

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 12th December, 2014

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 12 December 2014, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Ann Hunter**
Telephone: **03000 416287**

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, MBE

Webcasting Notice

Please note: this meeting may be filmed for the live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council.

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UNRESTRICTED ITEMS

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

A - Committee Business

A1 Introduction/Webcast announcement

- A2 Apologies and Substitutes
To receive apologies for absence and notification of any substitutes present
- A3 Declarations of Interest by Members in items on the Agenda
In accordance with the Members' Code of Conduct, Members are requested to declare any interests at the start of the meeting. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared
- A4 Minutes of the meeting held on 19 September 2014 (Pages 7 - 16)
To consider and approve the minutes as a correct record
- A5 Minutes of the meeting of the Property Sub-Committee held on 22 September 2014 (Pages 17 - 20)
To note the minutes
- A6 Work Programme 2015 (Pages 21 - 24)
To consider and agree the work programme for 2015
- A7 Decision Making Process (Pages 25 - 32)
To receive a report providing an overview of the governance arrangements that apply to decision-making at KCC
- A8 Meeting Dates - 2015
Members are asked to note the dates of meetings of the Policy and Resources Cabinet Committee for 2015

Meetings will be held at 10.00am on Friday 16 January, Wednesday 22 April, Wednesday 1 July, Thursday 10 September and Friday 11 December

B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

- B1 Transformation update
To receive a verbal update from the Principal Director of Transformation
- B2 Closure of Property Enterprise Funds 1 & 2 and the Future (Pages 33 - 38)
To consider and endorse or comment on the proposed decision to be taken by the Cabinet Member for Corporate and Democratic Services in consultation with the Cabinet Member for Finance and Procurement to approve the closure of Property Enterprise Fund 1 and Property Enterprise Fund 2

C - Monitoring of Performance

- C1 Strategic and Corporate Services Directorate Dashboard (Pages 39 - 52)
To note the report

C2 Financial Monitoring (Pages 53 - 56)

To note the revenue and capital forecast variances from budget for 2014-15 that are within the remit of this Cabinet Committee, based on the second quarter's full monitoring to Cabinet

C3 Annual Equality and Diversity Report 2013/14 (Pages 57 - 82)

To receive the annual equality and diversity report

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

D1 Budget Consultation 2015/16 (Pages 83 - 96)

To note the responses to the consultation and make recommendations to the Cabinet Member for Finance and Procurement

D2 Commissioning Advisory Board Update (Pages 97 - 102)

To receive an update on the work of the Commissioning Advisory Board

D3 Business Planning 2015/16 (Pages 103 - 108)

To receive a report that reviews the 2014/15 business planning round and sets out arrangements for 2015/16 business plans

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, 4 December 2014

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KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 19 September 2014

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mrs M E Crabtree, Mr J A Davies, Mrs T Dean, MBE, 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 G Cooke, Mr E E C Hotson, Mr J D Simmonds, MBE and Mr B J Sweetland

IN ATTENDANCE: Mrs A Beer (Corporate Director Human Resources), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr R Fitzgerald (Performance Manager), Ms E Harrison (Economic Development Officer), Mr N Hartnup (Assistant Director Laser Energy), Mr G Wild (Director of Governance and Law), Mr A Wood (Corporate Director Finance and Procurement) and Mrs L Whitaker (Democratic Services Manager (Executive))

UNRESTRICTED ITEMS

80. Apologies and Substitutes
(Item A2)

Apologies were received from Mr Chard.

81. Declarations of Interest by Members in items on the Agenda
(Item A3)

- (1) Mrs Dean declared an Other Significant Interest in Item 7 – LASER flexible framework contracts for the supply of gas and electricity by virtue of her chairmanship of a parish council that contracted with LASER for the supply of street lighting. Mrs Dean would withdraw from the meeting for the duration of item 7.
- (2) Mr Long said that, although he was a solicitor in private practice, he did not consider the potential personal financial impact of proposed changes to Legal Services at KCC to be significant and therefore would not make a DPI or OSI and would not withdraw from the meeting during item 10 or item 15.

82. Minutes of the meeting held on 10 July 2014
(Item A4)

The minutes of the meeting of 10 July 2015 were agreed as a correct record and signed by the Chairman.

83. Decision Number 14/00075 - Procurement of a Managed Print Service (Decision taken outside committee cycle)
(Item A5)

- (1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which gave information about a decision taken outside of the cabinet committee cycle to procure a managed print service for KCC. He said the decision enabled £750,000 of savings per annum. In response to criticism from the leaders of the opposition groups about the taking of the decision without prior consideration by the cabinet committee, he said a group had now been established to monitor such decisions.
- (2) Concerns were expressed about decisions taken outside the committee cycle in general and this decision in particular. It was suggested that detailed information about the reasons for not referring decisions to cabinet committees be included in decision notices. Mr Cooke said he had undertaken a review of urgent decisions which had assured him that the urgent decision process was not being abused. He also said he would continue his meetings with group leaders to monitor the situation.
- (3) In response to comments made and questions raised, officers said that:
 - i. The establishment of a Framework had been the subject of a full competitive tender conducted collaboratively with Surrey County Council who had been the procurement lead. The contract for services at KCC was called off that Framework. Details of the number of companies that tendered for inclusion in the Framework were requested and would be distributed outside of the meeting;
 - ii. The contract was for five years, and worked on a 'pay as you go' basis whereby KCC would pay for each page printed. Capital costs for machinery would remain with Xerox. Savings of 15-25% on the current printing budget were anticipated;
 - iii. Built-in intelligence within each machine would notify Xerox when toner or other consumables were running low leading to productivity savings over and above the savings set out in the report;
 - iv. Improved security would be achieved by active release of documents – each member of staff would have to enter a code to gain access to the work printed.
- (4) The Committee requested a progress report on the delivery of the contract in six-months.
- (5) RESOLVED that:
 - (a) A report regarding the governance arrangements for decision-making and the involvement of cabinet committees, be received at the next meeting;
 - (b) A six-month progress report on the delivery of the Managed Print Services contract, and any savings realised, be received by the most appropriate meeting in 2015.

84. Work Programme 2014/2015

(Item A6)

- (1) Louise Whitaker, Democratic Services Manager, Executive, introduced the report detailing the proposed work programme and invited Members to make suggestions for topics for consideration at future meetings.
- (2) Mrs Dean said that it had been agreed previously to receive regular updates on the Council's transformation agenda and was assured that it would be added.
- (3) No further items were suggested for inclusion in the work programme.
- (4) RESOLVED that, subject to the inclusion of the transformation agenda in the work programme, the report be noted.

85. LASER flexible framework contracts for the supply of gas and electricity October 2016 - September 2020

(Item B1)

- (1) Mr Bryan Sweetland, Cabinet Member for Traded Services, introduced the report which provided an overview of the procurement process undertaken by LASER to renew the flexible frameworks for the period October 2016 – September 2020.
- (2) Nigel Hartnup, Assistant Director, LASER gave a presentation which explained the history, the current flexible purchasing arrangements at LASER, the benefits of the current arrangements and details of the proposed renewals. He invited Members to visit the LASER team.
- (3) As a result of comments made and questions raised, officers said that:
 - i. The savings of £273k per annum reflected the figure by which LASER had outperformed the average market price in the past four years despite relatively benign market conditions;
 - ii LASER faced competition from other public sector buying organisations, which historically had been regionally based, and a central government equivalent that offered the framework but not the 'downstream' services. In addition some private sector companies offered similar services but generally only to private sector clients;
 - iii LASER would seek to expand its market share and offered services increasingly to other public sector organisations such as the NHS, Police and Fire Authorities and Housing Associations. In addition LASER had a sister company, Lumina, which provided similar services to the private sector.
- (4) The Committee was pleased with the proposed decision and with the work conducted by LASER to date.
- (5) RESOLVED that the proposed decision be endorsed.

86. Extending the Reach of Superfast Broadband Services

(Item B2)

- (1) In the absence of the Cabinet Member, David Cockburn, the Head of Paid Service, introduced the report about the BDUK programme to date and the proposal to expand the reach of superfast broadband in Kent. He said that Phase 1 of the programme had seen significant investment in infrastructure in Kent as part of a national programme and substantial progress had been made despite challenges. He welcomed the important work that would be continued should Phase 2 be endorsed by the Committee and ultimately agreed by the Cabinet Member.

- (2) Liz Harrison, Economic Development Manager, said that:
 - i. The proposed decision was intended to build on the work already underway to improve connectivity in the county;
 - ii. Without the programme, 25% of Kent's homes and businesses would have no, or poor, broadband connectivity as there were no commercial plans to upgrade systems in many parts of the county;
 - iii. Phase 1 was proceeding as planned and was intended to ensure that 91% of properties in Kent could access superfast broadband and all premises in the intervention area could get a basic service of at least 2mbps. Last month the 40,000 improved premises access milestone had been reached;
 - iv. Coverage maps could be found at www.kent.gov.uk/broadband and residents could also search connectivity by postcode;
 - v. The Government had recently allocated additional funding of £5.6 million to be match funded by KCC which would allow Kent and Medway to further increase the rollout of superfast broadband services;
 - vi. This was part of the BDUK's (Phase 2) national programme which aimed to get superfast broadband to 95% of premises in the UK by 2017;
 - vii. It was proposed that the BDUK procurement framework be utilised again to procure the works associated with Phase 2. It was unfortunate that there was a lack of competition in the market but safeguards would be included within the contract, as had been the case for Phase 1, to ensure value for money;
 - viii. Until the procurement had taken place an exact figure on uplift could not be ascertained but it was hoped that 95% would be achievable;
 - ix. BDUK had recently announced Kent as a pilot area for trialling new technologies and approaches for extending broadband to the hardest to reach areas (the final 5%).

- (3) In response to comments made and questions raised officers confirmed that:
 - i. Although state aid deadlines were tight, officers were confident that they could be met;
 - ii. County councils had limited influence on the matter of mobile phone coverage, however, a different BDUK project was looking to address 'not spot' areas where 2G coverage was not available from any provider and a number of such areas had been identified in Kent. The Secretary of State had also made clear his desire to introduce roving coverage in Britain, which would present a solution for many areas with partial operator coverage;
 - iii. Schools in Kent were on the Kent Public Service Network and could access superfast broadband;

- iv. Post 90% coverage solutions became substantially more challenging and expensive. KCC continued to work closely with BDUK about the prospect of a Phase 3 of the programme which would tackle the hardest to reach areas;
- v. The independent value for money review would be undertaken by Analysis Mason, a leading international expert.

(4) RESOLVED that the proposed decision of the Cabinet Member be endorsed.

87. Facing the Challenge - Customer Services, Finance, HR and ICT
(Item C1)

- (1) Mr Simmonds, the Deputy Leader and Cabinet Member for Finance and Procurement, Mr Simmonds, introduced the report which provided an update on the progress of the Customer Services, Finance, HR and ICT service reviews being undertaken as part of the Facing the Challenge programme.
- (2) Andy Wood, Corporate Director of Finance and Procurement gave a presentation on Lot 1 which included Finance, HR and ICT. The presentation covered the:
 - i. Background to the work being undertaken, the economic pressures faced by the Council and the savings that would have to be made as a result;
 - ii. Approach to savings targets through transformation and in particular the potential for alternative service delivery models;
 - iii. Journey to date for the services in the review, known as transactional services;
 - iv. Results of soft market testing which were encouraging.
- (3) In response to the comments made and questions raised officers said that:
 - i. Staff had been kept informed and had been engaged with the process. Service Managers would also be involved in the specification and the competitive dialogue.
 - ii. The Business Services Centre included services that already traded such as Schools' Personnel Service, Schools' Financial Service and Edukent. Bringing them together enabled them to be marketed together to maximise income. No decisions had been taken about services that would remain in-house and those that would be delivered differently.
- (4) RESOLVED that the report be noted.

88. Facing the Challenge - Legal Services Review - Update Report
(Item C2)

- (1) The Committee received a report containing information which was open to the public regarding the current review of Legal Services at KCC.
- (2) The Chairman considered that, because of the inclusion of another report later on the agenda which was exempt from publication and the need for the

Committee to consider both, this item be deferred until item E1 when a motion would be put to exclude members of the press and public.

(3) The Committee agreed to the proposal.

89. Supporting the Organisation Through Change
(Item C3)

(1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which detailed the existing and planned support being offered to managers and staff through the period of transformation required under the Facing the Challenge programme. He said the report presented an opportunity for HR to explain how change was being managed and communicated to staff.

(2) Amanda Beer, Corporate Director of Human Resources gave a presentation; which included the following points:

- i. Organisation-wide support for staff, in particular the Council's 'Managing Change' policy;
- ii. Support for individuals, including Health Kiosks and manager development;
- iii. Helping staff to help themselves including a new online resilience tool and health promotion activities;
- iv. The creation of measurement indices to assess the success of the policies and initiatives;
- v. Staff survey results; and
- vi. General indicators of staff resilience such as sickness levels, turnover and disciplinary hearings, grievances and tribunals.

(3) In response to comments made and questions raised the following officers said that:

- i. The key messages from the staff survey were that flexi-time and training were valued highly, work/life balance was achievable and staff had pride in their work. Important notes of caution were that staff felt they contributed more to the 'employment deal' than the employer, they had difficulty balancing the demands of service delivery and efficiencies and that uncertainty about the future inevitably caused some stress;
- ii. Sickness absence rates were lower than other public sector bodies but were higher than in the private sector;
- iii. KCC normally performed well at employment tribunals, losing only one in the last five years and settling others prior to a hearing;
- iv. Measures were being taken to improve access to KNET for around 2000 staff who did not currently have access to it;
- v. Staff turnover was 12.9% annually.

(4) RESOLVED that the report be noted.

90. Update from the Member Working Group - Commissioning
(Item C4)

- (1) Mr Hotson, Chairman of the member working group examining the changing role of councillors in a commissioning council, presented the report and in particular he said that:
 - i. The group had met three times and at the last meeting draft recommendations had been put forward for consultation with groups;
 - ii. If the working group were to continue it would be as an advisory body to complement the cabinet committee system;
 - iii. It was hoped that any future system would bring members closer to both the administration and to officers;
 - iv. There was potential for cabinet committees to have a stronger role in review and performance management.
 - v. It was envisaged that the working group would report to the Selection and Member Services Committee in October 2014 before being considered a County Council meeting.
- (2) RESOLVED that the report be noted.

91. Strategic and Corporate Services Directorate Dashboard
(Item D1)

- (1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which contained the Strategic and Corporate Services Directorate Dashboard setting out details of progress made against targets.
- (2) Richard Fitzgerald, Performance Manager, said the direction of travel was positive, and drew the Committee's attention to the improvements in performance of the Contact Centre following the appointment of new members of staff.
- (3) In response to a comment, the Cabinet Member for Commercial and Traded Services said that the Contact Centre staff were well motivated and the number of callers rating their experience as good was 'green'. He acknowledged that cutting 30 jobs last year had affected performance negatively and that the appointment of new staff had been crucial to the improved performance reported. In the future it was necessary that each Directorate utilised the Contact Centre appropriately and managed the demand levels collaboratively through effective business planning and communication. This may necessitate different financial arrangements between the Contact Centre and directorates.
- (4) Mr Cockburn, Head of the Paid Service, said that the performance of the Contact Centre often reflected issues elsewhere in the organisation and that a pre-emptive and collaborative approach was being implemented with an 'end to end' approach to resident contact with the Council. He also said that flexible solutions such as home working were being considered in order to respond quickly to unforeseen demand.
- (5) In response to comments made and questions raised, the Cabinet Member for Commercial and Traded Services and officers said that:

- i. The website had recently been redesigned and many of the issues experienced when it was launched had been resolved. However, it was a work in progress and any problems should be reported;
- ii. Residents were encouraged to use the website as it was quick, efficient and cost-effective and allowed the Contact Centre to spend time on more complicated interactions that were not suitable for the website;
- iii. There was potential for increased demand on the Contact Centre as a result of the Social Care Act. Work would be undertaken to ensure that services worked closely with the Contact Centre to predict and manage demand. In addition the Contact Centre measured demand every 15 minutes and would continue to work with directorates experiencing spikes in demand;
- iv. The indicator showing rent owed at 60 days was adversely impacted by a few invoices that were the subject of negotiations. In addition it included invoices that were still within the 60 day collection period. Without those considerations the total outstanding at over 60 days was approximately £180,000. KCC was successful in collecting debt over a longer period and at 180 days overdue the total outstanding from income generation totalling £2.2million was only £4,000.

(5) RESOLVED that the report be noted.

92. Financial Monitoring 2014-15

(Item D2)

- (1) Mr Simmonds, Deputy Leader and Cabinet for Finance and Procurement, introduced the report which contained the revenue and capital forecast variances from budget for 2014-15, within the remit of the Policy and Resources Cabinet Committee, based on the first quarter's full monitoring to Cabinet.
- (2) He referred to the first quarter predicted overspend of £12million and expressed concern, despite overspend reporting in the first quarter not being unusual. Management action was predicted to reduce the overspend to £5.3million. Actions to produce a further reduction in the predicted Adult Social Care overspend of £2.5million had been put forward by the Directorate. The remaining overspend related to the employment of agency foster carers and social workers and work was ongoing to recruit permanent staff in both areas. The issue of overspend on 'all rights exhausted' unaccompanied asylum-seeking minors continued, as did negotiations with government to address it.
- (3) Mr Simmonds also referred to work in Essex that had reduced demand for services and said this work was being mirrored in Kent however the impact of preventative services would take some time to impact positively on the budget.
- (4) Finally he acknowledged that targets were challenging but not unrealistic.
- (5) Jackie Hansen, the Finance Business Partner, referred to Annex 6 which related to the Strategic and Corporate Services Directorate (S&CS). S&CS was currently reporting a predicted overspend of £703k, with management

actions in place to reduce this to zero by the end of the financial year. Three main issues were responsible including the impact of the introduction to the Directorate of the Contact Centre and the Community Engagement Service which had pre-existing base budget reductions, not fully realised. The Contact Centre also had an in-year pressure as a result of increased staff numbers in response to an increase in the volume and duration of calls. Finally, Property group reported a further £301k overspend as a result of a reduction to the budget that relied upon service reviews resulting in a reduction of properties which had, to date, failed to transpire.

- (6) In response to a question, the Cabinet Member for Corporate and Democratic Services and the Corporate Director of HR said there was an additional cost associated with employment of agency social workers, and work had been undertaken to examine why people chose to work permanently in the agency sector. It appeared to be a retention rather than recruitment issue and actions were being taken to encourage workers to stay with KCC at key periods. They also said a paper was to be considered by the Children's Social Care and Health Cabinet Committee later in the month.
- (7) The Chairman considered that the full papers could be usefully included in the agenda pack rather than as a link to the Council's website.
- (8) RESOLVED that the report be noted.

93. Exclusion of the Press and Public

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

94. Facing the Challenge - Legal Services Review - Exempt appendices relating to Item C2 *(Item F1)*

- (1) Geoff Wild, the Director of Governance and Law, introduced a report detailing the direction of travel in respect of the Facing the Challenge Review for Legal Services and exempt appendices detailing the commercially sensitive financial and other information. He said KCC faced a time of great challenge which also presented a great opportunity. Legal Services had an opportunity to create a Joint Venture with a private company and to explore new markets. He set out the benefits of such an approach and explained the work that had been undertaken to identify this option and exploratory exercises conducted in the market place.
- (2) The Committee was reminded that at its last meeting it had been resolved that the Committee thought it desirable that Kent County Council maintained a majority interest in whatever vehicle was used for the delivery of legal services in the future but that this was not mentioned in the report. The Principal Director of Transformation, John Burr, assured the Committee that no detailed

decisions had been made and such matters would be considered during the dialogue with interested parties. He offered further assurance to Members that this and other details would be fully considered by the Committee before any decision on the future of Legal Services were taken.

