awarded Kent Legal Services the

highest accolade by naming it 'Legal Innovator of the Year' for its unique and ground-breaking collaboration with top 100 law firm, Geldards, in creating the 'Law:Public' affiliation, offering clients the best legal advice from both the public and private sectors. It was the first time that any public sector lawyers had been recognised in these awards.

- 1.7 This year, for the second year running, FT Innovative Lawyers 2013 commended Kent Legal Services as 'Legal Industry Pioneers', describing it as "a public legal provider run along private-sector lines, it has generated more than £3m of profits": <http://media.ft.com/cms/4aa3b5c6-2b12-11e3-8fb8-00144feab7de.pdf> (see page 23).
- 1.8 The Kent initiative was ranked higher than other notable names in the legal market, such as Parabis, Riverview Law, Berwin Leighton Paisner and Co-Operative Legal Services.

2. Recommendation(s)

Recommendation: The Committee is asked to note the report.

3. Contact details

Report Author

- Geoff Wild Director of Governance & Law
- 01622 694302
- Geoff.wild@kent.gov.uk

From: **Mike Hill, Cabinet Member for Community Services**
Gary Cooke, Cabinet Member for Corporate and Democratic Services
David Cockburn, Corporate Director for Business Strategy and Support and Head of Paid Services
Amanda Honey, Corporate Director for Customer and Communities

To: **Policy and Resources Cabinet Committee – 6 December 2013**

Decision No: None

Subject: **Annual Equality Report**

Classification: **Unrestricted**

Summary: This report outlines the content and purpose of the annual equality report 2012/13.

Recommendation: The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Members on the Annual Equality Report 2013.

1. Introduction

- 1.1 The Equality Act 2010 outlines, for England, the framework for promoting equality of outcomes and eliminating discrimination. The Act includes a general duty for public authorities to promote equality, undertake equality analysis to inform all policy decisions and to publish equality information.
- 1.2 All public authorities have a legal responsibility under the Equality Act 2010 to publish equality objectives. Progress on those objectives must be reviewed at least annually and the progress published.
- 1.3 The attached report is Kent County Council's third annual report and demonstrates where progress has been made on the objectives. These objectives were about creating the conditions in which the equality duty can be met.

2. Financial Implications

- 2.1 There are no financial implications in producing an annual report.

3. Bold Steps for Kent and Policy Framework

- 3.1 The proposed decision links with Bold Steps for Kent in that it provides information on how the authority is tackling disadvantage.

4. Background

4.1 Publication of equality information is compulsory in England for all public authorities. Proactive publication of equality information ensures not only compliance with the legal requirements, but it can ensure a greater understanding by the public of the difficult decisions being faced by an authority, and why they are being taken. Gathering equality information and using it to inform decision-making can also enable authorities to achieve greater value for money in the services they deliver through better targeting of services. On-going, regular information on equality in service provision is published on kent.gov.uk and reviewed by 31 January each year. Therefore, that information is not published in the annual report.

4.2 It would be illegal not to publish progress on outcomes, but it is at the discretion of the authority to determine how it is published.

4.3 In 2012 the Council published the equality objectives set out below, and progress is reported in the annual report:

Objective A Working with all our partners to define and jointly address areas of inequality

Objective B Promoting fair employment practices and creating an organisation that is aware of and committed to equality and diversity and delivers its Public Sector Equality Duty

Objective C Improving the way KCC listens to and engages with its employees, communities and partners to develop, implement and review policy and to inform the commissioning of services; and

Objective D Improving the quality, collection, monitoring and use of equality data as part of the evidence base to inform service design delivery and policy decisions

Objective F Understanding and responding to the impacts on People when KCC is doing its work.

4.4 The annual report also identifies key challenges for 2013 and beyond, in particular the challenge of providing quality public services in the face of limited financial resources and high expectations from the public. The nature of the services provided, combined with Kent's changing demographics (for example, an ageing population), means that, in future, changes to public services have a high relevance to the protected equality characteristics of Age and Disability.

5. Equality Impact Assessments

5.1 As this decision is performance monitoring on the previous year's work there is no requirement to undertake an Equality Impact Assessment.

6. Conclusions

- 5.1 Approving the annual report will ensure that the council can demonstrate how it has complied with legal duties to review equality objectives.

7. Recommendation(s)

Recommendation: The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Members on the Annual Equality Report 2013.

8. Background Documents

KCC Equality Strategy, 11 October 2010, Cabinet

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=3026&Ver=4>

KCC Equality Policy Statement and Objectives, Cabinet 17 September 2012

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=3899&Ver=4>

KCC Equality Policy Statement and Objectives

Policy & Resources 27 September 2012

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=750&MId=4858&Ver=4>

9. Contact details

Director: Matt Burrows

Title: Director of Communications and Engagement

Alister McClure
Corporate Lead for Equality

Equality & Diversity Officer

alister.mcclure@kent.gov.uk

01622 223487

This page is intentionally left blank

Kent County Council

Annual Equality Report 2013

Useful information

This document is available in a range of formats and can be explained in other languages.

To ask for an alternative version, please contact:

Kent County Council Equality and Diversity Team,

Tel: 01622 223487

Type Talk: 18001 01622 223487

Or write to: Kent County Council, Diversity & Equality Team Room 37, Sessions House,
County Hall, Maidstone, Kent, ME14 1XQ

1. Foreword by Paul Carter, Leader of Kent County Council

(to follow – approximately a page required)

2. Equality policy and local context

2.1 Policy

At Kent County Council we recognise the diverse needs of our community. We value and celebrate diversity, and believe it is essential to provide services which work well for all our customers and staff. We are committed to working with our statutory partners, businesses and the voluntary sector to ensure good outcomes for those who live in, work in and visit Kent. We will achieve our vision through our roles as: community leader; service provider; commissioner of goods and services; and employer. We are committed to promoting equality of opportunity and diversity through: our employment opportunities and standards; service delivery; and working practices. We will ensure that our services do not unfairly discriminate against any of our customers, so that everyone in Kent has the opportunity to reach their full potential. We manage equality and diversity through:

- Community Mapping (aiming to understand our community through socio demographic data, customer data and feedback)
- Leadership, Partnership & Commitment – Working together
- Community Engagement – Listening to our Community
- Customer Service – Delivering Excellence
- Modern and Diverse Workforce (inclusive recruitment and retention, maintaining fair employment practices, and developing a 'diversity aware' workforce)

2.2 Context and background

With a resident population of just over 1.46 million, Kent has the largest population of all the English counties. The following information is understood from the 2011 Census.

- 93.7% of all Kent residents are of White ethnic origin – this includes those who are White British, as well as other identities such as Irish, Eastern European origin etc. Kent also has Gypsy, Roma and Traveller populations greater than national average.
- 6.3% of Kent residents are classified as Black or Minority Ethnic (BME). This proportion is lower than the national average for England (14.6%), although has risen from the previous census and is anticipated to rise over time.
- People living in urban areas make up 71% of the Kent population but only occupy 21% of the total land area in Kent.
- 51.1% of the total population of Kent is female and 48.9% are male.
- Significantly in terms of future challenges, Kent has an ageing population with the number of 65+ year olds forecast to increase by 43.4% between now and 2026.
- However, Kent also has a greater proportion of young people aged 5-19 years and people aged 45+ years than the national average.
- There is no single quantifiable measure of the number of disabled people in Kent (or the UK), because identifying as disabled relies on individuals' self-perception; but it is estimated that 20% of UK residents are disabled people.

Further information on social, demographic and economic aspects of Kent can be found on our website, on the Kent Facts and Figures page.

http://www.kent.gov.uk/your_council/kent_facts_and_figures.aspx

3. Progressing on our Objectives 2012/13

In 2012 the council identified the objectives set out below. Each council directorate is responsible for the publication of its performance data; information and data about on-going, regular service provision will now be published on kent.gov.uk

3.1 Objective A - Working with all our partners to define and jointly address areas of inequality.

We are achieving this through the implementation of our key strategies and plans, such as Vision for Kent, Bold Steps and Bold steps for Education, the Kent Children and Young People's Joint Commissioning Board Strategy, and 'Mind the Gap' (Health & Wellbeing Strategy). Examples of achievements include:

- A new partnership protocol on Joint Equality Impact Assessment was developed in 2012 to ensure equality analysis where decisions or services involving more than one agency.
- The launch of a new website to support victims of domestic abuse.
- The delivery of the Kent 2012 Campaign, related to the Olympic and Paralympic Games, and addressing issues around disability, gender, and age in culture and sport. A Kent Olympic and Paralympic Games Legacy Plan has now been launched.

3.2 Objective B - Promoting fair employment practices and creating an organisation that is aware of and committed to equality and diversity and delivers its Public Sector Equality Duty.

Progress on this objective is set out in Appendix A, the Annual Equality Report on Employment.