- (3) Following comments and questions, officers said that:
- i. Senior officers within the Legal Services Team were conscious that, at some point in the process, conflicts of interest might arise. From that point, until the completion of the transformation, all advice would be taken from an external legal team;
 - ii. Although the Joint Venture would be profit-making, it was also possible to deliver services more cheaply by using private sector ideas, new and more efficient software and the potential for reduced staffing costs;
 - iii. The proposed model was ground-breaking, and as such continued dialogue during the process and input from Members would be crucial to its success.
- (4) RESOLVED that the report be noted.

KENT COUNTY COUNCIL

PROPERTY SUB-COMMITTEE

MINUTES of a meeting of the Property Sub-Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 22 September 2014.

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mrs T Dean, MBE, Mr R A Latchford, OBE and Mrs P A V Stockell

ALSO PRESENT: Mr G Cooke

IN ATTENDANCE: Ms R Spore (Director Property & Infrastructure Support) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS**22. Apologies and Substitutes**
(Item A1)

Apologies for absence were received from Mr Cowan and Mr Ridings.

23. Declarations of Interest
(Item A2)

There were no declarations of interest.

24. Minutes of the meeting held on 23 June 2014
(Item A3)

Resolved that the minutes of the meeting held on 23 June 2014 are a correct record and that they be signed by the Chairman.

25. Total Facilities Management - Future Oversight of Contracts
(Item B1)

(1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) and Rebecca Spore (Director of Property and Infrastructure Support) introduced the report which provided an update on the implementation of a Total Facilities Management (TFM) solution following the signing of the Mid Kent contract with Amey and the West Kent contract with Skanska. The report also advised the Sub-Committee about the withdrawal of Interserve, the preferred bidder for East Kent, and the appointment of Kier as the new preferred bidder. To ensure Members had continuing oversight of the performance of the contracts the report suggested that a biannual review of performance be undertaken by the Property Sub-Committee in accordance with the commissioning principles set out in the Facing the Challenge paper considered by the County Council on 15 May 2014.

(2) Jon Chown gave a presentation outlining Skanska's approach to the contract, the personnel involved, the scope of the contract, the services that would be

provided, how KPIs would be delivered and monitored, the structure and values of Skanska, and how it planned to interact with local small and medium enterprises.

- (3) In response to questions he said that some elements of the contract would be sub-let but Skanska would remain as the single point of contact; the employment terms and conditions of existing staff would be honoured under TUPE arrangements; and zero hour contracts would be avoided as far as possible. He also said he expected about 30% of the contract value to be supplied by local business.
- (4) It was confirmed that services to schools, with the exception of tree surveys, were not included within the scope of the initial services to be provided in the contract but that if they were at a future point, Skanska would work with schools to implement security arrangements at the design stage and by providing advice on existing arrangements particularly in relation to cameras, fencing and sight lines, if appropriate.
- (5) Martin Channon, George Thomson and Mark Billington gave a presentation outlining Amey's approach to the contract, the timeline for mobilising the contract, the current position, deliverables and outputs, information about Amey including its structure and values and its safety campaign – "Target Zero".
- (6) In response to questions, Mr Channon said that: about 30% (£1.5m) of the contract would be subcontracted; the use of agency staff would be kept to a minimum but may be necessary at peak times; and it was intended to support local small and medium enterprise to deliver parts of the contract.
- (7) Ms Spore explained the competitive dialogue process that led to the appointment of Kier as the preferred bidder for East Kent following the withdrawal of Interserve. She confirmed that: the contracts included an explicit contract management regime; the companies would attend regular meetings with Members; and information about social value could be included in reports on performance.
- (8) The commissioning of facilities management services and the fact that there was more than one contract was welcomed particularly as it would result in better performance at a lower cost and there were clear mechanisms for managing performance and holding the suppliers to account.
- (9) Resolved:
 - (a) That the signing of the Mid Kent and West Kent contracts and the ongoing discussions with the new preferred bidder for East Kent be noted;
 - (b) The timescale for the future biannual performance review, briefing papers and presentations starting in March 2015 be endorsed;
 - (c) The existing contract governance for monitoring the performance of the Total Facilities Management Contracts be noted.

26. Approval to enter a new ground lease for Deal Youth Hub (35 years)
(Item B2)

- (1) Rebecca Spore (Director of Property and Infrastructure Support) and Joe Reidy (Estates Surveyor) introduced the report which sought approval to enter a new 35-year lease with Dover District Council to support and implement Decision 13/00096. The Sub-Committee was asked to consider and endorse or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision.
- (2) In response to questions Ms Spore and Mr Reidy said it was hoped to enter into a building contract in the future; maintenance costs were calculated using benchmarks but that the actual costs could be different and that the capital costs had been included in the Capital Programme
- (3) Resolved that the Cabinet Member's proposed decision to enter into a new lease for the Deal Youth Hub and to authorise the Director of Property and Infrastructure Support to finalise terms and complete the transaction be endorsed.

27. Exclusion of the Public

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

28. Disposal of Residential Development Land adjoining Great Clayne Lane Farm, Gravesend.
(Item B3)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services), Rebecca Spore (Director of Property and Infrastructure Support) and Keith Hollidge (Surveyor) introduced the report and the exempt report at Item C1 on the agenda. The reports considered the proposed disposal of residential development land adjoining Great Clayne Farm, Gravesend and asked the Property Sub-Committee to consider and either endorse or make recommendations to the Cabinet Member on the proposed to decision to sell the land and delegate authority to the Director of Property and Infrastructure Support to adjust the final terms of the sale, if necessary to conclude the transaction.
- (2) In response to questions, further information about the ownership and proposals as well as the drainage needs for each site was provided .
- (3) Resolved that the Cabinet Member's proposed decision to sell the land and delegate authority to the Director of Property and Infrastructure Support to adjust the final terms of the proposed sale, if necessary, to conclude the transaction be endorsed.

29. Disposal of Residential Development Land adjoining Great Clayne Lane Farm, Gravesend (Exempt)
(Item C1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services), Rebecca Spore (Director of Property and Infrastructure Support) and Keith Hollidge introduced the report which provided additional information about the proposed decision. The Sub-Committee considered the information prior to making the recommendation at minute 28 above.
- (2) Resolved that the information be noted.

From: Peter Sass, Head of Democratic Services
 To: Policy and Resources Cabinet Committee –12 December 2014
 Subject: **Work Programme 2015**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

Summary: This report gives details of the proposed work programme for the Policy and Resources Cabinet Committee

Recommendation: The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2015.

1. Introduction

- 1.1 The proposed Work Programme has been compiled from items on the Forthcoming Executive Decision List; from actions arising from previous meetings, and from topics identified at agenda setting meetings, held 6 weeks before each Cabinet Committee meeting in accordance with the Constitution and attended by the Chairman, Vice-Chairman and group spokesmen.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the final selection of items for the agenda, this item gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2. Terms of Reference

- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Policy and Resources Cabinet Committee “To be responsible for those functions that fall within the Strategic and Corporate Services Directorate”.
- 2.2 Further terms of reference can be found in the Constitution at Appendix 2 Part 4 paragraph 21 and these should also inform the suggestions made by Members for appropriate matters for consideration.

3. Work Programme 2015

- 3.1 An agenda setting meeting was held on 5 November 2014 at which items for this meeting’s agenda and future agenda items were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics that they wish to considered for inclusion on the agenda of future meetings.

3.3 When selecting future items the Cabinet Committee should give consideration to the contents of performance monitoring reports. Any 'for information' or briefing items will be sent to Members of the Cabinet Committee separately to the agenda or separate member briefings will be arranged where appropriate.

4. Conclusion

4.1 It is important for the Cabinet Committee process that the Committee takes ownership of its work programme to help the Cabinet Members to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates on requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

5. **Recommendation:** The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2015.

6. Background Documents

None.

7. Contact details

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WORK PROGRAMME –2015
Policy and Resources Cabinet Committee

| Agenda Section | Items |
|---|---|
| JANUARY 2015 | |
| B - Key or Significant Decisions for Recommendation or Endorsement | <ul style="list-style-type: none"> • Transformation update • Draft Revenue and Capital Budgets • Establishment of Strategic Partnership for Delivery of Savings across KCC • LATCo Commissioning Advisory Group Recommendation • Broadband Delivery UK Phase 2 Project |
| C - Performance Monitoring | <ul style="list-style-type: none"> • Performance Dashboards • Work programme |
| D - Other Items for comment/ recommendation | <ul style="list-style-type: none"> • Results of Budget Consultation • Welfare Reform update • Draft Voluntary and Community Sector Policy • Draft Customer Services Policy |
| 22 April 2015 | |
| B - Key or Significant Decisions for Recommendation or Endorsement | Transformation update |
| C - Performance Monitoring | <ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Update on delivery of Managed Print Services contract (6-monthly updated requested at P&R Cabinet Committee on 19 Sept 2014) • Facilities Management Contract Monitoring • Work programme |
| D - Other Items for comment/ recommendation | <ul style="list-style-type: none"> • Directorate Business Plan |
| 9 July 2015 | |
| B - Key or Significant Decisions for Recommendation or Endorsement | <ul style="list-style-type: none"> • Transformation update |
| C - Performance Monitoring | <ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Work programme |
| D - Other Items for comment/ recommendation | <ul style="list-style-type: none"> • Spending Review/Emergency Budget for 2016/17 (depends on date of Government announcement and therefore this item may be put back to September) |
| 10 September 2015 | |
| B - Key or Significant Decisions for Recommendation or Endorsement | <ul style="list-style-type: none"> • Transformation update |
| C - Performance Monitoring | <ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Work programme |
| D - Other Items for comment/ recommendation | |

| | |
|---|---|
| 11 December 2015 | |
| B - Key or Significant Decisions for Recommendation or Endorsement | Transformation update |
| C - Performance Monitoring | <ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Facilities Management Contract Monitoring • Work programme |
| D - Other Items for comment/ recommendation | <ul style="list-style-type: none"> • Business Planning 2016/15 |
| Items for Consideration that have not yet been allocated to a meeting (none) | |
| A – Committee Business | |
| B - Key or Significant Decisions for Recommendation or Endorsement | |
| C - Performance Monitoring | |
| D - Other Items for comment/ recommendation | |

From: **Gary Cook, Cabinet Member for Corporate and Democratic Services**
Geoff Wild, Director of Governance and Law

To: **Policy and Resources Cabinet Committee – 12 December 2014**

Subject: **Decision making process**

Classification: **Unrestricted**

Summary: This report provides an overview of the governance arrangements that apply to executive decision making at KCC and in particular the adherence to the local governance principle that decisions should be considered, wherever possible, by the relevant Cabinet Committee before being taken.

In addition, new decision making structures, designed by central government, such as the LEP and successful Regional Growth Fund bids are also included for consideration as the result of a request from Committee members.

Recommendations:

The Cabinet Committee is asked to note the information presented and make recommendations to the Cabinet and Leader. In addition the committee is asked to take a view on the new arrangements described and agree next steps as set out in the report.

1. Introduction

- 1.1 The principal aim of this report is to assess the performance of governance arrangements at Kent County Council that seek to ensure pre-decision consideration of executive matters by committees set up for that purpose.
- 1.2 The report analyses data from the last two years, from 1 December 2012 to 30 November 2014. Two years is considered to be a reasonable length of time in which to provide a complete picture. Decisions taken, but not considered by cabinet committees, will be detailed and suggestions to further improve member oversight will be included for consideration.
- 1.3 In addition, as a result of a further request from committee members, the report will briefly consider new arrangements and decision making structures such as Regional Growth Fund allocations and LEP and KMEP structures. These arrangements are separate from the processes set out in the Council's constitution and are likely to require a fuller discussion in the future as distinct from the council's normal

governance arrangements. This report will consider the next steps for ensuring that Members are informed of decisions and actions agreed outside of the traditional local government processes

2. Background

2.1 Traditional Governance and Decision Making

The Cabinet Committee System was established by decision of County Council on 29 March 2012 and took effect from 1 April 2012. The report to council asked Cabinet and CMT to “ensure that proposed statutory Key Decisions and significant strategic decisions are, wherever possible, considered by the relevant Cabinet Committee prior to the decision being taken. This will require disciplined preparation to achieve an effective, robust and responsive decision-making process”.

2.2 The wording of the agreement included the words ‘wherever possible’ within the arrangements in order to reflect the commitment to the new system but also to allow that decisions were not delayed unduly by the arrangements. It was not intended that decision making be delayed by the desired pre-decision consideration to the detriment of the council’s interests or to timely decision making.

2.2 The key to identifying those decisions that would go to Cabinet Committee was regarded at that time as the Forward Plan, now called the Forthcoming Executive Decisions list (FED). The Forward Plan would include ‘Key’ and ‘significant strategic’ decisions and these would be considered by cabinet committee before being taken by the Cabinet Member. In fact the FED now contains almost all decisions to be taken by a Cabinet Member even where they are not key or strategically significant and consequently any decision is now considered relevant for cabinet committee consideration unless it is urgent.

2.3 It is on this basis that the analysis of decisions has been undertaken. No distinction has been made between the types of decision.

2.4 Concerns have been expressed by Members, on occasion, that decisions have been taken by the Cabinet Member before being considered by the cabinet committee and as a result an informal review was undertaken by the Cabinet Member for Corporate and Democratic Services and the results shared with opposition leaders. The conclusion at that time was that the number of decisions not considered by cabinet committee was running at an acceptable level. However, following the decision to contract for Managed Print Services being taken outside of committee cycle and reported to the last meeting of the Policy and Resources Cabinet Committee, further assurance was requested.

3. Statistics

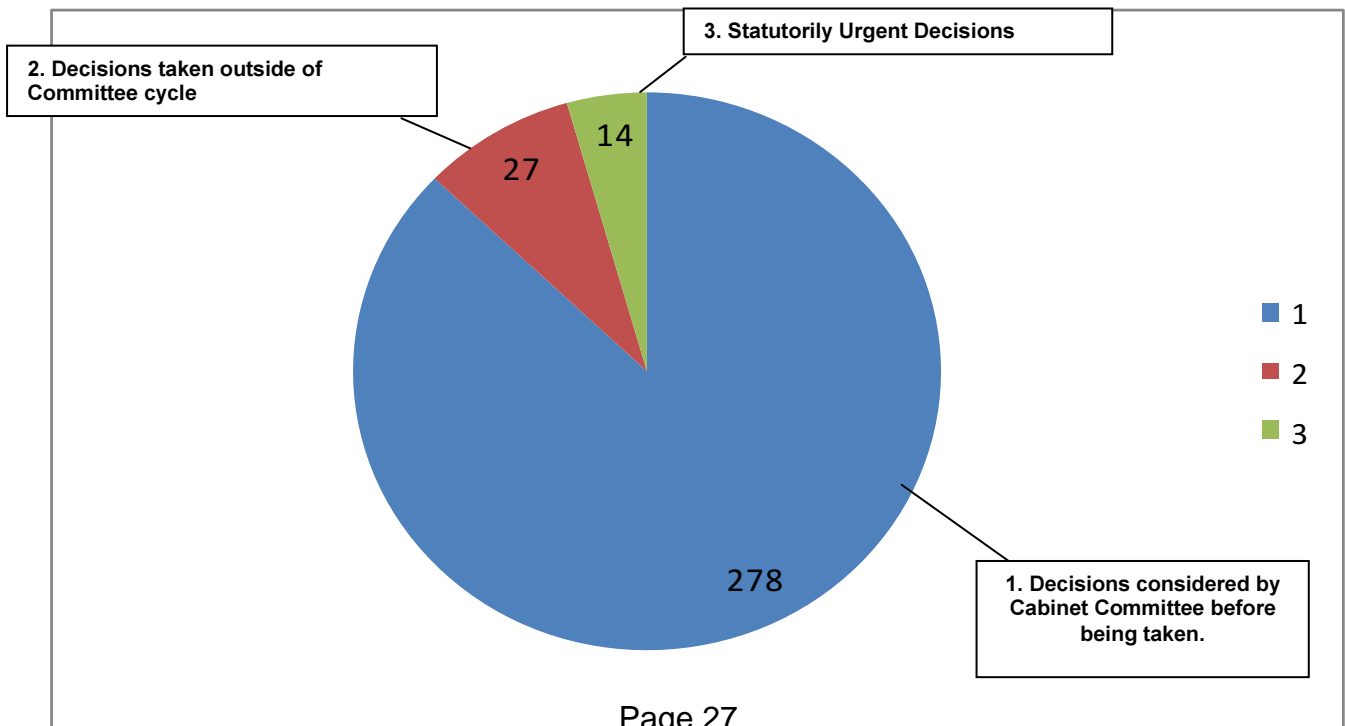
3.1 278 Executive Decisions have been taken in the last two years

3.2 41 of those decisions have not been considered by a Cabinet Committee before being taken by the relevant Cabinet member or Cabinet and without it being agreed by the Cabinet Committee beforehand or there being another relevant pre-decision consideration mechanism available.

3.3 27 of the decisions not considered by a Cabinet Committee were published, and all 84 Members notified of the publication in order to make comment, for 5 clear working days before being taken by the Cabinet Member. It has been unusual to receive any comments during that time. When comments are received they normally raise concerns regarding the lack of pre-decision consideration as opposed to questions or comments about the decision content. These decisions were all available for call-in for 5 clear days after the decision was taken.

3.4 14 of the decisions not considered by Cabinet Committee were also statutorily urgent and therefore were not published for comment before being taken and were not available for call-in. However, as per the council's constitution all 14 were agreed as urgent by the Chairman of the Scrutiny Committee and the relevant Senior Manager and the Group Spokesmen of the Scrutiny Committee, the Chairman and Group Spokesmen of the relevant Cabinet Committee and Local Members affected were contacted and, as a minimum, informed of the intention to take the decision and given an opportunity to comment. The period for comment is often short in these cases as by their nature they need to be resolved quickly.

Visual Breakdown



3.4. The categories displayed are as follows:

1. Decisions considered by Cabinet Committee before being taken

2. Decisions not considered by Cabinet Committee before being taken:

- These decisions will conform to all statutory requirements. They will normally have been published on the FED for the appropriate period, will have been published for 5 clear working days to all members for comment before being taken and have been available for call-in for 5 clear days after the decision is taken.
- In order to take a decision without consideration by a Cabinet Committee the Cabinet Committee Chairman, Group Spokesmen and affected Local Members are given notice in writing in accordance with the Council's constitution. Any comments received about the absence of pre-decision consideration or about the decision itself are considered by the Cabinet Member before taking the decision and included in the decision papers.

3. Statutorily urgent decisions:

- These decisions will not normally have been published on the FED, or for comment and are not available for call-in.
- In order to take an urgent decision the Chairman of the Scrutiny Committee and relevant Senior Manager must have agreed that the decision cannot reasonably be deferred and the Group Spokesmen of the Scrutiny Committee, the Chairman and Group Spokesmen of the relevant Cabinet Committee and Local Members affected must have been given written notice that the decision is to be taken and given an opportunity for any comments they may have to be included in the Record of Decision.

3.5 Expressed as a percentage, 86% of all executive decisions were considered by the appropriate body prior to the Cabinet Member making the decision. In all but two cases this appropriate body was the Cabinet Committee and in the two other cases, both approvals of grants or loans from the TIGER fund, consideration was undertaken by the relevant advisory panel for the TIGER fund.