3.3 Objectives C and D

Objective C - Improving the way KCC listens to and engages with its employees, communities and partners to develop, implement and review policy and to inform the commissioning of services; and

Objective D - Improving the quality, collection, monitoring and use of equality data as part of the evidence base to inform service design delivery and policy decisions

These two objectives are related to an organisation-wide need to have a better understanding of who our communities and customers are and how that may affect their needs and demands for our services, as well as ensuring that what we communicate may reach all residents. Examples of where progress has been made on this include:

Equality Impact Process - The equality analysis process was revised in 2012/13 to make it easier to embed equality impact assessment in mainstream working practices. Over 200 equality impact assessments were completed last year as a

result of restructures or changes to service provision; these are published with the decision record. Controls have been put in place to ensure that procurement, consultation and decisions do not take place without equality analysis.

About You - We collect information from service users on their protected characteristics in an 'About You' form: this is in order to ensure we have enough evidence to inform decisions. There are four formats of this form including two 'easy read' versions for people with a learning disability.

Consultation - The planning of any consultation is underpinned by equality impact assessment, which helps the council to identify groups who may be affected by decisions, and the most effective methods for communicating and engaging with them. Consultation documents may be available in alternative formats, and 'Easy Read' documents are produced as a matter of course if target groups include those with a Learning Disability.

Customer Service Strategy - Our customer service strategy, launched in 2012, aims to provide inclusive and responsive customer services through: understanding our customers' needs; connecting with our customers effectively and efficiently; empowering staff to meet service expectations; improving access to services; and working with our partners to improve our customer experience. The strategy aims to improve the way Kent collects and manages customer data.

Web Access

KCC have facilities on the KCC website intended to assist people with access requirements. We have the languages page that points people to ask an English-speaking friend to ring the Contact Centre if they need something explained to them in their language. http://www.kent.gov.uk/website_information/languages.aspx

We also promote a link to the Listen to this page function
http://www.kent.gov.uk/website_information/listen_to_the_page.aspx

The on-going 'Easy Read' project is reviewing the council's approach to producing easy read materials for people with a learning disability.

3.4 Objective E - Providing inclusive and responsive customer services

This objective is about how we use the approaches outlined above to achieve improved and more equitable outcomes for residents. Examples of how this has been achieved include:

3.4.1 Customer and Communities Directorate

We are **widening participation in sport** through sport development objectives covering; disability sport, women and girls sport, LGBT sport inclusion and tackling homophobia and race and ethnicity, and have enabled, for example, an LGBT training workshop delivered by Pride Sports, a Black and minority ethnic community clinic providing information on funding and club support.

Disability access to Country Parks has been improved with an increase from 2 to 3 in Tramper Easy Access Vehicles hosted at Shorne Woods Country Park, supported by a campaign is currently in progress to promote them to disabled people across Kent. All 6 major Country Parks have blue badge disabled parking provision along with wheelchair accessible toilets wheelchair friendly easy access trails

Kent Libraries, Registration and Archives purchased new and diverse stock to support the development of library services: including: 'Pictures to Share' and books about dementia; LGBT collections; Romany Roots Traveller collections; and collections of specially adapted books produced by Access2books. Kent Libraries Registration and Archives continue their commitment in supporting members of the community who are digitally excluded, assisting over 10,000 people with their ICT literacy skills. Abilitynet, accessible software for blind and partially sighted people and people with Dyslexia is available on all our public and staff computers.

3.4.2 Education and Learning Services Directorate

We are operating in a more diverse education system with greater freedoms and autonomy for schools, colleges and other education and learning providers. Specifically in terms of equality and diversity the following progress has been achieved in 2012/13:

- There has been a significant reduction in the number of schools below the floor standard
- There has been steady narrowing of the SEN achievement gap at Key Stage 2 by 6% between 2010 and 2012
- Between 2010 and 2012 outcomes for children in care improved at Key Stage 4 by 8.5%
- There has been a reduction in the number of permanent exclusions, down to 192 in 2012 from 252 the previous year
- Persistent absence rates have reduced quite significantly from last year.
- The number of apprenticeships has risen, and Kent is outperforming the South East for the number of people starting apprenticeships
- The number of SEN statements completed within the required timeframes has risen to 85%

A key performance challenge in education is to improve outcomes for Gypsy, Roma and Traveller children and young people. 1,850 pupils have declared their ethnicity as Gypsy/Roma or Traveller of Irish Heritage. In the 2011-12 academic year in Kent there were a total of 210 Permanent Exclusions (47 Primary and 163 Secondary). 4.3% of the permanent exclusions relate to pupils categorised as Gypsy/Roma or Traveller of Irish Heritage, who make up just 1.65% of the pupil population. Gypsy/Roma or Traveller pupils accounted for 2.8% of permanent exclusions in 2012/13. These figures suggest that in Kent a pupil categorised as Gypsy/Roma or Traveller of Irish Heritage is between 3 and 5 times more likely to receive a permanent exclusion than the general pupil population.

Attainment for Gypsy, Roma and Traveller children is also significantly lower than the whole school population.

- KS2 – Level 4 + English and Maths
Kent: 29% of Gypsy/Roma pupils, 12.5% of Travellers of Irish heritage as opposed to 77.5% of all pupils.
Nationally: 23% of Gypsy/Roma pupils, 30.1% of Travellers of Irish heritage as opposed to 74.2% of all pupils.
- KS4 – 5 A* - C including English and Maths
Kent: 4.2% of Gypsy/Roma pupils, 0% of Travellers of Irish heritage as opposed to 60.6% of all pupils.
Nationally: 10.8% of Gypsy/Roma pupils, 17.5% of Travellers of Irish heritage as opposed to 58.2% of all pupils.

Therefore, we are participating in a two year pilot to raise the attainment and accelerate the academic progress of Gypsy, Roma and Traveller children and young people.

3.4.3 Enterprise and Environment Directorate

Following equality analysis, in 2012 we changed our **bus pass renewal system** to automatically renew concessionary bus passes when they are due to expire. The English National Concessionary Travel Scheme (ENCTS) provides free off-peak travel on local bus services for older people and disabled people. The automatic renewal of bus passes will save pass holders a great deal of time, but importantly, those with visual impairments will no longer need to ask others for help in re-applying.

Working with the Waste Collection Authorities we have improved **Waste Management by** providing a variety of options for householders to dispose of their waste - including specialist collections ('assisted collections' for elderly residents or those with a physical disability) and disposal services (e.g. clinical waste collections). The Household Waste Recycling Centre (HWRC) service places a requirement upon the contractor to deliver a 'meet and greet' service, with assistance available to customers for the lifting and carrying of waste e.g. pregnant women, people with visual or mobility impairments.

3.4.4 Families and Social Care Directorate

A key challenge in **Adult Social Care** has been to gain a better understanding of the diversity of our service users. Whilst the service works on a personal basis with many clients and has an understanding of an individual's care needs, we recognise an ongoing need to better understand the broader patterns of experience to help us plan our resources for the future. Achievements in adult social care are published in our Local Account Annual Report 2012-13. The report illustrates how, during that year, we worked hard to: keep vulnerable adults safe; monitor the quality of services; enable people to regain their independence and remain at home; reduce the number of permanent admissions to residential care; support more people through a person-centred process and receive a personal budget; support more people with a learning disability into employment; use surveys and other feedback to look at what we are doing well and what needs further work; and work with health to plan and provide joint services.

Children's Social Care Services gather comprehensive equalities data to inform individual service and support care planning as well as providing aggregated data to assist in challenging and improving the total service. Information on the cultural backgrounds of looked after children are used to inform planning for foster carer recruitment and other placement procurement. Information is also used to monitor access to services and the flow of children through care pathways from referral through assessment, to child protection 'section 47' investigations and in assessing and comparing the characteristics of children with an active 'child in need' plan. At the end of March 2012 Kent County Council was looking after 1804 children and young people (1618 citizen children and 186 unaccompanied asylum seeking children). This represents a net rise of 105 (6.1%) of children and young people over the year 2011/12 (April 2011 to March 2012). The average number of children who become 'looked after' each month is 82.6, while the average number of children ceasing to be 'looked after' each month is 74.3 – a net increase of around 8.5 looked after children per month.

For the year 2011/12, 94.8% of children and young people participated at some level in their annual review and only 5.2% (213) of children and young people did not participate in any form at all. The overall average for children and young people attending their review meetings, excluding children under 4 years is 59.2% (2330).

3.5 Objective F - Understanding and responding to the impacts on People when KCC is doing its work

This objective is about how the council uses its collective knowledge to ensure that equality information can drive service improvement and resource planning. New governance structures were agreed in 2012/13, including a Corporate Equality Group whose remit is to: support the integration of equality and diversity considerations into core activity; encourage a culture that supports good practice in decision-making; and review directorate and service equality objectives.