3.6 Conversely, 14% have not been considered by a Cabinet Committee and 5% have been 'urgent' in the statutory sense.

4. Adherence to local procedures

4.1 Democratic Services are working hard to improve adherence to both statutory and local procedures. Training programmes for officers have been established and Democratic Services officers regularly attend departmental meetings to discuss governance and decision making. To

complement the training programme, an e-learning package has been designed and a Knet page is to go live shortly which will contain tools and advice for officers who may need authority to pursue a particular course of action.

4.2 The Cabinet Committee may wish to consider making further recommendations for increased adherence to local procedures to the Cabinet Member for Corporate and Democratic Services and the Leader. Increasing the number of meetings per year has been mooted on several occasions, in particular an additional meeting in March might be considered. Decisions have sometimes been taken outside of the committee cycle around this time as contracts and financial arrangements often come to an end in this month and decisions are needed to ensure continuity of service. Alternatively, adhoc meetings or sub-committees for the purpose of reviewing decisions that might otherwise miss a meeting could be considered.

4.3 Chairmen and Group spokespeople may also consider utilising the FED at agenda setting meetings and during the work programme item at committee to identify upcoming decisions and to make requests for information to meetings at a point in the process that is considered to be most useful.

5 New governance arrangements

5.1 These arrangements are separate from those discussed above and are included at the request of Committee members; the arrangements are at a very early stage of development and Members may wish to recommend that further work on the matter be undertaken, by an appropriate committee such as the Scrutiny Committee.

5.2 New working arrangements bring excellent new opportunities associated with private sector membership and partnership working but they also provide challenges for traditional governance and assurance.

5.3 In recent years the government has introduced new funds and mechanisms for distributing those funds. These have not always been accompanied by relevant legislative changes in order that new practices can run alongside the established local government legislation. Ensuring that the intention of the scheme is met *and* elected members are informed is an issue to which the development of a solution is in its infancy, not only in Kent but nationally.

5.4 An example of such a scheme is the Regional Growth Fund and the successful bids made by KCC for schemes to administer grants and loans to local applicants who meet certain criteria.

5.5 The governance arrangements agreed with the Department for Business, Innovation and Skills (BIS) involved the creation and utilisation for pre-decision consideration of a panel made up of both private and public sector members.

5.6 The detailed governance for one such fund (TIGER) are as follows:

- Stage 1: Applicants submit an online pre-application. All pre-applications are assessed for eligibility by the Programme Management Team (KCC).
- Stage 2: All eligible applications are provided with the full application form, and are also contacted by an independent Business Support Advisor, who explain the application process and provide up to one day's equivalent of advice on the development of the project. Once submitted, the application form is checked for completeness by the Programme Management Team.
- Stage 3: All applications are independently (PwC) appraised. The applicants may be contacted by the appraisers for clarification where needed.
- Stage 4: Appraisers provide a report which includes a RAG rating, this report is considered by an Approvals Panel. The Panel consists of both local authority members (KCC and District) as well as private sector representatives.
- Stage 5: Applicants are given the opportunity to make a presentation to the Panel. The Panel use the appraisers report as guide for additional questions.
- Stage 6: After the meeting the Panel makes a recommendation on whether or not a project should be supported for funding, and may also propose specific conditions and repayment terms based on the appraisers report and the discussions.
- Stage 7: Following the Approvals Panel's recommendation, the formal approval is granted by Kent County Council as the accountable body for the scheme. If the Grant or Loan is under £1million it is signed off by the relevant Director, Barbara Cooper. If it is over £1million it is taken as a formal decision by the Cabinet Member in accordance with statutory guidelines only – i.e. it does not go to Cabinet Committee. This is in order that the decision is not unnecessarily delayed and to reflect the fact that there is already a pre-decision advisory body established by the terms of the successful bid. The Leader and Cabinet Member would normally act on the advice of the relevant panel.

5.7 Stage 7 was added by KCC to the governance arrangements required by BIS in order to create a bridge between the scheme and the traditional governance arrangements of the council. It was agreed that the decisions taken by a Cabinet Member would only follow statutory procedures as set out in the relevant regulations. This was to reflect the existence of the panel and to avoid duplicating pre-consideration of grants by a Cabinet Committee where a method already existed.

- 5.8 Although these governance arrangements are an innovative best practice model, agreed with central government and further amended by KCC to enable all party elected member involvement without circumventing the original central government aim when establishing these funds - promoting business involvement - there are still issues that need to be resolved, not least how to ensure that decision making is not unduly delayed whilst respecting and valuing the role of elected members in scrutinising such projects.
- 5.9 Indicative research suggests that many councils are not taking these decisions in this way but are instead relying on the letter of the law, rather than the intention, to avoid formal decision making as the funds may not be considered as strictly part of the Council's budget having been bid for and won for one purpose.
- 5.10 The issues associated with these schemes are also reflected in the Local Enterprise Partnership and federated body, KMEP, procedures. Currently in order to ensure that members are involved in the work of these bodies decisions are run in parallel and entries can be seen on the FED that are also subject to KMEP / LEP consideration.
- 5.11 However, further work will be needed to create a permanent and satisfactory solution. The request for this report is timely in this respect, as a review of LEP Governance is being conducted by a former senior civil servant and local authority Chief Executive, Irene Lucas. Should the Committee wish it, the findings of that review and the implications for KCC could form part of a report to the Scrutiny Committee for consideration.

5. Conclusions

- 5.1 The pre-consideration of decisions by Cabinet Committees before they are taken has been relatively successful, with a high percentage conforming to local procedures, but there is room for improvement. How members wish to facilitate that improvement is open to further debate.
- 5.2 The wider issue of non-traditional arrangements and member involvement is at its earliest stages and a recommendation for further investigation and consideration by an appropriate Committee might be considered by the committee to assess the current practice and potential for improvement at a later date.

6. Recommendation

Recommendation

The Cabinet Committee is asked to note the information presented and make recommendations to the Cabinet Member and the Leader.

In addition the committee is asked to take a view on the new arrangements described and agree next steps as set out in the report.

8. Contact details

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services

John Simmonds, Cabinet Member for Finance and Procurement

Andy Wood, Corporate Director Finance and Procurement

To: Policy and Resources Cabinet Committee

Decision No: 14/00149

Subject: The Closure of Property Enterprise Funds 1 & 2 and the Future

Key decision YES – The properties transferred from the PEF Funds are valued at a total in excess of £1m. In addition the portfolios include properties from across the County of Kent.

Classification: Unrestricted

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: ALL

Summary

The Council established two Property Enterprise Funds, PEF1 and PEF2. Both of which have been largely successful in achieving their original objectives. However given the changing circumstances over the years it is recommended that these are no longer appropriate in their current form. The report therefore recommends that the funds are closed with immediate effect and the assets held be placed in KCC's main Disposal Delivery Programme.

However, the report identifies a need to form a new fund with up to date terms of reference, governance and performance criteria that supports the aims of growing income from property and ensuring that KCC has a future disposal pipeline.

Recommendation

The Policy and Resources Cabinet Committee is asked to consider and endorse or comment on the proposed decision to be taken by the Cabinet Member for Corporate and Democratic Services in consultation with the Cabinet Member for Finance and Procurement to:

1. Approve the closure of Property Enterprise Fund 1 and Property Enterprise Fund 2 and for it to be progressed immediately.
2. Approve the release of assets currently held within the funds to be placed within KCC's main portfolio and where necessary into Kent's main disposals programme and for those capital receipts to be used to support the Council's capital programme.
3. Request the Director of Property and Infrastructure Support and the Corporate

Director of Finance and Procurement to finalise the arrangements for closing the funds.

4. Instruct the Director of Property and Infrastructure Support to consider a business case that supports a decision for a new Property Investment Fund. The objective of the fund being to implement a KCC investment portfolio to support an income return from property assets and grow the property asset base so that KCC has a future disposal pipeline.

1. Background

- 1.1 The Property Enterprise Funds, PEF1 and PEF2 were set up in 2006 and 2008 respectively.
- 1.2 PEF 1 was established to create a vehicle whereby the Council could invest in property particularly to enhance existing assets. The fund was also a receptacle for holding disposals which were not straight forward and required a more innovative approach in trying to extract value from them. An example of a PEF1 acquisition would be a purchase of access land to facilitate development and therefore increase value.
- 1.3 PEF2 was established to ensure continuation of the capital programme and take a longer term view of disposal whilst the property market recovered. PEF2 was successful in allowing the majority of the 2008 – 2011 capital programme to proceed, despite in excess of £100m of this programme having been predicated on capital receipt funding.
- 1.4 Prior to 2011, Directorates managed their own property portfolio and capital programmes where surplus assets were sold and receipts earmarked for particular schemes. All KCC assets are now the responsibility of the Corporate Landlord and are essentially centrally held. A few specialist / complex asset classes continue to be held within the Directorates pending their move to the centre which is scheduled to complete by March 2015 (with the exception of schools for the time being).
- 1.5 Capital receipts are now managed as a corporate resource since the introduction of the Corporate Landlord in 2012. Market conditions have also improved since the establishment of these funds. The PEF funds have served their purpose and, given the aforementioned changes, it seems an appropriate time to close these down and move forward.

2. Financial Implications

Summary Position – PEF1

- 2.1 PEF1 had an agreed overdraft limit of £10m.
- 2.2 The fund has made some strategic acquisitions, but over the years has also been used for alternative purposes which were considered appropriate at the

time. The position on the fund as at 31.03.14 was an overall deficit position of £9.4m.

- 2.3 There are a number of assets which were originally badged as PEF1 yet to be sold which could return in excess of £15million when they are sold over the next 5 years. One of the key objectives of PEF1 was to tackle assets where value was difficult to extract and consequently progress has been slow or reliant on master planning etc. In addition these “high risk” sites were not attractive to bring forward during the recession years. These properties are already included within KCC’s disposals delivery programme, though presently the receipt is returned into the fund and not the capital programme.
- 2.4 On closure of the fund the proposal is to use these receipts against the forthcoming capital programme, and to ‘merge’ the remaining debt within our overall borrowing requirement. This proposal is already factored into KCC’s financing calculations and will therefore have no effect on the revenue or capital budget proposals.

Summary Position – PEF2

- 2.5 PEF 2 was established with the remit of being a not-for-profit making fund with an overdraft facility of £85m.
- 2.6 Over it’s life PEF2 had a total of 22 properties transferred into it, of which 16 have subsequently been sold. The overall position on the properties sold, taking into account all holding and disposal costs, is a slight profit of £1.8m.
- 2.7 The 6 properties that have not yet been sold have a holding balance to date of £8.5m, and have prudent forecast sale values of £5.4m. It is envisaged that once these are sold (taking into account further holding costs and changes in sales values) the overall position on the fund will be broadly break even.
- 2.8 In 2009-10 and 2010-11 a total of £9.9m was required for funding “PEF2 projects” in the Education capital programme, for which no suitable properties were found to transfer into the fund at that time. The funding of these projects has been factored into borrowing calculations as discussed below.
- 2.9 The impact of closing PEF2 has already been taken into account in the borrowing calculations for the forthcoming budget.
- 2.10 It is proposed that the receipts from the 6 remaining PEF2 properties are used as funding against the forthcoming capital programme, which has already been factored in.

Holding Cost

- 2.11 Where a temporary use until sale could not be found for assets within the funds, holding costs including security and maintenance were charged to the funds. Once the funds are closed, since there is no revenue budget following the assets, an additional pressure would be placed onto the Corporate Landlord Budget, which has no capacity to absorb such costs. Property and Infrastructure Support are discussing with Finance how this issue and the

issue of funding these assets for disposal preparation might be overcome over the short and longer term.

3.0 The Future Position

3.1 When property becomes surplus, up until recently it was standard to apply a limited view on the statutory requirement for local authorities to dispose of assets it no longer had a use for. Consequently, if an operational asset became surplus, it would be sold and the capital receipt reinvested through the capital programme.

3.2 Prior to the Corporate Landlord, Directorates released many of their less complicated sites for disposal and earmarked receipts for reinvestment into their services. In addition, in spite of the Council's 30% portfolio reduction policy, because the "easy to vacate / sell" sites were sold, this target for vacating assets (based primarily on Council revenue saving targets) has been an ambitious one to achieve. Moreover, the Council has not been reinvesting part of its capital income in future disposable assets. Taking this to its logical conclusion KCC's disposal pipeline is likely to dry-up. A significant proportion of the capital programme is funded from capital receipts, this has been even more critical in recent years as we have sought to ensure that the borrowing levels remain within the thresholds set by the Council.

3.3 Whilst the original purpose of the PEF funds have been met and is no longer appropriate, a funding mechanism is necessary to provide: :

- Short term bridging finance to help consolidate the Estate and free up vacant space.
- Strategic purchases.
- Replenishing land for the future.

3.4 The reduction in Local Budgets in recent times has impacted significantly on the affordability of holding property. Part of KCC's response to this is to run property more along the lines of an investment model approach; it has become an ambition to make holding property assets less reliant on Council Revenue Budgets where a greater proportion is needed to ensure statutory services continue to run.

3.5 There are numerous advantages to investing in property and thus progressing an acquisition strategy, including:

- Maximising revenue income and minimising non-recoverable management costs to ensure the best return is generated
- Unlocking and/or influencing future development opportunities
- Promoting regeneration
- Promoting collaborative working and partnership with adjoining owners and developers with a view to maximising value/benefit.

- Supporting economic growth
 - Supporting partnering arrangements
 - Encouraging inward investment, re-location and business start-up in Kent
 - Security; Short, medium and long-term revenue income
 - Strategic value; Where a property has strategic value to the Council, some of the above criteria may be relaxed e.g. land capable of development or required to enable development.
- 3.6 In order to work within the property market, respond to opportunities and grow the investment portfolio, a draw down facility from a fund is required. How this can be drawn down, including a risk assessed business case, will need to be agreed which would then form the basis for the draw down governance arrangement.
- 3.7 A “Property Investment Fund” (PIF) is therefore proposed for an initial sum of £5m in the first 2 years with a review at the beginning of year 3. This would be part of the Capital Programme should it be approved.
- 3.8 This report recommends that a business case that supports a decision for a new PIF be brought forward. The primary objective of the fund would be to implement a KCC investment portfolio to support an income return from property assets and grow the property asset base so that KCC has a future disposal pipeline. It should consider governance arrangements, risk appetite, performance requirements etc.

4. Conclusions

- 4.1 PEF1 and PEF2 have been largely successful in achieving their original objectives. However given the changing circumstances over the years it is recommended that these are no longer appropriate in their current form.
- 4.2 The funds should therefore be closed and the assets held be placed in KCC’s main Disposal Delivery Programme.
- 4.3 However, there is a need for a new fund with up to date terms of reference, governance and performance criteria that supports the aims of growing income from property and ensuring that KCC has a future disposal pipeline.

Recommendation

The Policy and Resources Cabinet Committee are asked to consider and endorse or comment on the proposed decision to be taken by the Cabinet Member for Corporate and Democratic Services in consultation with The Cabinet Member for Finance and Procurement to:

1. Approve the closure of Property Enterprise Fund 1 and Property Enterprise Fund 2 and for it to be progressed immediately.
2. Approve the release of assets currently held within the funds to be placed within KCC's main portfolio and where necessary into Kent's main disposals programme and for those capital receipts to be used to support the Council's capital programme.
3. Request the Director of Property and Infrastructure Support and the Corporate Director of Finance and Procurement to finalise the arrangements for closing the funds.
4. Instruct the Director of Property and Infrastructure Support to consider a business case that supports a decision for a new Property Investment Fund. The objective of the fund being to implement a KCC investment portfolio to support an income return from property assets and grow the property asset base so that KCC has a future disposal pipeline.

7. Background Documents

None

8. Contact details

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
John Simmonds, Deputy Leader & Cabinet Member for Finance and Procurement
Bryan Sweetland, Cabinet Member for Commercial and Traded Services
David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 12 December 2014

Subject: Strategic and Corporate Services Directorate Dashboard

Classification: Unrestricted

Summary:

The Strategic and Corporate Services 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. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee.
- 1.2. Performance Dashboards are regularly reported to the Cabinet Committee throughout the year, and the current report includes data up to the end of September 2014.

2. Directorate Dashboard

- 2.1. The Strategic and Corporate Services Performance Dashboard is attached at Appendix 1.
- 2.2. The Dashboard includes results up to the end of September 2014 for the Key Performance Indicators (KPIs) included in this year's Strategic Priority Statement.
- 2.3. The Dashboard includes thirty (30) KPIs.
- 2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.

- 2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.
- 2.6. Within the report, of the 30 KPIs included, current performance is Green for twenty-one indicators, Amber for four indicators and Red for five indicators.
- 2.7. Commentary is provided within the Dashboard for indicators which are currently showing as Red.
- 2.8. Direction of Travel for September was positive for nine KPIs, stable for nine (with five of these at 100%) and there were twelve indicators showing lower results.
- 2.9. Results for Contact Point have improved since the last report and the October figures (not included) are now above target.
- 2.10. The Govmetric indicator for the web-site has been removed from the report as not being reflective of satisfaction with the website. A new exit survey is now in place and provisional figures for one month are included in the report.

3. Recommendation(s):

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

4. Background Documents

The Strategic and Corporate Services Strategic Priority Statement

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/strategic-priority-statements>

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Strategic and Corporate Services Performance Dashboard

Financial Year 2014/15

Data up to September 2014

Page 41

Produced by Business Intelligence

Publication Date: 14 November 2014



Guidance Notes

Key Performance Indicators

All Key Performance Indicators are provided with RAG (Red/Amber/Green) ratings and Direction of Travel Alerts.

RAG ratings are based on Targets and Floor Standards set out at the start of the year in the Strategic Priority Statements.

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 |

DoT (Direction of Travel) Alerts

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

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Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating or Direction of Travel alert. Instead, where appropriate, they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether results are within the expected range or not. Results can either be in expected range (**Yes**) or they could be **High** or **Low**. Expected activity Thresholds are based on previous year trends.

Many Activity Indicators did not have expected levels stated in the Strategic Priority Statements, and are shown in the report to provide context for the Key Performance Indicators. In such cases the activity indicators are simply shown with comparison to activity for the previous year.

| | | |
|-------------------------------------|----------------------|------------------------|
| Service Area | Director | Cabinet Member |
| Customer Service and Contact | Angela Slaven | Bryan Sweetland |

We are responsible for the quality and consistency of essential customer contact functions, providing a key interface with our residents and service users.

| Ref | Indicator description | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CR01 | Percentage of callers who rate the advisors in Contact Point as good | 96% | GREEN | ↓ | 97% | GREEN | 95% | 90% | New Indicator |
| CR02 | Percentage of callers who rate their overall experience with KCC as good | 67% | RED | ↓ | 70% | AMBER | 80% | 70% | New Indicator |
| CR03 | Percentage of customers using Gateway who rated the experience as good | 75% | GREEN | ↔ | 75% | GREEN | 70% | 65% | 68% |
| CR04 | Percentage of calls to Contact Point answered | 88% | AMBER | ↑ | 83% | RED | 90% | 85% | 97% |
| CR05 | Percentage of calls to Contact Point answered in 40 seconds | 51% | RED | ↑ | 48% | RED | 80% | 70% | New Indicator |

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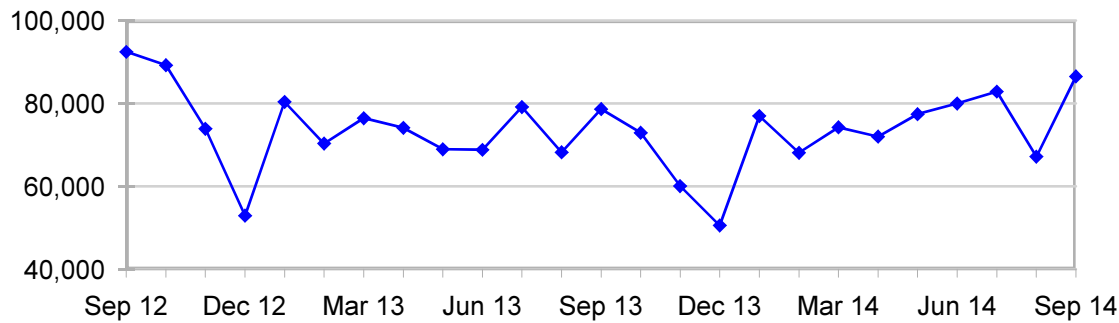
CR04/CR05 – Percentage of calls answered by Contact Point has improved and was close to target for September. The improvement will continue as the new staff recently recruited gain experience and additional training. Provisional figures for October show results of 96% and 84% respectively for CR04 and CR 05.