4 Key challenges for 2013/14 and beyond

A major challenge for 2013 onwards is the limited availability of public finances, combined with an ageing population, and an increasing population of children and young people. The council will need to ensure it meets the needs of the people of Kent, on significantly reduced resources. This necessitates a major shift in how we organise and conduct our business, which will include promoting greater independence and resilience for local people. Owing to the demographics of the county and the nature of the services that are provided by the council, there will be significant changes affecting older people, children and young people and disabled people. Embedding equality analysis, including ensuring that other protected characteristics are not overlooked, is at the heart of these changes is essential.

We are operating in a more diverse range of providers of public services, for example in the education system there are greater freedoms and autonomy for schools, colleges and other education providers. To effect the improvement in outcomes that we need to achieve for residents, and especially for those who are highly dependent on public services, we need to work in close partnership with a wider variety of public, voluntary and private sector providers, and promote greater independence for people, with earlier and more preventative interventions where necessary. For example, we in adult social care, we need to change the way we deliver our services now so we can continue to offer quality care and value for

money for the future. We are committed to improving social care outcomes within the constraints of a challenging financial climate. By 2018, there will be a slight increase in older people, and demand on services will gradually increase. At the same time funding that councils can use to spend on services has been reduced. Current trends show that from 2018 to 2026 the population of older people will increase significantly. Kent County Council is working with many other organisations towards providing joint services and funding to help people manage their own health at home and in the community.

5 Strategic equality objectives for 2013/14 onwards

The main challenges that the council faces in 2013 and the following three years are mirrored in the equality challenges for the council. We want to develop a new set of objectives in 2014 that are more focused on customer outcomes; we will group these under a set of six equality aims, which are described below. From what we have learnt since setting our last equality objectives we know some parts of the council still need significant improvements in collecting, recording and managing customer equality data in a way that delivers meaningful improvements for customers. Therefore, we have maintained this as an aim. However, in other parts of the council's business we have identified specific areas where we will seek to improve service outcomes for the people of Kent; we have grouped these under the same headings as three of our transformation programmes. Additionally, whilst all protected characteristics are equally important, the nature of our business and level of budget has very high relevance in terms of Age (both older people and children & young people) and disability; therefore, we have included our desire to improve the accessibility of services (both delivered and commissioned) within an objective to improve the council's business capability.

Our six Equality Aims are:

- Aim 1 Enable the delivery of improved outcomes by better understanding customer needs and values
- Aim 2 Improve the life chances for children and young people, and their families, by transforming the delivery of 0-25 services
- Aim 3 Transform the commissioning and delivery of adult social care and public health)
- Aim 4 Improve access to community-based frontline services by designing them around the needs of service users and residents
- Aim 5 Improve the business capability of the council, including improving the access to our services, through new ways of working.
- Aim 6 Promoting fair employment practices and creating an organisation that is aware of and committed to equality and diversity.

Each council service will be required to consider where it contributes to these aim, and to express its own equality priorities as objectives; we shall then consult on turning these Aims into our new equality objectives. Two examples of how this may be presented are outlined below.

Aim 1 – Enable the delivery of improved outcomes by better understanding customer needs and values			Delivered by: March 2015	Owner: TBA
Delivery Objective (examples only)	Activity	Protected Characteristics	Timescale	Responsibility
X% of decisions are informed by to equality analysis	Equality Impact Assessments (EqIAs) on changes to policy, procedures, procurement and projects and part of the decision making process. Carry out and ensure the EqIA is maintained and updated. Findings of EqIAs included within decision reports	All	date	All heads of service
X% of council services, including commissioned services, to be analysing customer demographic data to inform service delivery	Accelerate the collection of relevant equality information is collected and used to inform outcome priorities. 'About You' Information collected and used to inform service priorities. Consultation and satisfaction reported by relevant protected characteristic	All	date	All heads of service

Aim 2 – Improve the life chances for children and young people, and their families, by transforming the delivery of 0-25 services			Delivered by: DATE	Owner: TBA
Delivery Objectives (examples only) <i>(As defined in Every Day Matters)</i>	Activity	Protected Characteristics	Timescale	Responsibility
Keep all children and young people safe so that: (quantitative measure of safeguarding, speed of decisions/interventions etc)	Implementing Phase 3 of Safeguarding and Children in Care Improvement Plan, Looked-after Children Strategy and the Youth Justice Plan	Age, Gender, Disability, Race, Sexual Orientation, Religion/Belief	Date	Children's social care services
Narrow the SEN achievement gap further at Key Stage 2 by x% Improve results at KS4 – 5 A* - C including English and Maths, raising the attainment for Gypsy/Roma pupils to X% , and for Travellers of Irish heritage to X%.	Implementing Bold Steps for Education; Improving the use of customer demographic information (see Strategic Objective 1 above) to enable appropriate targeting of programmes and resources.	Age (Children and young people); Gender; Race (in particular Gypsy, Roma and Traveller children)	date	Education and learning services

Diversity and Equality - Annual Report – 2012/13

Kent County Council's Workforce

As the largest employer in Kent, KCC believes and recognises that the diversity of its workforce is one of its greatest strengths. KCC is committed to challenging inequality, discrimination and disadvantage for everyone who lives in, works in and visits Kent.

This section contains details of the make up of the Authority's workforce, focusing on headline statistics, together with the progress on our Equality Objectives as at 31st March 2013.

Headline statistics:

- Currently employees 8,874.7 fte (non-schools)
- 74.8% are female (51.1%**)
- 5.5% are from the Black Minority Ethnic community (6.3%**)
- 3.8% have declared a disability (7.6%**)
- 2.1% are Lesbian, Gay or Bisexual
- 51.9% of the Council's top 5% of earners are women
- Sickness rate continues to improve at 7.38 days per FTE during 2012/13
- Workforce numbers remained relatively static between September 2012 and March 2013
- 45% of staff are on Grade (KR)6 or below (earning salaries up to £26,670)
- 4.8% of employees are aged 65 or over (5.9%**)
- 6.9% of employees are aged 25 or under

There has been a shift over the last 3 years towards a greater percentage of the workforce coming from minority groups.

Full time staffing levels have dropped by 13.7% since March 2007, from 10,277.9 to 8,874.7 in March 2013.

The average age of the workforce has increased this year to 45.3 from 45.1 in March 2012.

[Personnel Committee Report](#)

** Kent's Population for comparison purposes

1. Fair Employment Practice - Promote fair employment practices

Disability Passport - The Passport was developed by the Level Playing Field staff group using real experiences in the workplace. This document is a relevant and adaptable approach to supporting staff with a disability to do their job to the best of their ability. [Disability Passport](#)

Two Ticks – during 2012/13, KCC was accredited for the 10th year running by the Department for Work and Pensions, as being Positive About Disabled People, and continues to be proud to display the Two Ticks symbol [Two Ticks information](#)

Equality Training – KCC continues to deliver a range of equality training to staff. During 2012/13 this included: Diversity, Equality and Discrimination Course, Equality in the Workplace, Avoid and Deal with Discrimination, Equality Impact Assessments and Valuing Diversity.

Corporate Equalities Group – Led by a Corporate Director, a new group of senior level managers has been established to ensure equality and diversity is integrated into mainstream KCC activity.

Stonewall Diversity Champion – KCC is proud to be part of the Stonewall's Diversity Champions Programme, recognising that people perform better when they can be themselves, which helps make our workplace the best it can be.

Staff Groups – continue to play a vital role in supporting the organisation by commenting on policies, procedures and services, the groups are: Aspire (younger members of staff) Level Playing Field (disabled staff or carers of a disabled person) Rainbow (Lesbian, Gay, Bi-sexual and Transgender staff) and Unite (Black & Minority Ethnic staff) [Staff Group Leaflet](#)

They also play a key role in supporting and representing the interests of their members.

Routes into Employment

Kent Apprenticeship Programme - through the Kent Apprenticeship Programme, KCC continues to employ apprentices throughout the Authority across all directorates. A total of 101 Apprentices were successfully appointed during 2012-13. Apprentices are considered for KR2-4 posts where there are no suitable employees facing redeployment due to redundancy.

KCC's Graduate Programme - offers opportunities across 3 graduate streams, the organisation has a long tradition of employing graduates through its Graduate Programme with over 106 graduates having been recruited through the scheme with 56 still in employment, from Grade (KR) 9 to senior positions, including a Director.

GradsKent – launched in 2010, the GradsKent website works with recruiting managers in KCC and external Kent based employers. 70% of registered users are aged 25 or under, and 92% are aged 35 or under. 29 graduates were recruited within KCC during 2012/13 using GradsKent.

Work Experience – KCC continues to provide work placement opportunities for young people in Kent. Work placements vary in length and can be offered as a 'one off' or as part of a longer placement. During 2012/13, 151 young people were provided with work experience placements.

2. Listening to our staff – improving the way KCC listens to and engages with its employees

Staff Survey – during Feb/March 2013 over 2,000 staff and managers took part in a staff survey providing feedback on how they feel about KCC, their line manager, team and job. The survey found that 60% of staff felt satisfied with the employment deal offered by KCC (6% improvement on last year). Whilst 63% of staff strongly agreed or agreed that 'The Council respects difference in the workplace'. The survey was used as a mechanism to measure levels of employee engagement which helps inform KCC's Employee Engagement Strategy. The strategy, and its implementation, takes an inclusive approach to supporting staff to feel positive about working for the Authority and motivate them to perform at their best. [KCC's Engagement Strategy](#)

'Including You' – Equality and Diversity is about everyone. Our short film ["Including You"](#) demonstrates how equality and diversity is fundamental to the way we work. The film has been produced to be used in a number of ways, including Staff Induction and on our Kent Manager programme.

3. Growing a diverse workforce – improving the quality, collection, monitoring and use of our equality data

Self-Service – to improve how we capture equality information, work has begun to create a facility via our on-line Self-Service tool, enabling staff to update their equalities data as required. The information is confidential and will enable the Authority to maintain an accurate and up to date profile of the workforce.

Data Cleanse – To prepare for the introduction of diversity self service the Authority has taken the opportunity to ensure the data it holds is as accurate as possible and fit for purpose.

This page is intentionally left blank

By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Policy & Resources Cabinet Committee

Date: 6 December 2013

Subject: **Update on Terms & Conditions Review**

Classification: Unrestricted

Summary: This paper gives an overview of the Terms and Conditions review to date.

1. Background

1.1 As part of the pay and budget consultation discussions for 2012/13, it was agreed that savings from changes to terms and conditions would be considered. The resulting review of terms and conditions was reported to the Policy and Resources Cabinet Committee on 27 September 2012. The committee requested an update following implementation of the changes agreed. This paper provides that update.

2. Summary of Terms & Conditions Review to date

2.1 As part of the review, members of the Personnel Committee were keen to ensure staff views about the wider employment package were sought in order to make more informed decisions about proposed changes.

2.2 A survey was devised and circulated across KCC to help identify reward aspects that were valued by staff. Over 2,000 responses were received.

2.3 Options were prepared and considered by the relevant managerial groups and Member Committees.

2.4 This resulted in the following changes which have now been implemented:

2.4.1 **Weekend and evening enhancements** are made to recompense people for working in different ways. A range of different enhancements were applied across services and these have been replaced by a standard increase to pay of one third when agree via a justified business case. However, if it is felt that applying this enhancement would cause problems with service provision, managers can provide a business case to support paying enhancements above or below this rate.

2.4.2 The **standard overtime rate** is now time plus one third for all overtime rather than time and a half. It is possible to pay a higher rate if an appropriate business case is made by the service.

- 2.4.3 Changes have been made to **disturbance allowance** which compensates staff who have had to move to an office further away from their home and to **loss of earnings compensation** paid to staff redeployed at a lower grade. These allowances have been rationalised and reduced to 18 months from 4 and 3 years respectively for new recipients.
- 2.5 Consultation was undertaken with our recognised trade unions and considerable communication was undertaken with staff and through managers.
- 2.6 Changes were implemented between June and October 2013 (the latter based upon an agreed business case to defer).
- 2.7 All staff affected have been informed.
- 2.8 Budget allocations were appropriately adjusted within directorates.
- 2.9 The changes have resulted in some challenge and 4 formal grievances relating to the removal of additional payments/enhancements were submitted. Recognising the challenge and making provision for this has reduced overall savings slightly. The final savings are shown at Appendix 1.
- 2.10 All business cases are to be reviewed annually to ensure that they remain appropriate for service delivery requirements. This enables the Authority to be clear about payments made, the justifications for them and the groups of staff affected.

3. Recommendation

- 3.1 The Committee is invited to note the outcome of the terms and conditions review.

Colin Miller
Reward Manager
Ext 6056

Appendix 1.

Terms & Conditions Review - Cost Savings summary

Directorate	Unit	Numbers covered	Estimated whole year savings (£k) 2014/15	Estimated part year savings (£k) 2013/14	Proposed implementation date
FSC	SCS Disability	24	15	8	1 August
	LD In house respite	43	32	21	1 August
	OPPD Provision Modernisation	540	710	473	1 August
	OPPD Kent Enablement	278	75	50	1 August
C&C	LRA	190	45	23	1 October
	Contact Centre *	70	75	38	1 October
BSS	ICT	220	125	125	1 April
E&E	Waste Management	4	-	-	1 August
	Total	1493	1,077	738	
	Estimated overtime saving		50	33	
	Total		1,127	771	
	Grievance outcome adjustment		59		
	Overall savings		1,068		

* - Final figure dependant on amount reinvested

Note:

Additional savings are anticipated in other parts of the organisation due to the reduction in the standard overtime provision from time plus a half to time plus one third.

Analysis of overtime indicates expenditure of £1m per annum. Removing plain time for individuals on KR9 and above and savings already take into account within FCS indicated above leaves a figure of £630k. Assuming 75% of this is currently paid at time and a half, a saving of £50k could be made by moving to time and a third on a whole year basis.

The most significant single area of savings is in FSC OPPD Provision Modernisation and is largely due to payments not being made during periods of sickness.

Other business cases received – no cost savings identified

Directorate	Unit	Nos	Proposed implementation date
FSC	LD Supported Living Service (Jubilee House)	4	1 August
	Mental Health (AMHP Service)	18 AMHPs 50 mixed role staff	1 August
	Out Of Hours SCS *	18	1 August
	Children's Respite	34	1 August
E&E	Highways	60	1 June

** Savings will be generated through removal of enhancement for periods of sickness.*

From: Paul Carter, Leader of the Council
David Cockburn, Corporate Director of Business Strategy & Support

To: Policy & Resources Cabinet Committee - 6 December 2013

Decision No: Not applicable

Subject: High-cost short-term credit providers

Classification: Unrestricted

Summary: This report sets out for Members the current position around high-cost short-term credit providers, the proposed national changes in regulation, and action already underway in Kent, and outlines some possible areas for action that the County Council may want to explore further.

Recommendation

The Cabinet Committee is asked to advise on whether further work should be undertaken in the light of the issues set out in this paper

1. Introduction

1.1 “Payday lending” continues to be an issue that has had a high media profile for some time; recently even the Archbishop of Canterbury added his voice to those advocating the need to curb the more irresponsible practices and find lower cost alternatives for people who are struggling to make ends meet. There has been widespread publicity around action taken by a number of councils including restricting access to the websites of such companies, preventing advertising, and preventing them opening new shops on the high street. At the September County Council, Mrs Dean asked a question suggesting that Policy & Resources Cabinet Committee should explore whether there is action that Kent County Council should take to “limit the activities of so-called payday loan companies”.

1.2 Elsewhere on the Committee’s agenda today is a report providing an update on the impact of welfare reforms in Kent which provides some evidence that poverty and financial exclusion is still growing, although there are also now signs that the economy is picking up and unemployment is falling in Kent. The Kent Child Poverty Strategy highlighted that costs were rising faster than wages; over half of children in poverty have at least one parent in work; and that debt management (or avoidance) was a key issue for low income families. In this context, there is sometimes a need for people to borrow relatively small amounts of money (under £1,000) for a short period in order to cope with a particular event or crisis. The expression “payday loan”

is commonly used, but this refers to a specific practice of paying back when a borrower is next paid (or receives their benefits). In this report the term “high-cost short-term credit” is used as this is the preferred nomenclature of the Financial Conduct Authority because in practice borrowers are able to borrow for shorter or longer periods. Also, lenders are increasingly developing more longer-term high-cost products that are repaid over several months.

2. Background and National Policy Context

2.1 High-cost short-term credit providers provide short-term loans to people who need instant-access funds. According to work done by Europe Economics, the sector was worth an estimated £2.0 to £2.2 billion in 2011/2012, up from an estimated £900m in 2008-9, so has grown very substantially in a short time. Nationally, there are many licensed payday lenders but the largest three companies represent around 70% of the market (by turnover). The average amount borrowed is £265-270 over a 30 day period. These loans are usually accompanied by high interest rates and the opportunity for borrowers to extend their loan beyond the initially agreed period. There is currently no restriction on the Annual Percentage Rate charged by the loan companies; companies just have to clearly state what they charge. Equally, there is no cap on the total cost of credit charged.