CR02 – This is a new indicator and although currently showing as Red, it should be noted that the targets were set without a baseline position available. Including neutral responses the result is 94.3% year to date. Improved communications on service changes would assist with a more positive result here. Work is in hand to investigate the areas of neutral or negative satisfaction, so action can be taken to address the issues arising.

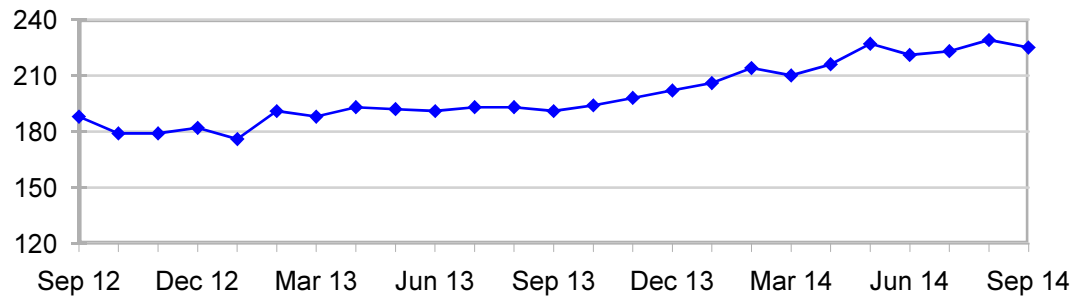
| | | |
|------------------------------|-----------------|-----------------------|
| Service Area | Director | Cabinet Member |
| Customer Service and Contact | Angela Slaven | Bryan Sweetland |

| Ref | Indicator description | Year to date | In expected range | Expected Activity | | Prev. yr YTD |
|------|---|--------------|-------------------|-------------------|-------|--------------|
| | | | | Upper | Lower | |
| CR08 | Number of calls to Contact Point (000s) | 466 | Yes | 475 | 415 | 438 |
| CR09 | Average call handling time (in seconds) | 223 | High | 222 | 190 | 192 |

Number of calls to Contact Point (monthly)



Average call handling time in seconds (monthly)



| Service Area | Director | Cabinet Member |
|----------------------------|---------------|-----------------|
| Media and Public Relations | Angela Slaven | Bryan Sweetland |

We provide a single, consistent voice for all KCC services to the public – ensuring messages have maximum impact and are communicated in the most cost-effective way.

| Ref | Indicator description | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CE02 | The percentage of regional media coverage which is positive or neutral | 95% | GREEN | ↓ | 92% | GREEN | 80% | 70% | 85% |

A new exit survey for the web-site has been deployed which focuses on whether customers achieved the aim of their visit for key tasks, and how satisfied they were. There were 720 responses to the survey for September and the results show that 72% achieved the aim of their visit, 63% said they found the site easy to use, 64% were satisfied with their visit, with 74% confirming they would positively use the site again.

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Activity Indicators

| Ref | Indicator description | Year to date | In expected range | Expected Activity | | Prev. Yr YTD |
|------|---|--------------|--|-------------------|-------|--------------|
| | | | | Upper | Lower | |
| CE03 | Positive mentions in the national media reflecting KCC priorities | 709 | This indicator now includes closer monitoring of social media, so results are not directly comparable with past trend. | | | |
| CE04 | Number of visits to the KCC website, kent.gov (000s) | 2,397 | Yes | 2,700 | 2,300 | 2,664 |

| Service Area | Director | Cabinet Member |
|------------------------------|---------------|-----------------|
| Customer Service and Contact | Angela Slaven | Bryan Sweetland |

Complaints are responded to by each service Division of the Council directly and the figures presented here are for the overall responses across the Council. Figures are reported by quarter.

| Ref | Indicator description | Latest Quarter | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|----------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CR06 | Percentage of complaints acknowledged within timescale | 94% | GREEN | ↑ | 90% | GREEN | 90% | 85% | 97% |
| CR07 | Percentage of complaints responded to within timescales | 82% | AMBER | ↓ | 83% | AMBER | 85% | 80% | 83% |

Timeliness of response to complaints in the quarter to Sept 2014 remained behind target.

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Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|-----------------------------------|--------------|--------------|
| | Number of complaints responded to | 1,673 | 1,236 |

Of the complaints received in the quarter, 299 (43% of total) were for Highways and Transportation, although this was reduction on the previous quarter. The majority of other services saw a fall in complaints for this period.

| | | |
|-----------------|------------------|-----------------------|
| Division | Director | Cabinet Member |
| Finance | Andy Wood | John Simmonds |

We ensure the robust and effective management of the authority's and partners financial resources (including schools), in accordance with the council's financial regulations and have statutory responsibilities to produce the financial accounts and administer the Superannuation Fund.

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| Ref | Indicator | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|---------------|---------|--------|----------------|---------------|
| FP01 | Pension correspondence processed within 15 working days | 99% | GREEN | ↔ | 97% | AMBER | 98% | 95% | 98% |
| FP02 | Retirement benefits paid within 20 working days of all paperwork received | 100% | GREEN | ↑ | 99% | GREEN | 98% | 95% | 100% |
| FP03 | Invoices received by Accounts Payable within 20 days of KCC received date | 82% | AMBER | ↓ | 82% | AMBER | 90% | 80% | 82% |
| FP04 | Invoices received on time by Accounts Payable processed within 20 days | 94% | GREEN | ↑ | 93% | GREEN | 85% | 75% | 91% |
| FP05 | Percentage of sundry debt due to KCC outstanding under 60 days old | 79% | GREEN | ↔ | Snapshot data | | 75% | 57% | 77% |
| FP06 | Percentage of sundry debt due to KCC outstanding over 6 months old | 7% | GREEN | ↓ | Snapshot data | | 10% | 15% | 9% |

Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|----------------------------------|--------------|--------------|
| | Pension correspondence processed | 1,417 | 645 |
| | Retirement benefits paid | 991 | 1,056 |
| | Number of invoices paid by KCC | 81,749 | 87,378 |
| | Value of debt due to KCC | £12.2m | £22.7m |

| Division | Director | Cabinet Member |
|--------------------|------------|----------------|
| Governance and Law | Geoff Wild | Gary Cooke |

We are responsible for Democratic Services, supporting the Council's decision-making and overview and scrutiny processes, together with key administrative support to 84 elected Members including member induction and development, and managing elections.

| Ref | Indicator | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| GL01 | Council and Committee papers published at least five clear days before meetings | 100% | GREEN | ↔ | 100% | GREEN | 100% | 96% | 98% |
| GL02 | Freedom of Information Act requests completed within 20 working days | 89% | AMBER | ↓ | 92% | GREEN | 90% | 85% | 96% |
| GL03 | Data Protection Act Subject Access requests completed within 40 calendar days | 72% | RED | ↓ | 80% | RED | 90% | 85% | 76% |

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GL03 – Although down for the month, performance so far this year is ahead of last year and this is being driven by a higher target set for this year. Performance this year should be significantly ahead of last year by the year end.

Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
| | Committee meetings | 75 | 60 |
| | Freedom of Information requests | 1,148 | 1,018 |
| | Data Protection Act Subject Access requests | 166 | 148 |

Last financial year, KCC processed 2,115 Freedom of Information Requests.

| | | |
|------------------------|--------------------|-----------------------|
| Division | Director | Cabinet Member |
| Human Resources | Amanda Beer | Gary Cooke |

We are responsible for the delivery of the strategic HR function for the authority.

| Ref | Indicator description | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| HR01 | Satisfaction with the resolution of people-management cases rated Good or above | 100% | GREEN | ↔ | 100% | GREEN | 90% | 80% | 95% |
| HR02 | Manager satisfaction with learning outcomes rated 4 or above | 87% | GREEN | ↓ | 88% | GREEN | 85% | 75% | New Indicator |
| HR03 | Overall satisfaction with HR Connect rated as Good or above | 95% | GREEN | ↔ | 94% | GREEN | 75% | 65% | New Indicator |
| HR04 | Satisfaction with the response to H&S Advice Line enquiries rated Good or above | 100% | GREEN | ↔ | 100% | GREEN | 80% | 70% | New Indicator |
| HR07 | Satisfaction that Support Line counselling helped 'somewhat' or 'a great deal' | 100% | GREEN | ↔ | 97% | GREEN | 80% | 75% | New Indicator |

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HR02 - Data is up to June only for this indicator.

Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
| | Feedback responses provided on people management cases | 105 | 121 |
| | Feedback responses provided by managers on training | 199 | N/a |
| | Feedback responses provided on HR Connect | 817 | N/a |
| | Feedback responses provided for Health and Safety advice line | 289 | N/a |
| | Feedback responses provided on Support Line | 177 | N/a |

| Division | Director | Cabinet Member |
|----------|------------|----------------|
| ICT | Peter Bole | Gary Cooke |

We work to maximise the value of investments in information and technology through the efficient management of resources to deliver the best outcomes for the communities and citizens of Kent.

| Ref | Indicator description | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|-------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| ICT01 | Calls to ICT Help Desk resolved at the First point of contact | 73% | GREEN | ↓ | 72% | GREEN | 70% | 65% | 72% |
| ICT02 | Positive feedback rating with the ICT help desk | 98% | GREEN | ↓ | 99% | GREEN | 95% | 90% | 98% |
| ICT03 | Working hours where Kent Public Sector Network is available to staff | 100% | GREEN | ↑ | 99.8% | GREEN | 99.8% | 99% | 100% |
| ICT04 | Working hours where ICT Service available to staff | 100% | GREEN | ↑ | 99.5% | GREEN | 99% | 98% | 99.7% |
| ICT05 | Working hours where Email are available to staff | 100% | GREEN | ↔ | 100% | GREEN | 99% | 98% | 100% |

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Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
| | Calls to ICT Help Desk | 37,546 | 39,590 |
| | Feedback responses provided for ICT Help Desk | 4,185 | 5,043 |

| Division | Director | Cabinet Member |
|-------------------------------------|---------------|----------------|
| Property and Infrastructure Support | Rebecca Spore | Gary Cooke |

We are responsible for acting as KCC's 'Corporate Landlord', managing KCC's diverse land and property portfolio.

| Ref | Indicator | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|---------------|---------|--------|----------------|---------------|
| PI01 | Percentage of rent due to KCC outstanding at 60 days | 36% | RED | ↑ | Snapshot data | | 5% | 15% | 0.3% |
| PI02 | Property Service Desk call out requests responded to within specified timescales | 97% | GREEN | ↑ | 71% | RED | 95% | 90% | 98% |

PI01 – A significant outstanding debt for rent is with Ashford CCG, with the amount originally disputed but agreement has now been reached on payment.

PI02 – Management action previously mentioned regarding ensuring contractors correctly complete the Job Completion Certificates has resulted in a significant improvement in the completion of paperwork and reported performance is now above target.

Annual Indicators - The indicator below is provided as a forecast rather than a year to date figure.

| Ref | Indicator | Current Forecast | Forecast RAG | DoT | Target | Floor Standard | Previous Forecast |
|------|---|------------------|--------------|-----|--------|----------------|-------------------|
| PI03 | Percentage of annual net capital receipts target achieved | 82% | RED | ↓ | 100% | 90% | 91% |

PI03 - A number of properties have been withdrawn from the disposals programme to be developed for planning. This has the effect of reducing the value of receipts in the short term, but is expected to add significant value in the medium to longer term.

Activity Indicators

| Ref | Indicator description | Year to date | Prev. yr YTD |
|-----|--|--------------|--------------|
| | Total rent outstanding | £633k | £97k |
| | Number of service desk requests responded to | 1,749 | 1,117 |

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From: **John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement**
Gary Cooke, Cabinet Member for Corporate & Democratic Services
Bryan Sweetland, Cabinet Member for Commercial & Traded Services
David Cockburn, Corporate Director for Strategic & Corporate Services

To: **Policy & Resources Cabinet Committee – 12 December 2014**

Subject: **Financial Monitoring 2014-15**

Classification: **Unrestricted**

Past Pathway: **Cabinet 1 December 2014**

Summary:

The Cabinet Committee is asked to note the second quarter's full budget monitoring report for 2014-15 reported to Cabinet on 1 December 2014.

Recommendation(s):

The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2014-15 that are within the remit of this Cabinet Committee, 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.

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 directorate 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 shorter report is made to Cabinet outlining the financial position for each directorate. A link to the second quarter's monitoring report for 2014-15 is provided below:

<https://democracy.kent.gov.uk/documents/s49883/documents/s49883/Item%207%20-%20Financial%20Monitoring%20-%20Q2.pdf>

(Please press down the control button and click on the link above, which will open the report)

- 2.2 Although the full Cabinet report is provided, each Cabinet Committee only needs to consider the items that are within its remit. For Policy & Resources Cabinet Committee, these items are contained within annex 6 of the Cabinet report.
- 2.3 Annex 6 shows a greatly improved position for the Strategic & Corporate Services Directorate in comparison to the Quarter 1 figures reported to this Committee's meeting on 19th September. The Directorate is now forecasting an underspend of -£486k having taken the targeted management action.

Whilst some of the underlying pressures of call volumes and length of calls remain within the Contact Centre, some efficiencies are being realised which are reducing the overspend by -£90k to +£482k. Roll-out of Cloud Telephony, scheduled for January 15 will further reduce some of the base pressures.

Within the Community Engagement service, staffing vacancies and secondments together with income generating activities, have led to an improving position, reducing the overspend by -£122k to +£145k. The underlying base pressure however, still remains until the completion of the review and Member decision on scoping the future nature of the service.

Property Group and Legal Services positions remain unchanged at +£300k and +£230k overspends respectively. ICT remain on target to deliver a break-even position.

All Divisions within the Directorate have responded well to the challenge to deliver in-year savings and efficiencies. Business Strategy units are holding vacancies whilst maintaining service levels; Finance & Procurement have increased their underspend by -£91k to -£135k by reducing spend on specialist fees; in Human Resources, the training requirements in the Business plans have been accurately reflected in the workforce development plans and this has resulted in a reduction to the budgeted requirements leading to an underspend of -£294k; also in HR, recruitment services to schools and academies are projecting additional income of -£147k.

- 2.4 As the Policy & Resources Cabinet Committee has overview of the whole Authority, Members of the Committee are asked to note the Council's improving overall revenue position in comparison to the Quarter 1 figures reported to this Committee's meeting on 19th September.

The net projected variance against the combined directorate revenue budgets is an overspend of +£0.795m, before management action, but management action is expected to reduce this to an underspend of -£2.241m after minor re-phasing of some budgets to 2015-16 to fulfil our legal requirements. There is also some significant underspending within the forecast, which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the Authority as a whole is sufficiently underspending by year end. If we allow for this, then this changes the position to an underlying overspend of +£1.266m. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the outstanding proposed management actions are provided in Appendix 3 of the Cabinet report.

3. Recommendation(s):

The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2014-15 that are within the remit of this Cabinet Committee, together with the overall forecast overspending position for the authority, based on the second quarter's full monitoring to Cabinet.

4. Contact details

Report Author

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Relevant Director

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From: **Gary Cooke, Cabinet Member for Corporate and Democratic Services**

David Cockburn, Corporate Director of Strategic and Corporate Services

To: **Policy and Resources Committee 12 December 2014**

Subject: **Annual Equality and Diversity Report 2013/14**

Classification: **Unrestricted**

Past Pathway of Paper:

Corporate Management Team 30 September 2014

Growth Environment and Transport Cabinet Committee 16 September 2014

Environment and Transport Cabinet Committee 17 September 2014

Children's Social Care and Health Cabinet Committee – 23 September 2014

Education and Young People's Service Cabinet Committee 24 September 2014

Adult Social Care and Health Cabinet Committee – 26 September 2014

Future Pathway of Paper:

Electoral Division: All divisions

Summary

This report sets out:

1. An evaluation of compliance with the Equality Act 2010 and areas for further improvement.
2. Plans for future reporting

Recommendation(s):

1. Agree that equality objectives be reviewed and included as part of the new Strategic Statement and new Commissioning Plan in 2015
2. Agree that future equality reporting will be included within the performance framework supporting the new statement and commissioning plan
3. Agree the strengthening of equality governance and to receive the updated arrangements from Governance and Law and Corporate Equality Teams

1. Introduction

- 1.1 All public authorities in England are obliged to publish equality information. . Proactive publication ensures not only compliance with the legal requirements, but also 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.

- 1.2 Departmental Management Teams have received the annual equality reports for their own Directorates. Each report sets out the equality information that is required for publication and progress against the Corporate Equality Objectives.

2. Areas of Concern

- 2.1 Good progress in embedding equality into the provision of services has been made within KCC's service directorates, however, it is recognised that the authority can be put at risk if decisions are made which do not fully comply with the policy position. To help mitigate this risk, the following further improvements have been identified:

2.1.1 Equality Analysis

- 2.1.2 It is important that Members and Officers have the right information from Equality Impact Assessments (EqIAs) before decisions are made. In some instances (EqIAs) are not being undertaken at the right time which creates risks for the organisation in relation to the provision of services and Judicial Review.
- 2.1.3 Some officers have raised concerns about the amount of time spent on undertaking Equality Analysis. It is worth noting that equality analysis should always be proportionate to the decision that is being made and does not slow the pace of change down if it is done as part of the core evidence base of any proposal. All services need a clear understanding and know who their customers are and their needs, especially those with a protected characteristic. This is particularly so in the increasingly commercially driven market environment that the public sector is now operating in. Failure to understand customer profiles and needs will lead to poor commissioning and procurement decisions, poor contract management, poor service delivery and the failure to deliver against the Public Sector Equality Duty.

2.2 Cumulative impacts of changes

- 2.2.1 The relationship between the Corporate Equality & Diversity Team, the Facing the Challenge Team and the Corporate Portfolio Office (CPO) has been strengthened in order to mitigate the risks associated with lack of compliance. The Facing the Challenge Team and the Corporate Portfolio Office (CPO) play an important role in ensuring compliance during the period of change and are therefore instrumental in ensuring KCC is able to demonstrate that Members and Officers have the relevant equality analysis at the formative stage of the decision making process.

2.2.2 Furthermore the authority is looking at the cumulative impacts of change on customers and this will be coordinated by the CPO team.

2.3 Governance arrangements

2.3.1 In 2012 an internal audit report recommended that all decisions should be based on completed EqlAs and to date there has been wide compliance with this recommendation. However, there are still some gaps which potentially could open the authority to potential challenge.

2.3.4 It is proposed that arrangements are strengthened to ensure that all decisions have the outcomes of an EqlA embedded within the reports. This will be achieved through the new model report standards that have proposed by the Law and Governance team.

3. Directorate Equality Reports 2013/14

3.1 The Council published its equality objectives in 2011/12. Each service was asked to provide equality information and to demonstrate compliance with equality legislation for the period 1 April 2013 – 31 March 2014, to identify the performance measures in place to achieve the KCC Equality Objectives and to identify areas for improvement. The reports have been presented to Directorate Management Teams and to Cabinet Committees in September 2014. An Executive Summary of the reports can be found in Appendix 1. Examples of practice are highlighted below.