2.2 It has been clear for some time, however, that the market is not working well for many people, and that the guidance and voluntary agreements that the Government and the Office of Fair Trading (OFT) tried to put in place are not being fully implemented by the sector. The OFT conducted a compliance review of payday lending and published a report in March 2013 that showed:

- Around a third of loans are repaid late or not repaid at all
- 28% of loans are rolled over or re-financed at least once, providing 50% of lenders' revenues
- 19% of revenue comes from the 5% of loans which are rolled over or re-financed four or more times
- Debt advisers reported that borrowers seeking help with payday lending debts had on average rolled over at least four times and had six separate payday loans
- 30 of the 50 websites the OFT looked at emphasised speed and simplicity over cost – in some cases making claims that, if true, would amount to irresponsible lending
- 38 of 50 lenders OFT inspected failed to comply with at least one of the complaint handling rules of the Financial Ombudsman Service

2.3 The OFT found evidence of poor compliance with the law and guidance across the market and throughout the lifecycle of payday loans from advertising of loans to debt collection. They found:

- Lenders competed by emphasising speed and easy access to loans, but borrowers were not getting a balanced picture of the costs and risks of taking out a payday loan;
- The majority of lenders were not conducting adequate affordability assessments, and their revenue streams relied heavily on rolling over or re-financing loans;
- Many lenders were not treating borrowers in financial difficulties with understanding and forbearance. Many were promoting rollovers when borrowers would be better served by a repayment plan, and a number were using aggressive debt collection practices;
- Continuous payment authorities (where borrowers give lenders permission to take repayments directly from their credit or debit accounts) were poorly explained to consumers, and as result some people were ending up with insufficient funds to live on.

2.4 The OFT concluded that irresponsible lending was not a problem confined to a few rogue traders, but had its roots in the way that competition works in this market. Many consumers are in a weak bargaining position and firms compete on speed of approval rather than on price. (Annex 1 provides some typical case studies that illustrate the sorts of problems people are facing.) OFT immediately began considerable enforcement activity, including formal investigations against a number of payday firms. It also referred the payday lending market to the Competition Commission. The Commission is currently taking evidence and intending to produce its final report by the end of 2014.

2.5 Another significant change nationally is that the Government has tasked the Financial Conduct Authority (FCA) to assume responsibility for consumer credit regulation in April 2014 in order to be more stringent about how firms are supervised. From April, each high-cost short-term credit company will need to apply to the FCA for its licence to operate. In preparation for this, a consultation paper into detailed proposals for the FCA regime for consumer credit was launched in October. This report built on the OFT findings, and the research from Europe Economics.

2.6 The consultation paper recognises that there is a place for high-cost short-term credit, but that too many consumers are currently getting loans that they can never afford to repay. The FCA has developed (and is consulting on) a set of interventions aimed at ensuring lenders pay more attention to responsible lending. There are two key aims:

- To ensure that firms only lend to borrowers that can afford it, and
- To increase borrowers' awareness of the costs and risks of unaffordable borrowing, and ways to get help if they have financial difficulties

2.7 The specific proposals are:

- The FCA should enforce implementation of the OFT affordability guidance (the guidance is good, but too few firms currently implement it)
- Cap the number of times loans can be rolled over to two
- Introduce a limit of two unsuccessful attempts on the use of 'continuous payment authorities' (ie permission to take money directly from a person's credit or debit account) to pay off a loan, and a ban on part payments
- Apply a risk warning (like a health warning) for high-cost short-term credit financial promotions
- Require high-cost short-term credit providers to give an information sheet, including information on free debt advice, before a loan is rolled over

Most of these proposals will come into effect from July 2014, but the enforcement of the OFT affordability guidance, and the risk warning (on on-line adverts) will take place from April.

2.8 So, in summary, national action is already underway that should have significant impact on irresponsible high-cost short-term lending. Unless the FCA's consultation results in some unanticipated changes to the proposals, by July the consumer credit industry will be more tightly regulated, operating under significantly different rules as set out in 2.7 above. Then by the end of 2014 the Competition Commission will have published its final report into how the market operates, which should produce recommendations that will reduce the costs of short-term credit for small sums of money.

3. Action by Other Authorities

3.1. A number of authorities have taken specific action in relation to the 'payday loans' market, usually as part of a wider exercise to promote financial inclusion or prevent financial exclusion. Examples include:

- **Medway Council:** Produced a comprehensive well-received report "Fair access to credit" last year, and as a result payday lending websites have been banned on all public access computers owned by Medway Council, and there is no advertising of payday lenders on Medway-owned property, hoardings and bus shelters.
- **North Tyneside Council:** Along with banning access to payday lending websites on public computers, the council has also pledged to prevent payday loan firms from setting up business in commercial property owned by the council.
- **Stockport Council:** In the build up to banning access to payday lending sites on public access computers Stockport council campaigned to help residents with financial advice. They also ensured that library staff could help advise those needing financial advice surrounding payday loans.

- **Plymouth Council:** Plymouth banned access to payday lending sites on public access computers and banned advertising from payday lenders on bus shelters and billboards.
- **Southwark Council:** The council changed the rights surrounding development of buildings in their locality. The change prevents payday loan companies, pawnbrokers and betting companies from using existing high street properties to set up business.

3.2 The ability of local authorities to influence issues around advertising on and access to high-cost short-term credit is limited. Whilst there does seem to be a trend towards banning advertising on publicly-owned property and hoardings, the most significant advertising is on the television (a number of people, including Ed Miliband, have recently proposed banning such adverts during children's programmes) and the internet.

3.3 When it comes to banning access to payday lending sites on public access computers, there is not yet any consensus about whether this is worth doing. Informal contact with councils in the south east suggests that whilst a small minority have indeed taken action on this, there are more who have considered and rejected action on this front. In order to block access to websites on public access computers, the exact address for each website must be known and specifically targeted. As such, larger companies can be targeted, but it is easy for smaller companies to be missed. Any new sites created would subsequently need to be blocked, so ongoing monitoring of the situation would be required. Consideration would also need to be made for those people who already have high cost short-term loans and are using public access computers to manage the repayments. For some, removing this service could leave them in a difficult position and potentially could push such people further into debt.

4. The current position in Kent and possible areas for KCC action

4.1 There is a wealth of work already underway which contributes in general terms towards reducing poverty and financial exclusion which need to be taken into consideration when exploring action that KCC might want to take in response to the issues caused by the high-cost short-term credit market. There are three broad areas where KCC might consider taking action:

1. Restrict access to and awareness of high-cost short-term credit options

Such actions could include banning advertising of products and access to websites on publicly owned computers.

2. Increase availability of and awareness of lower-cost alternatives

Actions here would aim to divert people who need to borrow small sums of money away from the “payday lenders” and towards more responsible and lower-cost lenders. Whilst high-cost short-term credit providers are providing a legal service, and are a better option than illegal loan sharks, there are sometimes better options if people only knew where to look and understood how much cheaper the alternatives could be.

Also, it is important to appreciate that high-cost short-term lending is only one potential source of debt problems. Statistics gathered by the Consumer Credit Counselling Service show that at the end of 2011 the average UK family was paying almost £200 a month in interest – we live in a culture where people utilise credit extensively. Also, according to the South East consumer empowerment partnership, more people get into debt as a result of unauthorised overdrafts than as a result of using ‘payday lenders’. The broader objective, therefore, is to support people who need to borrow money quickly in finding the cheapest and most suitable product for them.

3. Preventative action to improve people’s money management

This is a much longer-term aspiration, which may go beyond the scope of this paper, but the best way to reduce inappropriate use of high-cost short-term credit would be to prevent the need for such services arising in the first place. Having said that, it must be recognised that some people fall into budgetary difficulties, despite managing their resources very carefully, because of circumstances beyond their control.

4.2 Below, some potential areas for action are set out which cross the spectrum of areas highlighted in 1-3 above, taking account of action already underway in the county.

Banning all advertising for high-cost short-term credit from KCC-owned property

4.3 Currently there is no such advertising in place. There is no advertising (for anything) on any KCC-owned or controlled property, although there has been in the past. No advertising (for anything) is allowed on street lighting columns. Commercial Services have confirmed that they would not allow any companies promoting products that the Council would not want to be associated with, including high-cost short-term credit providers, to advertise on roundabouts. So, although KCC does not have a formal policy prohibiting advertising of these products, there is a de facto ban in place.

Banning access to high-cost short-term credit providers from KCC computers

4.4 As set out in section 3, a number of authorities have banned such access from public computers, and there is also the option of banning access from staff computers as well. Paragraph 3.3 sets out some of the practical difficulties of taking

this action. Also, whilst banning access to such websites would carry a clear message that KCC does not support such businesses, it could cause problems for those who already have such loans whilst not preventing others from accessing such loans via other means. If KCC were indeed to go down this route, it would need to be carefully planned so as to ensure that those currently using public computers to access high-cost short-term credit providers are supported to manage their loans by alternative means. Another variant of this option is to explore whether other information, signposting alternative sources of advice and lending, could be targeted at those who access high-cost short-term credit providers on public computers. Initial inquiries suggest this would be difficult, but it may be that there is potential learning from other authorities.