3.2 The Growth, Environment and Transport Directorate (GET)

3.2.1 GET have a good equality record with EqlAs used as good practice examples across the authority.

3.2.2 The Household Waste Recycling Centre (HWRC) service has asked contractors to deliver a 'meet and greet' service, with assistance available to customers for the lifting and carrying of waste. Contractors running the HWRCs are also required to comply with the access scheme for customers. In addition, service information is made accessible to customers through a range of formats e.g. Easyread, Braille, alternative languages when requested.

3.2.3 Over the last year adults with learning disabilities have made 1,529 visits to Libraries to attend activities. A key aim of the service is to ensure that adults with learning disabilities feel comfortable and secure in attending regular library activities. For example adults with learning disabilities attend Talk Times, author events, Knit and Natter sessions, Time2Give volunteering, IT session and the Six Book Challenge -over 80 adults with learning disabilities received a certificate after completing the challenge (50 adults in 2012-2013.)

3.2.4 The marriage script has been rewritten to be totally inclusive of all couples. Also in the Jewish and Muslim faiths, burial has to take place within 24 hours of death. A duty registrar is available 24 hours a day to register the death to issue appropriate paperwork for a funeral to take place.

- 3.2.5 Economic Development identified and evidenced spatial inequalities across the county to inform the distribution of economic development activities. Examples of this in 2013/14 include the preparation of the Kent and Medway Economic Review, which provided the basis for Kent's contribution to the Strategic Economic Plan. This evidence has helped KCC to identify areas where investment is required to overcome economic disparities at sub-county level, and to ensure that KCC enables growth in locations where the market will not deliver alone. In practical terms, this means a particular focus on East Kent and North Kent.
- 3.2.6 Kent Highways work closely with Highway contractor Amey to run an apprenticeship scheme which encourages greater numbers of young people into work. Working with Kent Police KCC ensures that our Driver Diversion Courses are accessible with reasonable adjustments made on request.

3.3 Social Care Health and Wellbeing Directorate

- 3.3.1 During 2012-13 particular shortfalls were identified in 'Gathering and analysing equality information' and the use of information relating to protected characteristics particularly for adult social care, to inform the commissioning and provision of services.
- 3.3.2 Performance management reporting is now in place to monitor the gathering of information from customers on protected characteristics. The quarterly reports show a small improvement but further work is needed to encourage staff to ask the relevant questions at the point of assessment and this will continue to be an objective for 2014-15. These reports are currently presented to the Directorate Equalities Group for subsequent sharing with Divisional Management Teams (DivMTs). It is proposed that in future this information is provided direct to DivMTs, as part of routine performance management reporting.
- 3.3.3 There are on-going Training and development needs for staff in order to continue to raise awareness and support staff to meet expectations. Proficiency in producing Equality Impact Assessments continues to be an important training and development need. Training is still needed to help overcome reluctance to ask relevant questions relating to certain protected characteristics at the point of assessment and understand why this data is being collected. These training needs have been logged for inclusion in the Workforce Development Plan for 2014-15.
- 3.3.4 At the start of 2013/2014- Public Health became part of the Local Authority and issues relating to Health Inequalities/ Equality will be published as part of the Public Health Annual Report in autumn 2014.

3.4 Education and Young Peoples Services Directorate (EYPS)

- 3.4.1 Reducing inequality in education and learning outcomes, reducing achievement gaps and championing the needs of the most vulnerable children and young people is a vital part of the Local Authority's role and purpose in relation to education inequality.

- 3.4.2 Kent's Special Educational Needs and Disabilities (SEND) Strategy, launched in January 2014, anticipates the statutory changes for children and young people with SEN (Special Educational Needs) and or who are disabled aged between 0-25 and their families and carers. EYPS are creating more capacity in mainstream schools to support pupils in their local communities, through the development of SEN resourced provisions in a number of schools, embedding the Kent Core Standards in every school and ensuring that there is good access to workforce development and training through the specialist support available at the Local Inclusion Forum (LIFT).
- 3.4.3 More than 20 schools, early years settings and colleges are participating in a multi-agency pilot working towards externally accredited Inclusion Awards which will establish a culture of inclusive practice for other providers to follow from 2015. EYPS have undertaken public consultation to increase capacity to support Autistic Spectrum Disorder (ASD) and Behavioural Emotional and Social Needs (BESN) at Furness and Goldwyn Special Schools, and have consultation plans in place to increase unit places for speech & language impairment, ASD and satellite provision attached to special schools for severe and complex needs.
- 3.4.4 Free early education became a statutory entitlement for eligible two years olds from 1 September 2013, with the local authority having a duty to secure provision. Around 20% of two years olds were eligible for free early education from September 2013. The programme will be extended from September 2014 to include around 40% of two years olds. KCC was given a target to secure 3,095 Free for Two places by September 2013 with an increase to 6501 places by September 2014 (this being the second largest target nationally). The target to develop 3095 places was achieved by September 2013 and the progress on the target of developing 6501 places is ongoing.
- 3.4.5 In 2013, 177 Primary schools and 43 Secondary schools narrowed the FSM achievement gaps. EYPS are taking active steps to disseminate this best practice. All Senior Improvement Advisers (SIAs) and Heads of Service are clear which schools which demonstrate best practice and which schools need to improve and they will match support. All SIA's, Area Education Officers (AEO's), and Heads of Service will submit case studies of schools in their districts that have significantly narrowed the gap
- 3.4.6 From January 2013 to 2014 participation for Year 12 vulnerable learners has increased by 3.1%. This modest improvement is encouraging as it reflects the impact of the increased focus on supporting vulnerable young people by KCC, in particular through the 14-24 Skills and Employability Strategy, the SEN Review, the PRU review, the reorganisation of Preventative services through KLIASS and Troubled Families.

3.5 Strategic and Corporate Services Directorate

- 3.5.1 The teams within the Directorate provide an important role regarding equality governance and in the main provide the internal controls to help achieve compliance of The Equality Act 2010.
- 3.5.2 KCC developed an Equality Analysis (EqIA) Partnership Protocol in 2012/13. The Localisation of Council Tax was used as one of the pilots for this work. Finance took the lead and worked with the Districts to produce a model report. Procurement ensures there is equality analysis for every specification to cover any additional needs required to complete the contract and promotion of equality in procurement. They have revised their documents and introduced controls to ensure that specifications have EqIAs. The equality analysis covers any additional needs required to complete the contract.
- 3.5.3 Property and Infrastructure have ensured that buildings and equipment are accessible and usable. Following a difficult setting up phase, Property and Infrastructure have embedded equality into their core business process by adapting the standard templates to suit their needs. This has reduced the number of calls regarding KCC properties and office moves to nil.
- 3.5.4 The Employment Policy Team (EPT), in the HR Division, is responsible for promoting and ensuring the equality and diversity outcomes in employment. A full report on KCC's Workforce is available in Appendix 4. In 2013 the EPT took over the responsibility of Staff EqIAs from E & D Team.
- 3.5.5 Governance and Law ensure that decisions follow 'due diligence. The Forthcoming Executive Decisions (FED) list, which has replaced the Forward Plan, includes a request for information about the equality impact of all decisions, as does the model report template.
- 3.5.6 Since 2013, Customers Services have started recording complaints about potential discrimination in quarterly monitoring reports. The authority is identifying these complaints and taking further action where appropriate. Not every complaint received is upheld but it is positive that people feel they are able to complain if they feel they have been discriminated against. The Customer Services Strategy is being updated to include equality objectives and outcomes for service users.

4 Future Reporting

- 4.1 It is proposed that KCC revises and consults on its equality objectives during 2014/2015. The objectives will be incorporated in to the new Strategic Commissioning Plan and the accompanying Outcomes Framework so that KCC can embed equality monitoring in to the core performance framework. This will result in greater compliance in relation to the delivery of organisational priorities and core services. Critically outcomes will be monitored through core performance management frameworks which will

result in greater efficiency and accountability in relation to the delivery and outcomes of the objectives and services to customers. Performance monitoring is to be reported to Cabinet and relevant Cabinet Committees and this will meet the relevant statutory duty under the Equality Act 2010.

- 4.3 Duplication has been reduced through streamlining KCC's equality duty by including public information within other published reports. For example Social Care, Health and Wellbeing Directorate publish Active Lives and the Public Health Annual Report and some equality information is already included in these and they are both reported to the relevant Cabinet Committee.
- 4.4 The Annual Equality Work Profile Report will continue to be considered by the Personnel Committee then published on kent.gov.uk as part of the Annual Equality & Diversity Annual Report Executive Summary

5. Financial Implications

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

6. Legal Implications and Risk Management.

- 6.1 The Council is required to publish its Equality Annual Report each year in accordance with the Public Sector Equality Duty (PSED) (Section 149 of the Equality Act 2010).

7. Equality Impact Assessments

- 7.1 As this decision is regarding performance monitoring on the previous year's work and internal governance arrangements there is no requirement to undertake an Equality Impact Assessment.

8. Conclusions

- 8.1 Progress has been made in embedding equality across KCC with some services finding the task easier than others. Further work needs to be undertaken to strengthen governance arrangements and to identify and assess meaningful equality activity and for KCC customers.

9. Background Documents

Assessment of the performance of public authorities on the specific duty to publish equality information (England)

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/news-and-updates-on-the-equality-duty/>

Annual Workforce Profile Report, Personnel Committee 4 June 2014

10. Contact details

- Akua Agyepong, Equality and Diversity Officer
- 01622 696112
- Akua.Agyepong@kent.gov.uk

Relevant Director:

- Angela Slaven, Director of Service Improvement
- 01622 221856
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Kent County Council

Executive Summary

Annual Equality Report April 2013 to March 2014

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 email diversityinfo@kent.gov.uk

[Kent County Council Equality and Diversity Team,](#)

Phone: 01622 223487

Phone with Type Talk: 18001 01622 223487

Or write to: Kent County Council, Diversity & Equality Team Room G37, Sessions House, County Hall, Maidstone, Kent, ME14 1XQ

Foreword by Paul Carter, Leader of Kent County Council

Despite a continuing, difficult financial climate at the Council we remain committed to shaping our services to achieve fair and equitable outcomes for all our residents, no matter what their background.

We demonstrate our commitment by embedding equality throughout the organisation to consider the needs of all communities in the delivery and commissioning of our services.

We lead by example to influence our partners, contractors, local businesses and residents, and by embedding equality as an integral part of our policies and programmes.

In addition, we believe the following principles are important:

- Focus on outcomes rather than process
- Focus on prevention
- addressing underlying causes rather than symptoms
- Focus on evidence based policy and practice

As we face significant reductions in our resources while demands on our services increase, it is not surprising that we are focused on supporting the most vulnerable groups living in Kent: children, older people and vulnerable adults.

The changing population, combined with the limits on finances, mean that we need to be increasingly creative about how we respond to the needs of residents. One way we will do this is by promoting greater independence and resilience for local people.

This means a major shift in how we organise and conduct our business. With this in mind we are integrating our equality objectives into our Strategic commissioning plan and outcomes framework for KCC, and further embedding equality monitoring into the performance framework

Paul Carter
Leader, Kent County Council

Equality policy and local context

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 social 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)

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

Progress on our Objectives 2013/14

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 is presented to relevant Cabinet Committees and can be found on the KCC Website:

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).

This year Social Care, Health and Wellbeing, Education and Young People's Services, Growth, Environment and Transport and Strategic and Corporate Services including Finance, Policy and Human Resources have reported on their progress on equality to their Cabinet Committees. Examples of their achievements can be found on pages 6 to 14 along with the link to the more detailed report at the end of each section.

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 on page 14 Kent County Council's Workforce.

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 relate 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, and a need to ensure that what we communicate may reach all residents. Examples of where progress has been made on this include:

Equality Impact Process – We revised the equality impact assessment process in 2013/14 to make it easier to embed equality analysis into mainstream working practices. Over 100 equality impact assessments were completed last year as a result of restructures or changes to service provision. We publish these 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 ensures we have enough evidence to inform decisions. There are five 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 analysis. This 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 are available in alternative formats, and 'Easy Read' documents are produced as a matter of course if target groups include those with a Learning Disability.

We are making good progress in ensuring that the voices of vulnerable young people are heard and that we understand their journey. Quality assurance surveys, focus groups and exit interviews take place with children in care and care leavers, and the Young Lives Foundation has been commissioned to develop a new survey to understand more fully what it is like to be a child in care. Some specific work has been undertaken to ensure that disabled children and their families are involved in the commissioning of all new services.

We started recording all complaints about potential discrimination in our quarterly monitoring reports from 2013. The authority is identifying these complaints and taking further action where appropriate. Although we do not uphold every complaint we receive, it is good to see that people feel they are able to complain if they feel they have been discriminated against. We are updating the Customer Services Strategy to include equality objectives and outcomes for service users.

Web Access

At KCC, we have facilities on our website to help- people with access requirements. We have the languages and formats 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; or

- Request our information in an alternative format
- http://www.kent.gov.uk/website_information/languages.aspx

We also promote a link to a page where site visitors can download BrowseAloud. This programme speaks the content on a web page. It can be useful to

- People who have dyslexia,
- People with learning difficulties
- Anyone with mild visual impairments
- People whose first language is not English and whose knowledge of English is limited. BrowseAloud is available at:
http://www.browsealoud.com/page.asp?pg_id=80004

Our new inclusive communication standards state that we must post alternative text files in Word or HTML on our websites alongside PDF versions. A wider choice of formats means there's a better chance of people being able to read our information. These standards also give guidance on how to make information including web content accessible to as many people as possible and we ask all our staff and external partners and contractors to use them.

We completed the 'Easy Read' project in March 2014. It reviewed the council's approach to producing easy read materials for people with a learning disability. All staff in our Learning Disabilities teams have now been trained in the production of information in Easy-read. Extensive easy-read guidance is available for all staff on our Intranet and included as an appendix to our inclusive communications standards (link to follow)

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 are included on the following pages:

Education and Young Person's Directorate

We are operating in a more diverse education system with greater freedoms and autonomy for schools, colleges and other education and learning providers. In terms of equality and diversity we made the following specific progress in 2013/14:

Kent's Special Educational Needs and Disabilities (SEND) Strategy, launched in January 2014, anticipates the statutory changes for children and young people aged between 0-25 with SEN (Special Educational Needs) and or who are disabled and their families and carers. We are creating more capacity in mainstream schools to support pupils in their local communities, through the development of SEN resourced provisions in a number of schools. In this way, we are embedding the Kent Core Standards in every school. In addition, we are ensuring that there is good access to

workforce development and training through the specialist support available at the Local Inclusion Forum (LIFT).

More than 20 schools, early years settings and colleges are participating in a multi-agency pilot working towards externally accredited Inclusion Awards which will establish a culture of inclusive practice for other providers to follow from 2015. We have undertaken public consultation to increase capacity to support Autistic Spectrum Disorder (ASD) and Behavioural Emotional and Social Needs (BESN) at Furness and Goldwyn Special Schools. We also have consultation plans in place to increase unit places for speech & language impairment, ASD and satellite provision attached to special schools for severe and complex needs.

The capital programme to expand the number of places in Special schools has already rebuilt or refurbished 14 schools in Kent. Investment continues to bring similar transformation to the remaining 10 schools. This programme will result in an additional 500 Special school places in the County

Free early education became a statutory entitlement for eligible two-year-olds from 1 September 2013, with the local authority having a duty to secure provision. Around 20% of two-year-olds were eligible for free early education from September 2013. The programme will be extended from September 2014 to include around 40% of two-year-olds. We were given a target to secure 3,095 Free for Two places by September 2013 with an increase to 6501 places by September 2014. Nationally, this was the second largest target). We achieved the target to develop 3095 places by September 2013 and have since continued to make progress on the target of developing 6501 places.

In 2013, 177 Primary schools and 43 Secondary schools narrowed the Free School Meal (FSM) achievement gaps. We are taking active steps to disseminate this best practice. All Senior Improvement Advisers (SIAs) and Heads of Service are clear which schools demonstrate best practice and which schools need to improve and they will match support. All SIA's, Area Education Officers (AEO's), and Heads of Service will submit case studies of schools in their districts that have significantly narrowed the gap

The January 2013 and 2014 data shows that participation for Year 12 vulnerable learners has increased by 3.1%. This modest improvement is encouraging as it reflects the impact of the increased focus on supporting vulnerable young people by KCC, in particular through the 14-24 Skills and Employability Strategy, the SEN Review, the Pupil Referral Unit (PRU) review, the reorganisation of Preventative services through KIASS and Troubled Families

A full report on what has been achieved in 2013/14 can be found in the final item of the Education and Young People's Services Cabinet Committee, Wednesday, 24th September, 2014:

<https://democracy.kent.gov.uk/documents/s48567/Final%20Item%20D1%20-%20Annual%20Equality%20and%20Diversity%20Report.pdf>

<https://democracy.kent.gov.uk/documents/s48561/Item%20D1%20-%20Appendix%20-%20Annual%20Equality%20and%20Diversity%20Report.pdf>

Growth, Environment and Transport Directorate

The Growth, Environment and Transport Directorate has a good equality record with their Equality Impact Assessments (EqIAs) being used as good practice examples across the authority.

The Household Waste Recycling Centre (HWRC) service has asked contractors to deliver a 'meet and greet' service, with assistance available to customers for the lifting and carrying of waste. Contractors running the HWRCs are also required to comply with the access scheme for customers. In addition, service information is made accessible to customers through a range of formats for example Easyread, Braille, and alternative languages when requested.

Over the last year adults with learning disabilities have made 1,529 visits to Libraries to attend activities. A key aim of the service is to ensure that they feel comfortable and secure in attending regular library activities. For example they attend events such as Talk Times, author events, Knit and Natter sessions, Time2Give volunteering, IT session and the Six Book Challenge -over 80 adults with learning disabilities received a certificate after completing the challenge (50 adults in 2012-2013.)

Meet and Practice English Conversation groups are held in 7 libraries for people whose first language is not English. People meet up once a week to practise English in an informal and relaxed setting. The marriage script has been rewritten to be totally inclusive of all couples. In the Jewish and Muslim faiths, burial has to take place within 24 hours of death. A duty registrar is available 24 hours a day to register the death to issue appropriate paperwork for a funeral to take place.

Economic Development identified and evidenced variations in the distribution of wealth in different parts of Kent. They used this evidence to inform how they would distribute economic development activities across the county. Examples in 2013/14 include the preparation of the Kent and Medway Economic Review, which provided the basis for Kent's contribution to the Strategic Economic Plan. This evidence has helped KCC to identify areas where investment is required to overcome economic

disparities at sub-county level, and to ensure that KCC enables growth in locations where the market will not deliver alone. In practical terms, this means a particular focus on East Kent and North Kent.

Kent Highways work closely with Highway contractor Amey to run an apprenticeship scheme which encourages greater numbers of young people into work. Working with Kent Police KCC ensures that our Driver Diversion Courses are accessible with reasonable adjustments made on request.

In Environment Planning and Enforcement, the Country Parks service maintains easy access paths and provides *trampers* at several of its sites to allow greater physical access in the parks. It also provides engagement activities for schools which are accessible for all children including those with Special Educational Needs. In Thanet partnership work with the District Council delivered the “Footprints in the Sand” Project. This project focused on encouraging disadvantaged children to use and understand the beach. Again partnership with Tonbridge and Malling Borough Council and contractors work was undertaken to enlarge and improve the Coldharbour Caravan Site. This has resulted in a site that been welcomed by residents and the Gypsy and Traveller communities. A key feature of the development was to ensure disability access in utility blocks and communal spaces.