Promoting Credit Unions as an alternative source of short-term credit

4.5 Credit Unions are nationally recognised as an alternative to high-street high-cost short-term credit providers, intended to provide loans to individuals who cannot access mainstream banking products, and to encourage saving. Typically they have a much lower APR, membership is required and, importantly, they are non-profit organisations. However, it does take time for credit unions to process applications, so they are not able to provide the almost instant access to cash that some high-cost short-term credit providers currently do.

4.6 HM Treasury has recently approved the increase of interest rates on credit union loans from 2% to 3% per calendar month. Credit Unions argued this increase will help them to become self-sufficient as businesses. This increase would allow Credit Unions to offer more short-term loans. In conjunction with the forthcoming new regulations requiring high-cost short-term credit providers to act more responsibly, there is a real opportunity for the credit union market to expand and compete more effectively.

4.7 Kent's Credit Union, Kent Savers, was set up with financial support from KCC in 2009. It is a successful but small operation with only 3-4 employees. It has no high-street presence, and most work is currently done through postal applications for loans with a high proportion of applications being turned down as Kent Savers can only issue loans where there is a very strong likelihood of repayment.

4.8 Contrastingly, Wantsum Savers is another small credit union which functions from a small high-street store in Margate and only serves those who live and work locally.

4.9 Kent Savers must expand if it is to provide more loans to people who need this service in Kent. The Church is being supportive, with projects being rolled out in the Dioceses of both Canterbury and Rochester which use church volunteers to help people open Kent Savers accounts. Barclays Bank has also agreed to refer customers that they cannot help to Kent Savers. Most significantly, an on-line

membership application service is being developed (see the next paragraph) which provides much greater scope for expansion.

4.10 DWP has a Credit Union Expansion Project which started in May. This aims to develop credit union products/services ranging from a budget account to a common debt recovery service for all credit unions. The intention is also to make available extensive market research on barriers to credit union growth and production of marketing materials. An automated loan assessment tool will enable credit unions to process more loans without increasing staffing and improve risk assessment. Kent Savers is about to go live with this tool.

4.11 Discussions are also underway between KCC (Business Intelligence), Districts and Boroughs and Kent Savers around improving targeting of credit union services to people who are financially excluded.

4.12 Is there more KCC could and should be doing to publicise and expand Kent Savers? It has a very low profile amongst staff, many of whom run small Christmas clubs and other such saving schemes that could be channelled through Kent Savers. Are there ways in which its service could be promoted to specific, possibly vulnerable, groups? Could CAB and other organisations that advise on debt management do more to promote Kent Savers? Other possible avenues for exploration include having a higher profile on Kent.gov.uk, leaflets or notices in libraries, or a Kent Savers screen on public computers.

Provide Information, Advice and Guidance on money management

4.13 KCC's child poverty strategy and subsequent work on welfare reform has resulted in a more co-ordinated approach to on-line information and advice on financial planning and management. Kent.gov.uk now contains a range of money management advice, with links to other useful websites including the Money Advice Service online, CAB, Kent Savers, and the "entitled to" and "better off in work" calculators to enable people to check that they are receiving benefits to which they are entitled and work out how much better off they would be if they took paid employment (see kent.gov.uk/community and living/money matters).

4.14 Community Learning & Skills provide some money management 'training' via family learning programmes targeted on primary schools in deprived areas and the 'Response' provision in Kent's poorest communities. CLS is also providing workshops with a number of social housing providers and other agencies to promote understanding for residents of the impact of Universal Credit along with developing appropriate budgeting and computing skills. There are examples of Children's Centres or Gateways holding sessions for local people on money management, but such activity is locally determined and organised.

4.15 As far as influencing the financial management skills of future generations is concerned, financial management is a core part of the PHSE curriculum.

Raising awareness, and taking action over, illegal activity

4.16 High-cost short-term credit providers are legal, licensed, organisations that can provide a useful and needed service. However, as the OFT and FCA reports show, many such providers are lending inappropriately in the way in which they operate. Even when the new regulatory framework comes into effect in April, it will still be important to ensure that providers actually follow the regulations in practice. KCC Trading Standards has a role to play here, and will support the FCA in its enforcement responsibilities.

4.17 Loan sharks, on the other hand, are illegal. KCC Trading Standards has, for a number of years, worked in partnership with Birmingham City Council who have Government funding for the national Loan Sharks project. So far in Kent this has resulted in two prosecutions and one formal warning with a further six cases on-going. The Loan Shark Team employ an officer whose works across the South East to inform, educate and gain intelligence for the enforcement teams locally. Examples of recent work include:

- A large campaign in Margate in May. A 'week of action' took place and it is estimated that 700 people were engaged directly and 1,000 indirectly just in this area alone. During the week there was training, meetings with key agencies including the Police, display stands in high-foot fall areas where the Community Wardens helped speak to people and give out and gather information. This resulted in a contact list of around 100 people and 70 different organisations in the Margate area.
- Various Registered Social Landlords (RSL) and Private Tenant Forums have been trained or received presentations and key and intelligence has come from a couple of RSLs this year.
- There is scope to explore further work with Kent Savers and Wantsum Savers.
- The team is planning a campaign in schools at the end of this year, with free lesson plans being advertised to all schools across Kent.
- KCC Trading Standards successfully bid for some money seized as proceeds of crime from loan sharks. This was used to run a short education programme in secondary schools.
- Work was carried out at the time of the closure of Sheerness Steel to prevent former workers falling victim to loan sharks. This included placing food items wrapped in packaging carrying the anti-loan shark message into food parcels and also contact numbers.

4.18 KCC could write to local organisations, including voluntary, community and church groups, asking them to notify Trading Standards and the financial Ombudsman Service of any instances that come to their attention of firms acting inappropriately or illegally. This would ensure that such firms can be investigated in an appropriate and timely fashion, and illegal activity quashed quickly. Trading

Standards already have “you can help” submission pages on the kent.gov website which could be expanded, as well as providing telephone and written access.

Encourage banks to promote easy access to Basic Bank Accounts

4.19 KCC could write to the main banks operating in Kent, encouraging them to promote easy access to Basic Bank Accounts as a means of encouraging people without bank accounts to set them up, and also emphasising the importance of providing affordable alternatives for people needing short-term loans (to avoid unauthorised overdrafts), with transparent fee structure and fair charges.

Work with partners to promote financial inclusion

4.20 Many of the underlying issues in this report around financial inclusion can best be addressed if the work different partners are doing is co-ordinated to get the benefits of synergy. There may be more work that could be done to share intelligence and make connections that enable better targeting of activity.

4.21 Kent Council Leaders (which comprises the Leaders from all the local authorities in Kent and Medway) has recently agreed to establish a “Tackling Disadvantage Commission” to identify the most effective interventions which could reduce disadvantage in Kent. The scope of the commission is still being defined, but addressing issues of financial exclusion, and by extension seeking to reduce the number of people applying to high-cost short-term credit providers for money to cover essential expenditure, may well be incorporated within the terms of reference.

4.22 There is also a Welfare Reform Task & Finish Group, chaired by William Benson, the Chief Executive of Tunbridge Wells, which brings together local authorities, Job Centre Plus, and the CAB to have a co-ordinated and planned approach to the reforms and keep a watching brief on their impact. The group is planning to discuss the issues in this report, including whether District and Borough Councils in Kent are already banning, or planning to ban, advertising for high-cost short-term credit providers.

5. Conclusions

5.1 This report has set out the context in which high-cost short-term credit providers operate, explained that they are legitimate businesses that are providing a service that some people need, although there is plenty of evidence that the market is not working for a lot of people. There are big changes ahead as the Financial Conduct Authority takes over the regulation of the market in April, and further changes could be put in place once the Competition Commission has reported at the end of 2014. But is there more that KCC could or should be doing to divert people from inappropriate use of such products or to prevent them from needing to take out loans in the first place? **Members are asked for their views on whether any of the**

potential areas of subsequent work set out in this report should be explored further, such as:

- **Banning advertising for such products from KCC-owned property**
- **Banning access to such providers from KCC computers**
- **Promoting Credit Unions as an alternative source of short-term credit**
- **Provide more information, advice and guidance on money management**
- **Raising awareness and taking action over illegal activity**
- **Encourage banks to promote easy access to Basic Bank Accounts**
- **Work with partners to promote financial inclusion**

Background Papers: None

Report Authors:

Debra Exall
Policy & Strategic Relationships Adviser
Programme 01622 221984
Debra.Exall@kent.gov.uk

Emma
Management Trainee,
01622 696583
Emma.West@kent.gov.uk

West
Graduate

ANNEX 1

CASE STUDIES

These examples, from the Financial Conduct Authority's October 2013 consultation paper, demonstrate how people can get into debt as a result of using high-cost short-term credit lenders.