A full report on what has been achieved in 2013/14 can be found at Environment & Transport Cabinet Committee Wednesday, 17th September, 2014

<https://democracy.kent.gov.uk/documents/s48402/Annual%20Equality%20and%20Diversity%20Report.pdf>

<https://democracy.kent.gov.uk/documents/s48403/Appendix%201.pdf>

Growth Economic Development and Communities Cabinet Committee
Tuesday, 16th September, 2014

<https://democracy.kent.gov.uk/documents/s48358/Item%20D3%20-%20Annual%20Equality%20and%20Diversity%20Report.pdf>

<https://democracy.kent.gov.uk/documents/s48359/Item%20D3%20-%20Appendix%201%20Annual%20Equality%20and%20Diversity%20Report.pdf>

Adult Social Care

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. we publish achievements in adult social care in our Local Account Annual Report 2013-14. 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;
- work with health to plan and provide joint services.

Some examples of these achievements are highlighted below to show how adult social care work covers the nine protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, marriage and civil partnership sex and sexual orientation where relevant to the service provided.

The Ladder to the Moon programme is about engaging and increasing the wellbeing of residents with Dementia. It provides training that enables health and care organisations to develop active, creative, vibrant care services that incorporate creativity and the arts. The programme has recently commenced at Ashley Gardens Care Home in Maidstone and will run for a period of 12 months. Ashley Gardens will submit feedback to KCC on a monthly basis. Reports so far, indicate that the programme has had a positive impact on residents at the home.

We have developed a carers information booklet, called the, 'Kent Wide Carers' Publication'. It includes information on a wide range of topics and services that are available to carers. It can be found at local public access points such as GP surgeries, hospitals, gateways and via our website. We ran a big marketing campaign during Carer's Week 2013, to promote awareness of whom carers are and support them to identify themselves as carers so that they can be informed of the support services available. Carers' organisations have exceeded their target to identify new carers in 2013-14.

Making Safeguarding Personal-Over the last year we have reviewed our processes to make sure the person is fully involved. Kent was one of 46 councils that took part in a national pilot project last year. It aimed to ensure individuals are at the centre of safeguarding activity and have the opportunity to discuss the outcomes they want to see, at the beginning of the process. Through follow up discussions, we can then

see to what extent these have been met and provide reports to boards that are meaningful and include the experiences of the individual.

The main findings (also reflected by other councils) are better practice, through greater understanding between the individual and professionals. Clear direction was achieved by working towards the outcomes the individual wanted. We found that the language used was important because 'adult abuse/protection' was better understood by service users than the term 'safeguarding'. We discussed with people at the beginning of the process what outcomes they would like to see. As a result of this happening and outcomes being recorded, we fully or partially achieved 100% of these by the end of the process. Where outcomes had not been discussed achievement rates were lower at 60%.

At KCC, we support more than 4,000 adults with learning disabilities out of a total of around 28,000 who live in Kent have a learning disability and are supported by KCC. The publication *Adult Learning Disabilities in Kent -review 2013* captures the work we and our partners, do for people. Our partners include Kent Community Health Trust and Kent and Medway Partnership Trust. The service also works to make learning disability part of everyone's planning, with services that are inclusive and personalised.

We recently invested in a project to review the Easy Read information provided by the council to make it more understandable and familiar. The Easy Read project is one of the ways the council is helping people with a learning disability by presenting information to them in a way which is easier to understand. It spent six months working with service users, staff and partner organisations to produce targeted information for people with learning disabilities - not a 'one size fits all'.

KCC has new guidelines on how to write Easy Read, an image bank to help support the information, templates for staff to use and a cheat sheet of difficult words to avoid when producing letters, care plans and personal information for clients with learning disabilities.

Following a period of review the Kent and Medway Partnership Trust (KMPT) have launched a new county wide service which they provide on our behalf. An AMHP (Advanced Mental Health Professional) is either a mental health social worker or a Community Psychiatric Nurse (CPN) who has been trained to carry out assessments under the Mental Health Act. The new Kent AMHP Service is a 24 hour dedicated service supported by mixed role AMHPs who will be on the rota a week at a time to the service and whilst based in the Community Mental Health Teams (CMHT).

The service is based at St Martins Hospital, Canterbury and Priority House, Maidstone, working closely with colleagues in the Acute Service and Crisis Resolution and Home Treatment (CRHT). It will deliver a more responsive and flexible service, managing the demand for mental health assessments across the county.

The role we play in improving health and wellbeing has become more prominent. The new Health and Wellbeing Board has brought together organisations to coordinate and oversee the development of integrated approaches to the

commissioning of services. At KCC, we have a lead responsibility for a range of local public health improvement and prevention work. Addressing health inequalities and ensuring access to public health information is now our responsibility. Healthwatch will be the consumer voice for health and social care. Through these arrangements, the voices of people at risk of discrimination and inequalities will be heard.

A full report on what has been achieved can be found at Adult Social Care and Health Cabinet Committee Friday, 26th September, 2014

<https://democracy.kent.gov.uk/documents/s48659/D5%20-%20Adults%20Annual%20Equality%20Report.pdf>

<https://democracy.kent.gov.uk/documents/s48681/D4%20-%20Appx%20-%20Local%20Account%20v2.pdf>

Children's Social Care Services

Children's Social Care Services gather comprehensive equalities data to inform individual service and support care planning, and provides aggregated data to assist in challenging and improving the total service. Information on the cultural backgrounds of looked after children is 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. In addition, it is used in assessing and comparing the characteristics of children with an active 'child in need' plan.

The collation of views from children and young people about their experiences informs key strategies and the Kent Pledge to children in care. This has led to members signing up to the Pledge. It includes a clear commitment to take into account young people's background and beliefs, including ethnic and cultural needs, and any needs because of a disability.

For disabled children and their families who may need significant adaptations to enable them to stay in their homes, we have re-written the Home Support Fund Policy to give them parity with disabled adults.

A full report on what has been achieved can be found at Children's Social Care and Health Cabinet Committee Tuesday, 23rd September, 2014

<https://democracy.kent.gov.uk/documents/s48592/Item%20D3%20-%20Annual%20Equality%20Report.pdf>

<https://democracy.kent.gov.uk/documents/s48593/Item%20D3%20-%20App%201%20-%20SCHW%20Equalities%20Annual%20Report%20Return%202014.pdf>

Public Health

The Public Health Division ensure that all there strategy development, projects, programmes and commissioned services undertake Equality Impact Assessments before development, to embed equality into all that they do. In the past year examples of this include:

The Equality Impact Assessment for the development of a new Postural Stability Service identified two potential challenges: that the service may need to work harder to reach out to individuals from other ethnic minority communities; and a possible issue in relation to location of services such as church halls, creating a possible barrier for individuals with a particular religion or belief. To address these, we adjusted The service specification to ensure that harder to reach ethnic minority groups are proportionately represented, and to make a range of venues available in each locality. The service specification is currently out to tender and a new service will be in place by January 2015.

Public Health has a responsibility for sexual health services and a number of areas were identified for further action. For example with relation to disability work has been undertaken to ensure information and communication concerning the service fully meets the needs of people with disabilities. This has led to a change in some leafleted information. The comprehensive website which will be developed as a part of the new service will also seek to improve access to advice and services for people whose impairments may make it difficult for them to reach drop-in centres. Staff training is key to ensuring that service providers are aware of and sympathetic to the specific needs of disabled people. This training is now a requirement of the commissioning scope.

The Equality Impact assessment for the Sexual health services identified requirements to adapt the service to provide better bespoke access to Young People, and to ensure that universal services are provided in a more accessible and supportive way. The service specification for the recently tendered sexual health services defined a Young Persons' service as part of the revised programme. This will include improved use of digital communications, better outreach and ensuring facilities are located where there is most need/demand.

Corporate Services

The Strategic and Corporate Services Directorate has a role in equality compliance that covers every service that KCC provides. They fulfil an important role regarding equality governance and in the main provide the internal controls to help achieve compliance of The Equality Act 2010. Respective roles include:

- Finance ensuring equality analysis at an early point in the budget process to inform decision-makers
- Procurement ensuring there is equality analysis for every specification to cover any additional needs required to complete the contract and promotion of equality in procurement
- Governance and Law ensuring that decisions comply with 'due diligence'
- Human Resources responsible for promoting and ensuring the promulgation of equality and diversity issues in employment and ensuring that equality analysis is carried out on changes to staffing
- ICT provision of accessible and usable technology and systems
- Property & Infrastructure ensuring that buildings and equipment are accessible and usable.

Communication & the Consultation Team publish EqlAs allowing the public to comment on KCC's assumptions. The Equality Team give advice and guidance.

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 makeup of the Authority's workforce, focusing on headline statistics, together with the progress on our Equality Objectives as at 31st March 2014.

Headline statistics:

- Currently 8,116.2 fte (non-schools)
- 76.7% of staff are female (51.1%*)
- 5.7% of staff are Black & Minority Ethnic (6.3%*)
- 4.2% have declared a disability (7.6%)

- 2.3% of staff are lesbian, gay or bisexual
- 53.8% of KCC's leadership group are women
- Sickness levels continue to improve to 6.84 days lost per fte
- The proportion of staff aged 25 or under has increased to 7.0%
- Average age of staff is 45.3 years
- 44% of staff are on grades KR6 or below (earning salaries up to £20,877)
- 40.3% of employees are aged over 50
- 2.1% of employees are aged over 65 (5.9%*)

The percentage of the workforce from minority groups has continued to increase in 2013/14.

The average age of the workforce remained static from the previous year at 45.3 years.

Note: figures in brackets with an asterisk are the percentage of the Kent population from those groups.

Personnel Committee Report on staffing figures:

<https://democracy.kent.gov.uk/documents/s46832/Item%205%20Annual%20Workforce%20Profile%20-%20report.pdf>

Fair Employment Practice – Promote fair employment practices

Disability Passport – The Passport which was developed by the Level Playing Field staff group continues to be mainstreamed within our recruitment and retention process. The document supports staff with a disability to access the adjustments they require to ensure they are able to do their job to the best of their ability.

Two Ticks – KCC is proud to display the Two Ticks symbol and during 2013/14 was accredited for the 11th year running by the Department for Work and Pensions for their achievements as a Two Ticks employer.

Equality Training – KCC continues to mainstream Diversity and Equality into their extensive range of training whilst providing focused training, including; Introduction to Equality & Diversity, Mindfulness, Equality & Diversity in Recruitment, and Mental Health First Aid. During 2013/14, 1146 staff completed the Introduction to Equality and Diversity and 269 completed Diversity and Equality in Recruitment.

Stonewall Diversity Champion – KCC recognises that people perform better when they can be themselves and is proud to be part of the Stonewall's Diversity Programme. As a gay friendly employer KCC is listed within 'Starting Out', the national guide for students and job seekers wanting to find a gay-friendly employer.

Staff Groups – KCC's staff groups provide support and development opportunities for group members as well as advising on policy and practice to support our

commitment to promoting equality, valuing diversity and combating unfair treatment. As part of KCC's ongoing commitment to further capacity build our staff groups a 'Success Audit workshop' was delivered, ensuring that our staff group chairs continue to support high performing networks across the organisation. The groups are: Aspire (younger members of staff), Level Playing Field (disabled staff and carers of a disabled person), Rainbow (Lesbian, Gay, Bisexual and Transgender staff) and Unite (Black & Minority Ethnic staff)

Corporate Equalities Group – our established group, led by a Corporate Director, continues to champion and mainstream Diversity and Equality into key business priorities across KCC.

Routes into Employment

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 2013/14, 88 young people were provided with placements.

Kent Apprenticeship Programme – through the Kent Apprenticeship Programme, KCC continues to employ apprentices throughout the Authority across all Directorates. A total of 88 apprentices were appointed in 2013/14. In terms of disability (5%) and ethnicity (7%) the profile of the apprentices exceeds the KCC profile.

KCC's Graduate Programme – offers opportunities across 3 streams, the organisation has a long tradition of employing people through its Graduate Programme with over 120 having been recruited through the scheme with 60 still in employment, from grade KR 9 to senior positions, including a Director.

GradsKent – GradsKent is managed by KCC's Skills and Employability Service. With a mission to increase graduate and skills retention in Kent, GradsKent has a registered pool of students and graduates looking for work across all sectors and locations. GradsKent works with internal and external employers, matching them with their skills and recruitment needs. In 2013/14, thirty two graduates were recruited within KCC through GradsKent. Around 70% of registered users are aged 25 or under, and 90% under the age of 35. Just over 40% of graduates considered are Black & Minority Ethnic, 2% declared a disability and 1.5% Lesbian, Gay, Bi-sexual or Transgender.

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

On-borders Survey –276 staff who were new to KCC took part in a survey which provided feedback on how they felt about KCC. It helped KCC to understand what

made staff wish to continue their employment with KCC or what caused them to be less engaged and looking to leave. Data was collected in a way that enabled us to understand, where the sample size allowed, what affected certain minority groups as well and enabled us to see if these were different to the whole population surveyed.

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

Self-service – during 2013/14 KCC enabled staff to enter and/or change their equalities data held on the council's staffing database through an on-line self-service tool. The information is confidential and enables the Authority to maintain an accurate and up to date profile of the workforce. We promoted this facility in 2013/14 asking staff to take the opportunity to either check the data held to either enter or change it. This helps KCC to ensure the data it holds is accurate and fit for purpose. The introduction of self service has seen a significant improvement in the number of declarations by staff.

Key challenges for 2014/15 and beyond

A major challenge for 2015 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 we provide, there will be significant changes affecting older people, children and young people and disabled people. However, we must take care not to overlook the needs of people with other protected characteristics. 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 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. We also need to promote greater independence for people, with earlier and more preventative interventions where necessary. For example, 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 in 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 to provide joint services and funding to help people manage their own health at home and in the community.

From: John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement

Bryan Sweetland, Cabinet Member for Commercial and Traded Services

Andy Wood, Corporate Director for Finance and Procurement

To: Policy & Resources Cabinet Committee 12th December 2014

Subject: Budget Consultation 2015/16

Classification: Unrestricted

Summary:

This report sets out the initial findings from budget consultation which has run from 9th October to 28th November based on the responses to three questions and on-line budget modelling tool. Due to the timing of the meeting we are unable to include all the findings from independent market research or the outcome from workshop sessions with staff, business and voluntary sectors in this report although these will be included in oral update at the meeting.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note the responses to the consultation and make recommendations to the Cabinet Member for Finance and Procurement that the findings be reflected in the final draft Budget and Medium Term Financial Plan due to be published on 12th January 2015.

1. Introduction

- 1.1 In common with most other authorities KCC has undertaken consultation on the budget for a number of years. This has proved extremely valuable in helping to set the council's budget priorities. A robust consultation process provides members with the confidence that views expressed represent those of Kent residents and businesses, and is invaluable as the challenge to balance additional spending and reduced funding gets ever more difficult.
- 1.2 The proposed consultation strategy for 2015/16 budget was reported to Policy and Resources Committee in July, building on what was regarded as a successful consultation campaign in 2013 ahead of the 2014/15 budget. Last year's campaign engaged with many more respondents than in previous years, and we received 3,163 responses to the two questions posed and 487 completed responses to the on-line budget modelling tool. These have now been set as the benchmark for future consultations.

1.3 The aim of budget consultation is to seek views on strategic direction of travel and key priorities. It is not a consultation about specific proposals and these will be subject to separate consultation prior to implementation.

2. Financial Implications

2.1 The consultation sets out forecasts for the overall funding likely to be available for the next 3 financial years, estimated spending based on the current year's performance and future predictions for additional spending demands, and additional savings/income necessary to balance the budget.

2.2 The financial equation presented in the consultation is set out in table 1 below. These forecasts will need to be updated in light of the latest information (including tax base information from districts and local government finance settlement announcement from central government) when the final draft budget is launched in January. The consultation identified proposed savings of £85.8m leaving a gap of £7.4m still to be found before the budget is finalised.

| Table 1 | 2015/16 | | 3 years | |
|----------------------------|----------|---------|-----------|---------|
| Grant Reductions | -£55.8 m | -15.40% | -£118.0 m | -32.60% |
| Council Tax/Business Rates | £11.5 m | 1.99% | £42.0 m | 7.20% |
| Spending Demands | £48.9 m | 5.20% | £130.0 m | 13.80% |
| Savings | -£93.2 m | -9.90% | -£206.0 m | -21.90% |

2.3 There is no specific budget for public consultation (this was taken as a saving in 2011/12). The consultation process itself is largely absorbed without significant additional costs as we have posted material on KCC's website and publicity was via a press launch. There have been some additional costs in producing printed materials and an extra publicity campaign. These have been absorbed with the Finance & Procurement budget as part of the figure reported in paragraph 2.4 below.

2.4 The main additional cost relates to the use of consultants to undertake independent market research. This research is invaluable in validating consultation responses to a representative sample of residents and staff (as well as providing more detailed feedback than can be achieved through online consultation methods). The consultants have also helped to develop a budget modelling tool which provides information on relative spending priorities. The overall additional costs have been absorbed against underspends within the Finance and Procurement budget and amount to around £40k.

3. Consultation Strategy & Process

3.1 The consultation and engagement strategy for 2014 included the following features:

KCC led activity

- Press launch on 9th October
- 3 questions seeking views on Council Tax, approach to savings and balancing the 2015/16 budget open from 9th October to 28th November

- On-line budget modelling tool comparing 22 areas of front line spending open from 9th October to 28th November
- A simple summary of 3 year budget published on KCC website
- Web-chat on 24th October with Cabinet and Deputy Cabinet Members for Finance & Procurement
- Workshops with business and voluntary & community sectors on 27th November
- Staff workshops
- Presentation and discussion with Kent Youth County Council on 16th November

Consultant led activity

- 3 resident workshops held on 15th, 18th and 22nd November
- Staff workshop held on 19th November
- E-mail survey of 514 residents for on-line tool

3.2 In total we have received 1,979 responses to the 3 questions and 853 responses to the on-line tool. The responses to the on-line tool are higher than last year (this is progress and we feel that this tool is better than others available as the Max-Diff approach forces respondents to choose between conflicting priorities and thus provides a unique insight into residents' views and exposes "revealed" rather than "stated" priorities). Initial analysis of the on-line responses to the tool and the market research e-mail survey has highlighted the following key differences:

- 67% of responses to the on-line tool on kent.gov were from people aged 35 to 64 whereas the Lake Market Research by e-mail was 49% in this age group (close to the Kent demographic)
- 97% of respondents to the on-line tool were aware of the financial challenge to make savings compared to 74% via Lake Market Research sample survey

3.3 These key differences would indicate that the on-line tool includes responses from a statistically significant proportion of KCC staff. This does not devalue the results and the views of staff are an important part of the consultation. Previous consultations have not shown any marked difference between the responses from staff and those from residents. The qualitative work from Lake Market Research will provide more information about whether this has been repeated this year, but this research is not available in time for the publication of this report so close to the end of the consultation period.

3.4 The responses to the 3 questions are less than last year but still substantially higher than previous years. We are analysing why responses are less than last year and initial conclusions that there was a surge in interest following press coverage but the existence of the consultation did not register with Kent residents at other times. Nonetheless, the level of engagement is higher than any other year except last year. As with the on-line tool the responses to the 3 questions include responses from staff and the qualitative market research will give an indication whether this has any impact on the reliability of the responses.

3.5 Appendix 1 includes a numerical analysis of the responses to the 3 questions. Appendix 2 includes the sample market research using the budget modelling tool carried out by Lake with a representative sample of 514 residents.

Appendix 3 shows the supplemental questions from the 853 responses to the on-line budget modelling tool on kent.gov (the full evaluation of the tool was not available in time for the publication deadline of this report and will be subject to a verbal update at the meeting). Other feedback from the consultation will be presented as an oral update to the meeting. We intend that this will include an outline of the findings from Lake Market Research consultants although this will be subject to receiving this information in time.

4. Conclusions

- 4.1 Despite the lower than hoped for response to the 3 questions we believe that the overall consultation process has been a success and the combination of all the activity provides members with sufficient evidence to inform the final budget. The qualitative work from Lake Market Research will provide an assurance over the reliability of the responses.

5. Recommendation(s)

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note the responses to the consultation and make recommendations to the Cabinet Member for Finance and Procurement that the findings be reflected in the final draft Budget and Medium Term Financial Plan due to be published on 12th January 2015.

7. Background Documents

- 7.1 Consultation materials published on KCC website
<http://www.kent.gov.uk/about-the-council/have-your-say/budget-consultation>

8. Contact details

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Analysis of the responses to the 3 simple questions

In total 1,979 responses were submitted. Generally the views expressed remained largely consistent throughout the 51 day consultation period

| Question 1: Council Tax | | | |
|---|-------------|-------------|------------------|
| To preserve the most valued services (especially those we aren't required to provide by law) we are planning to raise additional income through council tax (note this would not entirely remove the need for savings as this would require a 19% increase in council tax). What would you prefer? Please select one option only: | | | |
| | Frequency | Percentage | Valid Percentage |
| a) I don't want an increase in council tax and the council should make more savings to balance the budget. | 484 | 24% | 25% |
| b) I'd accept a minimal increase of 1.99% (1.99% would increase band C charge by £19 a year –the maximum increase allowed without a referendum). | 876 | 44% | 44% |
| c) I'd accept a rise between 2% to 5% rise in order to protect more services from the reductions in funding (this would require a referendum and each 1% would increase band C charge by £9.50 a year). | 450 | 23% | 23% |
| d) I'd accept an increase in excess of 5% to provide greater protection for council services. | 159 | 8% | 8% |
| Left blank / No response | 10 | 1% | |
| Total | 1979 | 100% | 100% |

| Question 2: Savings over the next three years | | | |
|---|-------------|-------------|------------------|
| What approaches should we adopt to making these savings? Please tick one or more options: | | | |
| | Frequency | Percentage | Valid Percentage |
| a) Find more efficient ways to deliver the same level of service at a lower cost e.g. by buying in more services from the private and voluntary sectors, sharing services with other public agencies, etc. | 770 | 26% | 26% |
| b) Transform services so they are delivered in a different way with the same or better outcomes at reduced cost e.g. rely more on digital services rather than telephone or face to face contact, support social care clients so they can avoid residential care. | 998 | 34% | 34% |
| c) Remove or stop services which are least valued by Kent residents as identified through evidence-based research. | 759 | 26% | 26% |
| d) Restrict access to services to only the most needy | 254 | 9% | 9% |
| e) None of the above | 144 | 5% | 5% |
| Left blank / No response | 20 | 1% | |
| Total | 2945 | 100% | 100% |

Note respondents could choose more than 1 option for this question hence the higher number of responses

| Question 3: balance of savings for 2015/16 | | | |
|---|-------------|-------------|------------------|
| We have yet to identify around £7.5m of the savings estimated to be needed to balance the 2015/16 budget. What approach do you think the council should take to close this gap? Please select one option only: | | | |
| | Frequency | Percentage | Valid Percentage |
| a) Increase council tax by a further 1.5% (in addition to the 1.99% already mentioned). Note – this would require a formal and binding referendum which could cost in the region of £1.5m. | 176 | 9% | 9% |
| b) Use money held in the council's reserves. Note – our level of reserves is low compared with other similar councils. | 167 | 8% | 9% |
| c) Raise additional income from other sources e.g. charges for services, tackling council tax avoidance, etc. | 842 | 43% | 43% |
| d) Deliver more savings from the areas identified in question 2. | 365 | 18% | 19% |
| e) Introduce a pay / price freeze for KCC staff / suppliers. | 236 | 12% | 12% |
| f) Other (please specify) | 175 | 9% | 9% |
| Left Blank / No response | 18 | 1% | |
| Total | 1979 | 100% | 100% |

Lake Market Research survey of representative sample of 514 residents using budget modelling tool

Resident Profile

- 514 Kent residents were recruited by telephone and completed an online survey sent to them following the call.
- Residents' landline numbers were selected at random and a representative sample of residents were recruited with targets set for age and gender in line with Census 2011 statistics.
- Minimal weights have been applied in terms of age and gender to ensure exact representation with Census 2011 statistics.

Gender: Male 49%, Female 51%

Age: 16-34 28%, 35-44 17%, 45-54 17%, 55-64 15%, 65+ 22%

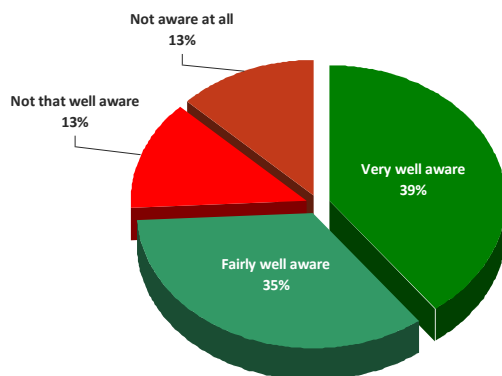
Ethnicity: White 95%, BME 3%, Prefer not to answer 2%

Disability: Yes 8%, 91% No, Prefer not to answer 1%



How aware or not are you that local councils are having to make major budget savings that will impact on current services?

TOTAL AWARE 74%
TOTAL NOT AWARE 26%



% AWARE

| AGE | % AWARE |
|--------|---------|
| 16-34: | 58% |
| 35-44: | 75% |
| 45-54: | 78% |
| 55-64: | 79% |
| 65+: | 89% |

| GENDER | % AWARE |
|---------|---------|
| Male: | 78% |
| Female: | 70% |

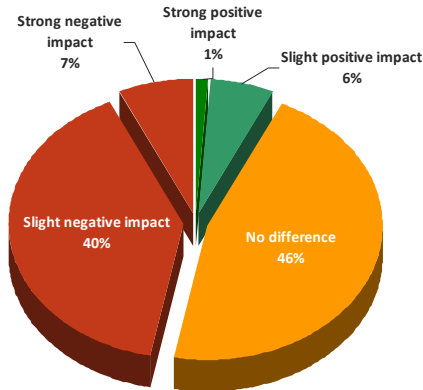
--- Significantly HIGHER than rest of sample at 95% confidence level
 --- Significantly LOWER than rest of sample at 95% confidence level

Base: All answering (unweighted – 514)



Thinking about the savings KCC has made over the last 4 years, what impact have they had on you and your household?

TOTAL POSITIVE 7%
TOTAL NEGATIVE 47%



% NEGATIVE

| AGE | Percentage |
|--------|------------|
| 16-34: | 41% |
| 35-44: | 45% |
| 45-54: | 57% |
| 55-64: | 48% |
| 65+: | 47% |

| GENDER | Percentage |
|---------|------------|
| Male: | 46% |
| Female: | 48% |

| Disability Status | Percentage |
|-------------------|------------|
| Disabled: | 66% |
| Not disabled: | 45% |

Equality Act 2010

Significantly HIGHER than rest of sample at 95% confidence level

Base: All answering (unweighted – 514)



ONLINE BUDGETING TOOL – LIST OF SERVICES FOR £1,000 (1)

ADULT SOCIAL CARE

- 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves
- 69 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves
- 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers
- 4 weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to live more independently
- 100 hours of support and assistance for vulnerable people not assessed as needing formal care packages to help promote their independent living

SPECIALIST CHILDREN'S

6. 2 weeks of foster care for a child who cannot live safely at home, provided by a KCC registered foster carer.
7. 1 week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer.

SOCIAL CARE

8. 1 week of social worker time for the assessment of vulnerable adults or children

CORPORATE

9. Responding to 280 email or telephone calls to the KCC Contact Centre



ONLINE BUDGETING TOOL – LIST OF SERVICES FOR £1,000 (2)

EDUCATION & YOUNG PEOPLE

10. 1 week's support for 150 children in children's centres
11. 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community
12. 1 child with Special Educational Needs transported by taxi to and from school for 9 weeks
13. 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home
14. 2 days of specialist advisor support for a school identified as failing by Ofsted

GROWTH ENVIRONMENT & TRANSPORT

15. 100 miles of road gritted in bad weather over the course of the winter
16. 30 average sized potholes in the road repaired
17. 22 faulty street lights investigated and repaired
18. Keeps a household waste recycling centre open for a day
19. 10 tonnes of waste disposed of, enough to support 17 average Kent Households for a year
20. 430 separate library visits, enough for 16 regular library users over the course of a year
21. 3 annual bus passes for young people aged 11 - 15 to access educational or recreational activities via free bus travel across Kent Monday to Friday
22. Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes"



ONLINE BUDGETING TOOL – TOP 10 in terms of appeal

| | Overall Appeal |
|--|----------------|
| 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves | 8.53% |
| 100 miles of road gritted in bad weather over the course of the winter | 8.48% |
| 69 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves | 8.36% |
| 2 weeks of foster care for a child who cannot live safely at home, provided by a KCC registered foster carer | 7.54% |
| 1 week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer. Care is provided by an independent organisation. | 7.10% |
| 30 average sized potholes in the road repaired | 6.75% |
| 10 tonnes of waste disposed of, enough to support 17 average Kent Households | 5.91% |
| 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers | 5.52% |
| 1 week of social worker time for the assessment of vulnerable adults or children | 5.26% |
| 100 hours of support and assistance for vulnerable people not assessed as needing formal care packages to help promote their independent living | 5.20% |

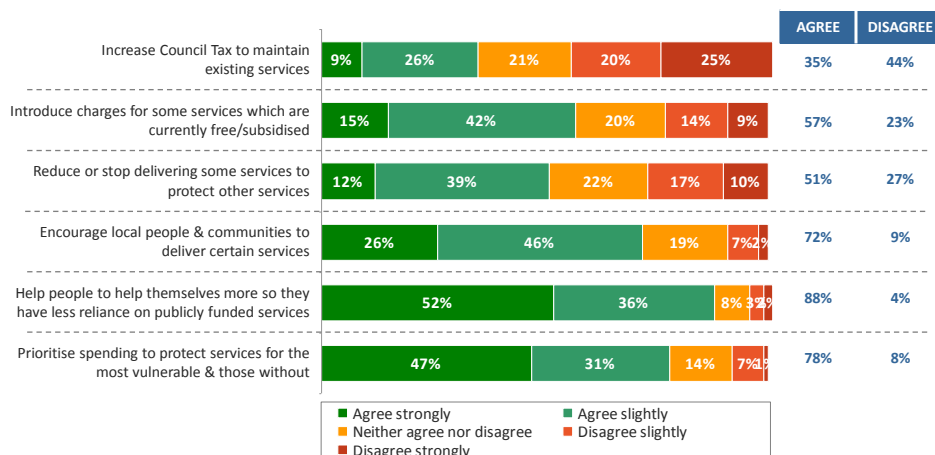


ONLINE BUDGETING TOOL – REMAINING 12 in terms of appeal

| | Overall Appeal |
|---|----------------|
| 1 week's support for 150 children in children's centres | 5.08% |
| 4 weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to live more independently | 4.10% |
| 22 faulty street lights investigated and repaired | 3.61% |
| Keeps a household waste recycling centre open for a day | 2.80% |
| Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes" | 2.67% |
| 2 days of specialist advisor support for a school identified as failing by Ofsted | 2.43% |
| 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home | 2.01% |
| 1 child with Special Educational Needs transported by taxi to and from school for 9 weeks | 1.99% |
| 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community | 1.91% |
| 3 annual bus passes for young people aged 11 - 15 to access educational or recreational activities via free bus travel across Kent Monday to Friday | 1.63% |
| Responding to 280 email or telephone calls to the KCC Contact Centre | 1.60% |
| 430 separate library visits, enough for 16 regular library users over the course of a year | 1.52% |



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

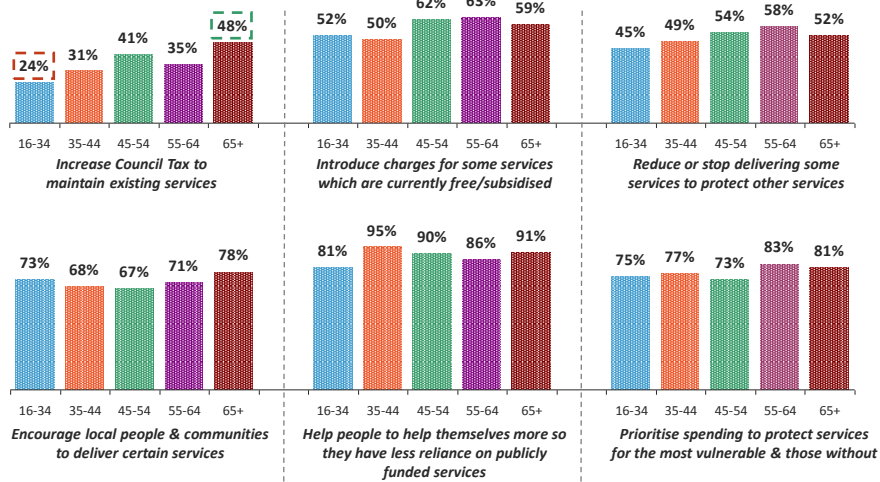


Base: All answering (unweighted – 514)



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted - 514)

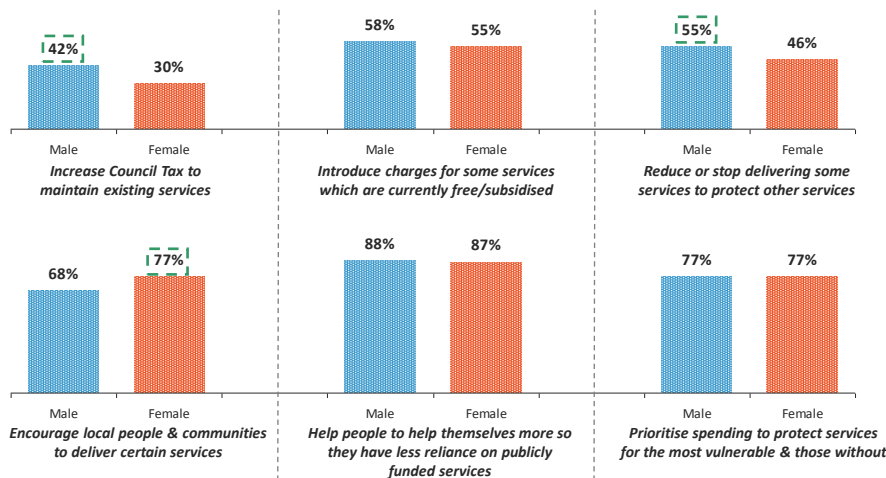
Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted - 514)

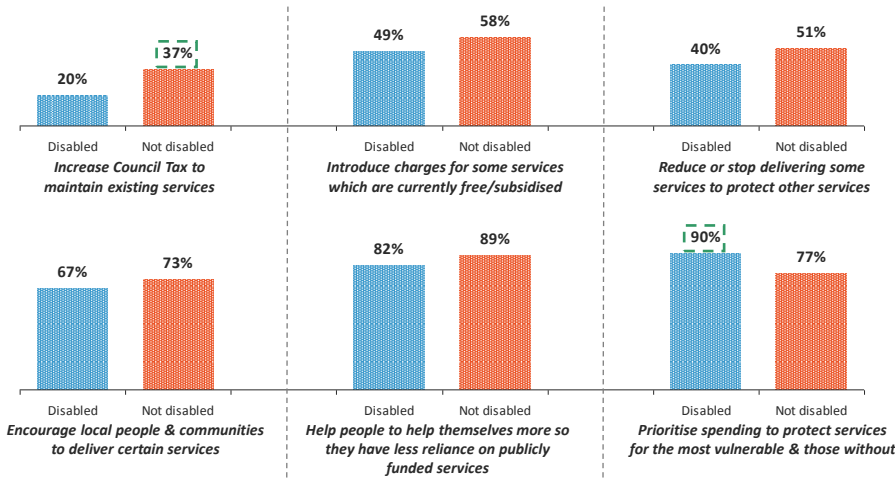
Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted – 514)

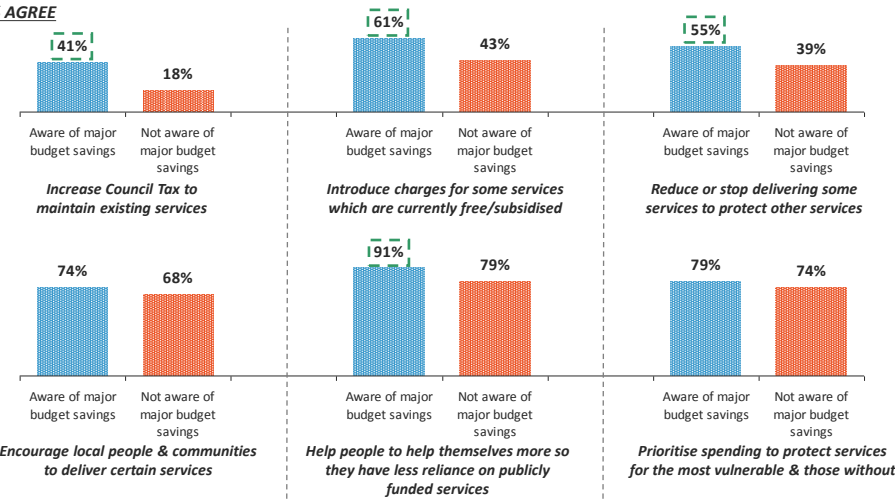
Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted – 514)

Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



Analysis of 853 responses to Kent.gov.uk website budget modelling tool

Resident Profile

- 853 residents completed the online survey via a link featured on the Kent County Council website (kent.gov).
- The link was featured in the context of the 'Budget Challenge' Kent County Council faces and the detail of proposed budget savings to be made.
- The online link was publicised via (CHARLOTTE TO CONFIRM CHANNELS ETC)
- No weighting adjustments have been made to the data collected as this is a self selecting sample group.

Gender: Male 44%, Female 51%, Prefer not to answer 5%

Age: 16-34 17%, 35-44 22%, 45-54 23%, 55-64 22%, 65+ 11%, Prefer not to answer 5%

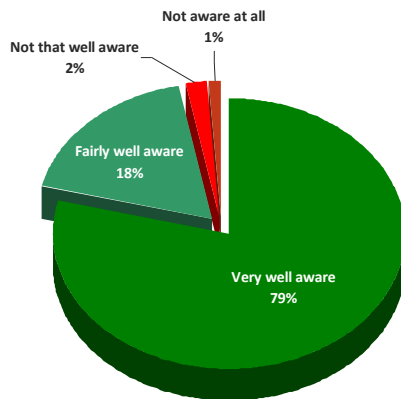
Ethnicity: White 90%, BME 2%, Prefer not to answer 8%

Disability: Yes 9%, 85% No, Prefer not to answer 7%



How aware or not are you that local councils are having to make major budget savings that will impact on current services?

| | |
|-----------------|-----|
| TOTAL AWARE | 96% |
| TOTAL NOT AWARE | 4% |



% AWARE



| | |
|--------|-----|
| 16-34: | 94% |
| 35-44: | 96% |
| 45-54: | 98% |
| 55-64: | 99% |
| 65+: | 96% |



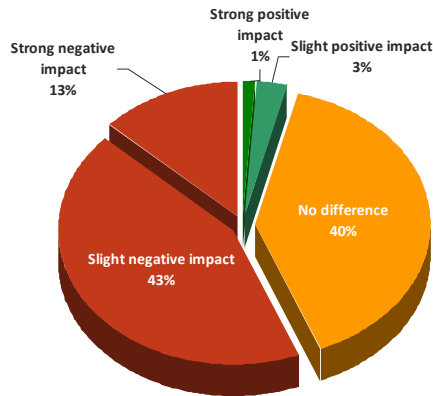
| | |
|---------|-----|
| Male: | 97% |
| Female: | 97% |

Base: All answering (853)



Thinking about the savings KCC has made over the last 4 years, what impact have they had on you and your household?