A Citizen's Advice bureau in the Midlands reported the case of a young woman who was unemployed and received jobseeker's allowance (JSA) at the lower rate due to her age. She had been unable to find full-time work and had accumulated debts of approximately £1,700 that she could not afford to repay on her low income. She contacted a payday lender to ask for a payday loan and told them that her only income was JSA of around £200 per month. The company gave her a loan of £200, which she then struggled to repay.

StepChange, a charity that supports people who get into debt, gave an example of a client with severe mental and physical health problems. Despite the client's only income coming from employment and support allowance and disability living allowance, he was able to take out eight loans with five separate companies. These loans have been rolled over multiple times, adding significantly to the debt. For example, one company has rolled over the debt each fortnight for a year, at a cost of £10 per rollover. This has had a severe impact on his stress levels.

StepChange advised a woman who had a debt management plan (DMP) with a for-profit debt management company. While on the DMP her income fell sharply after she left work on maternity leave. She attempted to maintain payments by taking out payday loans with multiple lenders, who allowed her to borrow money despite the fact they knew she was on a DMP and was on maternity leave. Where she was not able to repay the loan on time, lenders rolled over the debt several times, which resulted in a total debt of £6,000.

An individual who got into difficulties with a continuous payment authority (CPA) arrangement told his story:

“I lost my job, and had to cancel my CPA with [the lender] and [the bank]. [The lender] then decided to steal money from my bank account, without my authorisation, stating they have card details and can do as they wish, and that they do not enter into repayment plans. They kept taking money until the loan was repaid, constantly taking it until repaid, even though I had made agreements they carried on taking them anyway. They tell you to wait until your due date and default, which means you have the stress of either arranging for wages to be paid into a different account if it's not too late or cancel the CPA and hope for the best, and you still have the worry that they will still somehow find a way to clear your account before a repayment plan is agreed. Which is, I might add, what happened to me just last week.”

From: John Simmonds, Deputy Leader and Cabinet Member Finance & Procurement
 Andy Wood, Corporate Director Finance & Procurement

To: Policy and Resources Cabinet Committee 6th December 2013

Subject: **Budget 2014/15 and Medium Term Financial Plan 2014/17 Consultation**

Classification: **Unrestricted**

Electoral Division: All

Summary: Consultation on the forthcoming Budget and Medium Term Financial Plan was launched on 8th November. The aim of the consultation is to better inform Kent residents and businesses of the financial challenge the authority faces as a result of continued reductions in funding from central government combined with additional spending demands and restrictions on our ability to raise Council Tax. We also want to better engage with people and the consultation seeks views on the broad direction and pace of travel rather than the detail of specific proposals. We have commissioned specific market research to support the consultation and explore issues in more detail. We will undertake more detailed consultation about specific aspects of the budget before changes are implemented.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and comment on the consultation strategy/process. The Policy and Resources Cabinet Committee is also invited to make any recommendations to the Cabinet Members for Finance & Procurement, Corporate & Democratic Services and Commercial & Traded Services arising from the draft financial proposals outlined in the consultation for inclusion in the final draft budget to be considered by Cabinet on 22nd January prior to debate at County Council on 13th February 2014.

1. Introduction

- 1.1 This report provides Cabinet Committee members with more background to the current budget consultation and an opportunity to engage as part of the consultation prior to the finalisation of the draft budget proposals. During the September round of Cabinet Committee meetings members were informed that the consultation could not be launched until November.
- 1.2 The overall objective of the consultation is to inform more people of the financial challenge the authority faces and to engage with them about how we respond. Previously we have consulted about the detail of budget proposals but have not been successful in getting a wide engagement. The main consultation this year is based on a campaign “2 minutes 2 questions” where

we are asking residents to devote a small amount of time to answer two fundamental questions.

- 1.3 The main campaign will be backed up with a summarised “at a glance” presentation of the budget challenge for the next three years (with additional detail for those who wish to explore the budget issues in more depth). We have provided an on-line tool to enable those who wish to provide more feedback through submitting their opinion on what should be KCC’s budget priorities over the coming years.
- 1.4 In previous years we have been successful in carrying out market research with a small representative sample of residents, and engagement with this group has worked well through face to face workshops. We have run these workshops again this year (albeit employing a different independent market research agency from previous years). This agency has also carried out a face to face survey using the on-line tool with a wider representative sample of Kent residents (1,200), and undertaken a similar process of a workshop with KCC staff and an e-mail survey (using the on-line tool) with a sample of staff.
- 1.5 In previous years we have been less successful in engaging with residents outside the workshops and responses to the consultation have been very low (we managed to get a slightly higher response in 2012 with over 400 responses). To date the new campaign approach seems to have succeeded and many more residents and staff are engaging in the process.
- 1.6 The consultation closes on 13th December. The outcome from the main campaign together with the feedback from the more in depth responses on-line, the independent market research findings and discussions with key stake holder groups will be available for the January cycle of meetings. The final draft budget will be considered by Cabinet on 22nd January before it is presented to County Council on 13th February for final approval.
- 1.7 We have assumed a “digital by default” approach and produced all of the material on-line. This is designed in such a way that information can be accessed in layers. There is high level headline information for those who only want to get a feel for the financial challenge. There is then a slightly more detailed picture below the headline level which gives readers a flavour of how we propose to meet the challenge and below this there is pull down menu with a detailed narrative of each element of the budget options. This “digital by default” information is difficult to reproduce in printed form but we have attached examples of the consultation material in the attached appendices although it is not possible to reproduce the information included in drop down menus in print.

2. Financial Implications

- 2.1 We have kept the overall cost of the consultation process within the same amount as last year (£50k budget). Within this we have devoted more resource to promoting the campaign and have obtained significantly more independent market research by using a new agency (BMG Research). To

stay within budget and to comply with communications standards we have significantly reduced the volume of printed material and produced more information on-line.

- 2.2 The overall financial equation presented in the consultation shows estimated government funding reductions of £142.6m over the next 3 years. We are confident that the reduction for 2014/15 (£39m) is robust (this is based on the indicative settlement included in the 2013/15 MTFP adjusted for subsequent announcements), although there is more uncertainty about the estimate for 2015/16. We anticipate we will get the outcome of Government decisions on the 2014/15 and 2015/16 settlement when the provisional settlement is announced in December (likely to be around 19th December). We are not anticipating a provisional settlement for 2016/17 (the June Spending Round only related to 2015/16 and we are expecting that 2016/17 will not be resolved until a new government is elected following General Election in 2015). Therefore the amounts identified in the consultation and the final draft MTFP can only be our best estimates.
- 2.3 We also estimated additional spending demands over the next 3 years of £139.5m. There is still some uncertainty about the pressures for 2014/15 (these will be updated in light of the latest budget monitoring) and we have made provision for emerging pressures in the following years i.e. reasons unquantified at this stage. Within the pressures for 2014/15 we know we need to find £24.9m to replace the one-off savings in the 2013/14 which were necessary due to late and unexpected changes in the funding arrangements. We have offset the additional spending with forecast increase in Council Tax base (0.5%), impact of Council Tax Collection and inflationary uplift to our share of Business rates. These reduce the pressure of additional spending demands to £130m.
- 2.4 Overall this means the County Council is facing the challenge to find an estimated £273m to balance the budgets over the next 3 years as a result of a combination of funding reductions and additional spending demands. Within the draft budget included in the consultation we assumed a Council Tax increase for 2014/15 of 1.99% (the referendum limit). If this were agreed and repeated for the following two years, this would produce £31.4m additional income over 3 years and reduce the savings target to £241.2m.

3. Bold Steps for Kent and Policy Framework

- 3.1 Putting more power into the hands of Kent residents so that they have the opportunity to shape how services are provided to them and their local communities is a key feature of Bold Steps. This budget consultation is an essential feature of this by engaging better with Kent residents in a way which encourages them to respond.
- 3.2 We have been conducting budget consultations for a number of years. We have found that direct engagement with focus groups has worked well but we have been less successful in communicating the budget challenge with residents at large or engaging with them about the council's spending priorities. This year's strategy has been developed to build on the successful

aspects from previous years whilst at the same time getting this wider communication and engagement. We aim to achieve this by presenting a simpler message and asking fewer questions while at the same time providing the opportunity for those who wish to delve deeper. Early indications are this enhanced strategy is achieving the overall objective of better communication and more engagement.

- 3.3 We will provide a demonstration of the on-line facilities to the committee meeting.

4. The Report

- 4.1 KCC has a strong track record of delivering difficult budgets. Over the last 3 years the budget has included savings of £269m. We have achieved these savings and delivered a balanced budget, albeit inevitably there have been some areas which have over delivered and some areas which haven't achieved their budget targets. The challenge of the next three years will be to deliver further savings of a similar magnitude to the previous three years.
- 4.2 As part of this challenge we will have to insist on much greater financial rigour and delivery of budgets as our scope to over deliver to cover shortfalls elsewhere will be severely restricted. The new structures being proposed under "Facing the Challenge" will include medium term financial targets. To support this we are proposing to present the final draft MTFP in directorate format rather than the portfolio presentation used in the past. This will enable senior managers to have a much better understanding of their contribution to meeting the budget challenge.
- 4.3 We have considered alternative options to engage residents in the budget consultation and have concluded that the proposed "2 minutes 2 questions" campaign offers the best chance of wider engagement. In particular we have looked at other on-line tools and use of more market research but were concerned these would not meet our expectations of engagement with the wider public.
- 4.4 We have undertaken an Equality Impact Assessment of the overall budget consultation and setting process. We have arranged telephone support for residents who need help with engaging with the on-line information. The information on the web-site can be produced in alternative formats upon request. Equality impact assessment screening on individual budget lines will be carried out prior to the budget being set and equality impact assessments of individual proposals within the overall budget package will be carried out prior to the more detailed consultation and implementation which will be needed after the budget has been approved. In some instances managers have been given authority to start planning for implementation in advance in order to ensure savings can be delivered for the next financial year but this cannot be completed until the budget has been approved and all necessary consultation and Equality Impact Assessment has been completed.
- 4.5 Consultation on the overall budget closes on 13th December. Following that we will analyse the results and report them to Cabinet and Cabinet

Committees in January. We will produce a final draft budget which will be considered by Cabinet on 22nd January and will be open for a short window for any final comments prior to publication of County Council papers for 13th February. The precise format for the County Council debate has not yet been agreed, although it is likely to follow a similar pattern to previous years with the day devoted to debate about the proposed budget and scope to consider amendments. At this stage we are not suggesting that alternative budgets should be prepared for consideration at County Council, but we have not finally ruled this out.

- 4.6 The budget must be agreed by the County Council which in doing so sets the Council Tax precept for the forthcoming year and gives delegated authority to Cabinet Members and Corporate Directors to manage services within the resources allocated. As already indicated there will be a requirement for further more detailed consultation prior to individual elements within the budget being implemented. The “at a glance” presentation of the 3 year plan presented as part of the consultation is designed to help understanding and engagement and unlike previous years is not a full draft of the budget and MTFP “for consultation”. This means we will only produce two versions of the full budget and MTFP, “final draft for Cabinet/County Council” and the “final approved version following County Council”.

5. Conclusions

- 5.1 We have developed a revised and enhanced consultation and engagement strategy with the aim of improving Kent residents’ understanding of the financial challenge facing local authorities and to better engage with them to get their views on how we should respond. The main “2 minutes 2 questions” campaign is aimed at having a face to face debate with a much wider audience and to get instant feedback (or signpost them to KCC’s website to give a response to either the 2 questions and the more detailed budget modelling tool).
- 5.2 Ideally we would have launched consultation earlier with a longer period for response. However, uncertainty around the 2015/16 settlement would have meant we would have been restricted to the 2014/15 budget and previous experience has shown that we need to engage about the substantial challenge we are facing over a number of years.

6. Recommendation(s)

The Policy and Resources Cabinet Committee is asked to consider and comment on the consultation and engagement strategy/process set out in this report. The Policy and Resources Cabinet Committee is also invited to make any recommendations to the Cabinet Members for Finance & Procurement, Corporate & Democratic Services and Commercial & Traded Services arising from the draft financial proposals outlined in the consultation for inclusion in the final draft budget to be considered by Cabinet on 22nd January prior to debate at County Council on 13th February 2014.

7. Background Documents

7.1 Consultation materials published on KCC website can be found at

www.kent.gov.uk/budget

8. Contact details

Report Author

- Dave Shipton, Head of Financial Strategy
- 01622 694597
- Dave.shipton@kent.gov.uk

Relevant Director:

- Andy Wood, Corporate Director Finance & Procurement
- 01622 694622
- Andy.wood@kent.gov.uk
- Matt Burrows, Director of Communications and Engagement
- 01622 694015
- Matt.Burrows@kent.gov.uk

Headline Budget Information

	2014/15				2015/16				2016/17			
	Estimated Total		Change on Previous Year		Estimated Total		Change on Previous Year		Estimated Total		Change on Previous Year	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Government Funding		357.5		-39.2		295.8		-61.7		254.0		-41.8
Local Taxation		571.7		14.0		584.1		12.4		598.7		14.6
Total Resources		929.2		-25.1		879.9		-49.3		852.7		-27.1
Council Spending												
Base Budget		954.3				929.2				879.9		
Additional Spending				56.0				36.4				47.1
<i>Savings and Income</i>												
Ring Fenced Grants				-4.9				0.0				0.0
Income Generation				-5.5				-4.8				-1.8
Efficiency Savings				-14.0				-6.1				-1.3
Service Transformation & Demand Management				-56.8				-74.8				-71.3
Total savings needed to balance budget presuming 1.99% Council Tax increase is agreed		-81.2				-85.7				-74.3		
Proposed Budget				929.2				879.9				852.7

Summary of Budget Proposals

	A	I	J	K	L	M	N	O	P	Q	R	S	T
		2014/15				2015/16				2016/17			
		Estimated Total		Change on Previous Year		Estimated Total		Change on Previous Year		Estimated Total		Change on Previous Year	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
6	Government Funding		357.5		-39.2		295.8		-61.7		254.0		-41.8
7	Revenue Support Grant	205.2		-41.5		151.4		-53.9		118.0		-33.4	
8	Business Rate Top-up	122.2		3.9		125.6		3.4		123.0		-2.6	
9	Education Services Grant	18.0		-2.6		13.0		-5.0		13.0		0.0	
10	Council Tax Freeze 2013/14	5.8		0.0		5.8		0.0		0.0		-5.8	
11	Other Grants (incl NHB)	6.2		1.1		0.0		-6.2		0.0		0.0	
12													
13	Local Taxation		571.7		14.0		584.1		12.4		598.7		14.6
14	Council Tax	522.4		12.8		535.5		13.1		548.9		13.4	
15	Council Tax Collection Fund	2.0		-0.2		0.0		-2.0		0.0		0.0	
16	Business Rates	47.3		1.5		48.6		1.3		49.8		1.2	
17													
18	Total Resources		929.2		-25.1		879.9		-49.3		852.7		-27.1
19													
20	Council Spending												
21	Base Budget		954.3				929.2				879.9		
22													
23	Additional Spending				56.0				36.4				47.1
24	Pay and Prices			9.4				15.8				19.0	
25	Legislative			2.0				1.4				0.0	
26	Demand & Demography			7.8				11.0				11.0	
27	Impact of local decisions			12.0				8.1				7.1	
28	Unquantified											10.0	
29	One-Off Savings in Previous Year			24.9				0.0				0.0	
30													
31	<i>Savings and Income</i>												
32	Ring Fenced Grants				-4.9				0.0				0.0
33	Public Health Grant			-4.9				0.0				0.0	
34													
35	Income Generation				-5.5				-4.8				-1.8
36	Commercial Services			-2.8				-3.0				0.0	
37	Uplift in Social Care Fees			-1.7				-1.7				-1.7	
38	Other			-1.0				-0.1				-0.1	
39													
40	Efficiency Savings				-14.0				-6.1				-1.3
41	Staff Pay and Travel			-4.6				-0.2				0.0	
42	Premises			-0.4				-2.9				-0.9	
43	Contracts			-7.9				-1.1				-0.3	
44	Other Efficiencies			-1.2				-1.9				0.0	
45													
46													
47	Service Transformation & Demand Management				-56.8				-74.8				-71.3
48	Adults Transformation			-16.0				-7.0				-4.0	
49	Specialist Children's Services			-4.6				-2.7				0.0	
50	Children's Centres			-2.0				-0.5				0.0	
51	Adolescents Services			-4.2				-3.6				-7.4	
52	Early Years Services			-0.3				-2.9				-1.4	
53	Supporting People			-2.4				-1.0				0.0	
54	Highways			-3.7				0.0				0.0	
55	Home to School Transport			-3.4				-2.6				0.0	
56	Public Transport			-1.5				-1.0				0.0	
57	Library Services			-0.6				-0.6				0.0	
58	Economic Development Activities			-0.6				-0.2				0.0	
59	Member and Local Grants			-1.5				-0.2				-0.2	
60	Facing the Challenge			-16.0				-52.3				-58.3	
61													
62	Total savings needed to balance budget presuming 1.99% Council Tax increase is agreed		-81.2				-85.7				-74.3		
63													
64	Proposed Budget				929.2				879.9				852.7
65													