TOTAL POSITIVE 4%
TOTAL NEGATIVE 56%



% NEGATIVE

AGE

| | |
|--------|-----|
| 16-34: | 48% |
| 35-44: | 57% |
| 45-54: | 56% |
| 55-64: | 56% |
| 65+: | 64% |

GENDER

| | |
|---------|-----|
| Male: | 55% |
| Female: | 56% |

Equality Act 2010

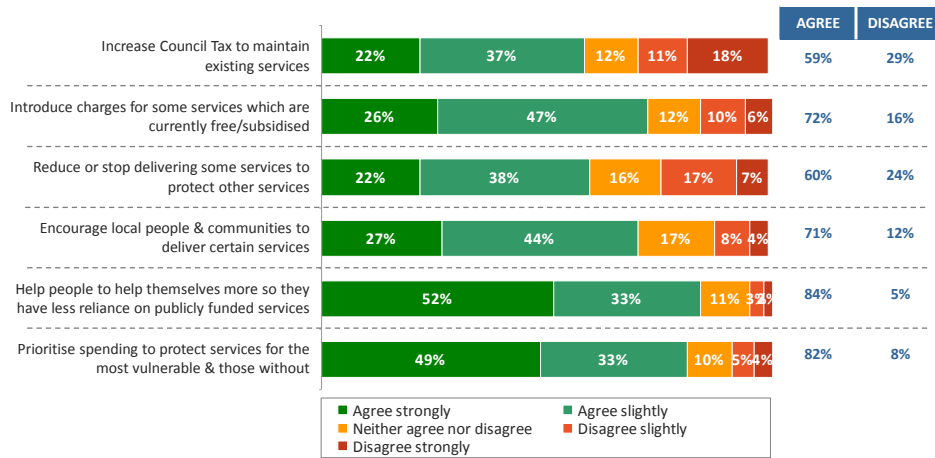
| | |
|---------------|-----|
| Disabled: | 70% |
| Not disabled: | 54% |

Significantly HIGHER than rest of sample at 95% confidence level

Base: All answering (853)



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?



Base: All answering (853)



From: Eric Hotson, Chairman of the Commissioning Advisory Board

To: Policy & Resources Cabinet Committee – 12 December 2014

Subject: Commissioning Advisory Board Update

Classification: Unrestricted

Summary: The report provides an update on the work of the Commissioning Advisory Board and outlines a recommendation to the P&R Committee regarding the proposal to establish Property as a Local Authority Trading Company (LATCO).

Recommendations:

The Committee is asked to:

- (1) **Note** the update from the Commissioning Advisory Board
- (2) **Note** the recommendation in regards to the Property and Infrastructure Review for consideration at its January 2015 meeting, when P&R Cabinet Committee will consider the proposal in detail.

1. Introduction:

1.1 Members will be aware of the background to the establishment of the Commissioning Advisory Board (CAB) by County Council in October 2014, following the report of the Member Working Group on Commissioning. The first meeting of the Board was held on the 2nd November 2014, where I was elected the Chairman and Mr Bowles was elected the Vice-Chairman.

1.2 The membership of the Board and the Terms of Reference were agreed and are attached at Appendix 1 for information.

1.3 Meeting dates have been set for CAB every two weeks for the year ahead so as to keep pace with the transformation agenda and to support KCC move to becoming a strategic commissioning authority.

1.4 CAB meeting agendas have been confirmed until the New Year focusing primarily the progress to date and the business plans emerging through the *Facing the Challenge* review process. The agenda items for consideration until the New Year are set out in the summary table below:

| Date of CAB Meeting | Substantive agenda items: |
|---------------------------|--|
| 2 nd November | <ul style="list-style-type: none"> • Property & Infrastructure Support • Commissioning Framework |
| 19 th November | <ul style="list-style-type: none"> • Legal Services • External Support to Transformation |
| 2 nd December | <ul style="list-style-type: none"> • Back Office Competitive Dialogue • Commissioning / Outcomes Framework |
| 16 th December | <ul style="list-style-type: none"> • Libraries, Registration and Archives (LRA) |

1.5 The meetings to date have been highly productive, with strong attendance from the Members of the Board, as well as attendance from other Members as observers, who are always very welcome. The Leader has a standing invitation and has attended both meetings that have been held.

1.6 When establishing the CAB, it was agreed that regular updates should be provided to the Policy & Resources Cabinet Committee on its work and recommendations. This first update covers the 2nd November and 19th November meetings.

2. Meeting of the 2nd November 2014:

2.1 At its first meeting CAB considered the proposal to establish a Local Authority Trading Company (LATCO) as a result of the Facing the Challenge review.

2.2 The Board received a presentation from Rebecca Spore, Director of Property and Infrastructure Support on the business case that has been iteratively developed over a year to evidence the market rationale and benefits for KCC in establishing Property as a LATCO, as well as the detailed transition plan to establish an operational and competitive trading company from April 2015.

2.3 Members asked a number of questions relating to the business case, including the level of return to KCC as a result of the LATCO, optimizing local economic benefits, social value, the impact and incentives for staff, the Member role in the LATCO and the relationship between the LATCO and KCC as the shareholder. Mrs Spore was able to satisfactorily address and answer all the questions and points raised by Members.

2.4 It is anticipated that the Policy & Resources Cabinet Committee will consider the decision to establish Property as a LATCO in detail at its January 2015 meeting. As such, the Commissioning Advisory Board's recommendation to the P&R Committee is to:

- (a) unanimously recommend to the Policy and Resources Cabinet Committee the proposed establishment of a LATCO for the delivery of Kent County Council's Property Services; and
- (b) All Members of the County Council be provided with a training opportunity on the LATCO as a delivery model, the training to explicitly cover the role of the elected Member in the LATCO.

2.5 The training for Members of the County Council on LATCO as a delivery model will be arranged by Democratic Services.

2.6 The Board also considered the draft Commissioning Framework which is to be considered by County Council in December, and provided a number of comments to support its development.

3. Meeting of the 19th November 2014:

3.1 Two substantive agenda items were considered at the meeting on the 19th November.

3.2 The first was a background briefing in the form of two presentations from Steve Phillips (Newton Europe – the consultancy supporting the adults and children's social care

transformation programmes across KCC) and John Burr, Director of Transformation, on the external support being commissioned to support the delivery of transformation across the authority. The presentations were well received and led to a number of questions from Members regarding adult and children's social care transformation.

3.3 The second substantive agenda item was an update from the Facing the Challenge team and Geoff Wild, Director of Governance and Law, on the Legal Services Review. The proposal for Legal Services is to establish an Alternative Business Structure (ABS) trading vehicle as a joint venture with a commercial partner. The development of the full business case for the ABS joint venture is dependent on the outcome of competitive dialogue process with the market, which is now underway.

3.4 Members raised a number of substantive points about the proposed model that they would like further reassurance or clarification on as the full business case is developed, including future costs and inflationary protection, how any model could incentivise productivity as well as the ownership structure of any proposed ABS joint venture vehicle.

3.5 CAB will be considering the Legal Service review again in the New Year, as the results of the competitive dialogue with the market further shape the development of the full business case.

4. Recommendations:

4.1 The Committee is asked to:

(1) **Note** the update from the Commissioning Advisory Board

(2) **Note** the recommendation in regards to the Property and Infrastructure Review for consideration at its January 2015 meeting, when P&R Cabinet Committee will consider the proposal in detail.

Appendices: Appendix 1: Membership and Terms of Reference – Commissioning Advisory Board

Background Documents: *A collaborative approach to Member involvement in Commissioning* - Report of the Member Working Group – County Council, October 2014

Appendix 1: Commissioning Advisory Board Membership and Terms of Reference:

Membership:

- Mr M J Angell
- Mr M Baldock
- Mr H Birkby
- Mr A R Bowles
- Mr N J D Chard
- Mrs P T Cole
- Mr G Cowan
- Ms A Harrison
- Mr E E C Hotson
- Mr G Lymer
- Mr C R Pearman
- Mr M J Vye
- Mr M E Whybrow

Terms of Reference:

The Commissioning Advisory Board is established to:

(1) Provide Member oversight of the development of KCC as a strategic commissioning authority, in particular ensuring the opportunity for engagement by all Members throughout the commissioning cycle, and by maintaining strong links with Chairman of Cabinet Committees.

(2) Engage with the Leader, Cabinet Members, Senior Officers and commissioning officers, on a non-partisan basis, in the development of options and consideration of issues relating to the commissioning, decommissioning, redesign or transformation of KCC services.

(3) Provide recommendations to Cabinet / Cabinet Members on the development of options for the commissioning or transformation of services during the early stages of the commissioning cycle, including but not limited to:

- a. Whether options or proposals sufficiently meet the objectives and outcomes the council is seeking to achieve and / or the needs of the population or service users;
- b. Whether alternative ways of providing/commissioning services or delivery of outcomes have been sufficiently considered in the development of options – including more local commissioning of services;
- c. What opportunities have been considered for the joint commissioning of services within KCC and across the wider public sector in Kent, especially where our outcomes are shared with others;
- d. Consideration of the balance between price, quality and volume of services in commissioning and procurement specifications, including ensuring that the issue of social value is appropriately and explicitly considered; and
- e. Seek assurance on the adequacy of the contract management / performance management arrangements for commissioned services, including consideration of options for continued services delivery in the circumstance of provider failure

(4) Provide recommendations to the relevant Cabinet Committee on major commissioning or transformation Key Decisions that the Advisory Board has considered, before the decision is taken by Cabinet/Cabinet Member.

(5) Act as a conduit for information on the key commissioning and transformation issues to all non-executive Members and to provide a mechanism by which non-executive Members can request through the Chairman to raise or consider specific commissioning and transformation issues.

(6) The Leader will have a standing invite to attend the Board. Cabinet Members will be invited to attend the Board for commissioning / transformation issues that relate to their portfolio.

(7) The Head of Paid Service will be invited to attend meetings of the Board to:

(i) Ensure the provision of high quality and timely professional advice to all political parties;

(ii) Advise the Board on the discharge by the authority of its functions as a strategic commissioning authority and the arrangements for corporate management; and

(iii) Provide assurance on matters of internal control.

(8) Make recommendations to the Member Development Steering Group on any skills gaps or training needs for Members that emerge as a result of its work.

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From: Paul Carter, Leader of the Council
 David Cockburn, Corporate Director, Strategic and Corporate Services

To: Policy & Resources Cabinet Committee – 12 December 2014

Subject: Business Planning - 2015/16

Classification: Unrestricted

Summary: This report reviews the 2014/15 business-planning round and sets out the arrangements for 2015/16 business plans.

Recommendations:

The Committee is asked to:

- (1) **Comment** on the review of 2014/15 business planning round
- (2) **Agree** the business planning arrangements for 2015/16 set out in Section 3
- (3) **Agree** the recommendations for additional information to be included in Directorate Business Plans set out in paragraphs 3.6

1. INTRODUCTION

1.1 The Policy & Strategic Relationships (PSR) team is responsible for coordinating the annual business planning process. Each year the team reviews the previous years planning arrangements and makes recommendations to Policy & Resources Committee regarding any changes necessary for the next business-planning round.

1.2 This paper reviews the 2014/15 business planning round and seeks comments and endorsement of proposed changes for 2015/16. The review and recommendations have fully taken on the findings and implications of the Member Working Group on Commissioning, which reported to County Council in October.

2. Business Plans 2014/15 – Review:

2.1 It is important to remember that a number of significant changes were made to business planning in 2014/15. These included:

- a) **The removal of officer delegations from business plans:** This was undertaken to reflect the Executive Scheme of Officer Delegation in the KCC Constitution which provides the most appropriate mechanism for delegation to officers, and removes the risk of delegations being inappropriately sought through business plans. Any decisions outside of the

officer scheme require a Key or Significant Decision. The removal of delegations from business plans meant that the approval of business plans themselves is no longer a Key Decision, which provided a greater degree of flexibility in how business plans are developed and approved.

- b) **Introduction of Directorate Business Plans and focus of Member-approval of business planning at Directorate level:** Member approval of 2014/15 business plans was focused on Directorate level plans instead of circa 25 Divisional level plans as per previous years, as this was felt to be bureaucratic and overburdening Cabinet Committees with paperwork, preventing Members from focusing on the big issues facing each Directorate.
- c) **Lighter-touch oversight over Divisional and Service level business plans:** The removal of delegations and the shift from business plans being a Key Decision themselves allowed a lighter touch process to be applied to business planning at Divisional and Service level. Divisions and Services were free use planning templates that best met the need of their business and develop business plans at a granularity most appropriate to their service.
- d) **Firmer rules ensuring consistency between Business Plan performance indicators and the performance indicators reported in the Quarterly Performance Report (QPR) and Directorate Dashboards:** Firmer rules were introduced to ensure consistency between the performance indicators in the Directorate and Divisional level plans, with the performance indicators reported to Cabinet via the QPR and Directorate Dashboards reported to Cabinet Committees. Any request to *vire* performance indicators in business plans from those reported in the QPR or Directorate Dashboards require approval from the Performance and Evaluation Board (PEB).

2.3 Despite the number of changes listed above the 2014/15 business planning round was largely successful:

- a) The development of Directorate Business Plans was straightforward, with Corporate Directors and Directorate Management Teams taking strong ownership of the development of Directorate Plans, with appropriate support from the policy team.
- b) Plans were produced on time with early drafts being taken to the relevant Cabinet Committee in time for Members to influence draft plans whilst there was still sufficient time to consider each Committee's comments before approval by the relevant Cabinet Member.
- c) Feedback from across all Cabinet Committees was that focusing Member engagement on Directorate level plans supported stronger and more strategic engagement by Cabinet Committees.
- d) There was a good degree of self-discipline when producing Divisional business plans. Although the framework was relatively loose, plans were produced on time and contained all necessary information, with

almost all using the Divisional level plan template from 2013/14, despite being free to use any template that they thought appropriate.

2.3 There were a number of minor issues with the 2014/15 business planning process. The Directorate-level plans had been named Strategic Priorities Statements in an attempt to better demarcate them from Divisional plans. However, this led to some confusion about whether they were business plans or a new document sitting outside of the business planning arrangements. This is easily remedied by simply referring to them as Directorate business plans.

2.4 There were also some minor coordination issues in relation to collating Divisional level plans for publication on Knet, which will be remedied by firmer guidance to Directors and Heads of Service on the deadlines for plans to be submitted for uploading onto KNet.

3. PROPOSALS FOR 2015/16 BUSINESS PLANNING ROUND:

3.1 Business planning invariably reflects the position of the authority as a whole. As such, the 2015/16 business plans need to support the move towards KCC becoming a strategic commissioning authority.

3.2 This is not to say that Directorate business plans are in a position to become strategic commissioning plans. Our success in reforming business planning in KCC over the last few years has been to avoid sudden shifts in approach, and iteratively evolve business plans each year.

3.3 As a result, we do not intend to make significant changes in the 2015/16 business planning arrangements. As with 2014/15 plans, Member approved plans will be at the Directorate level, and will be considered in draft by each relevant Cabinet Committee before approval by Cabinet Members. Directorate level business plans will be published on the KCC website.

3.4 Divisional level plans will be approved by the relevant Corporate Director in consultation with the relevant Cabinet Member and published on KNet for accessibility and transparency purposes. The table below provides a summary of the ownership, approval, consultation and publication detail for each tier of business plans:

Table 1: Business Planning Matrix 2015/16

| Tier | Owned By: | Approved By: | Member Consultation: | Template Used: | Published: |
|---------------------------------|--------------------|----------------------------|---|-------------------------------------|-------------------------------------|
| Directorate Level business plan | Corporate Director | Leader and Cabinet Members | Cabinet Committee(s) | Corporate | KCC website |
| Divisional level business plan: | Director | Corporate Director | Cabinet Member(s) | None – as per needs of the business | KNet |
| Service level business plan: | Head of Service | Relevant Director | None - but must be accessible by Members if requested | None – as per needs of the business | Internally to Division /Directorate |

3.5 The content and structure of the Directorate level plans will be broadly the same as for 2014/15 plans (and set out in Appendix 1). However, there will be some additional information provided in Directorate level plans to support Members on the Commissioning Advisory Board and Cabinet Committees better plan their forward agenda and identify forthcoming issues they may wish to explore in more detail, in support of their role in a strategic commissioning authority.

3.6 The additional information proposed for inclusion in the 2015/16 Directorate business plans is:

- a) Better identification of what services each Directorate provides and whether those services are provided in-house or by an external provider (naming the providers and where appropriate, identification of contract periods and spend on each service).
- b) Identification of major service redesign, commissioning or procurement exercises expected over a rolling three-year period to allow CAB and Cabinet Committees to plan their forward agenda. For the avoidance of doubt, ‘major’ will be defined as any redesign, commissioning or procurement that would require a Key Decision. It should be noted that this list will be indicative, as there may be unforeseen reasons (e.g. legislative changes) that might lead to service redesign or commissioning which cannot be anticipated now.
- c) Identification of where any Directorate is putting in place a Service Level Agreement (SLA) with new KCC delivery vehicles such as a Local Authority Trading Company (LATCO). Any SLA between KCC and its LATCOs will be outside of the normal business planning arrangements and developed through the governance arrangements for the LATCO. This follows the precedent set by how Commercial Services is treated for business planning purposes. Directorate level plans will however outline

where any SLA's are in place, and of course, that SLA's are outside of the normal business planning arrangements does not restrict Cabinet Committees from considering them on their forward agenda.

- d) A statement regarding the how each Directorate considers social value in its commissioning and service delivery.

3.7 In regards to the timetable for the development and approval of business plans, all tiers of plan must reflect the approved budget for 2015/16 set by County Council in February. As such, draft Directorate business plans will be considered by Cabinet Committees during their March/April meeting cycle with approval by Cabinet Members, and publication onto the KCC website, in early May. Divisional and service level plans can be developed alongside Directorate level plans but should be approved in time to be published on KNet, at the latest, by early May.

4. RECOMMENDATIONS:

4.1 The Committee is asked to:

- (1) **Comment** on the review of 2014/15 business planning round
- (2) **Agree** the business planning arrangements for 2015/16 set out Section 3
- (3) **Agree** the recommendations for additional information to be included in Directorate Business Plans set on in paragraphs 3.6

Appendices: Appendix 1: Directorate Business Plan 2015/16 – contents

Background Documents: None

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Appendix 1: Directorate Business Plan 2015/16 – contents

Continued from 2014/15 plans:

- How each Directorate will contribute to delivering the new corporate outcomes framework and *Facing the Challenge* for the year ahead
- Key priorities for each Division within the Directorate for the year ahead
- A short statement summarising high level actions and signposting to detailed delivery plans (e.g. transformation programme plans, project plans, action plans, category strategies, commissioning plans etc)
- Levels of resource available for each Directorate (e.g. budget, FTE establishment)
- Key Directorate risks (linked to the Directorate Risk Register)
- Workforce development priorities for each Directorate
- Key Performance Indicators and targets linked to the Quarterly Performance Report and Directorate Performance Dashboard

New for 2015/16 plans:

- In-house and external service providers inc contract periods and spend.
- Executive service redesign, commissioning or procurement exercises expected over a rolling three-year period
- SLA arrangements with KCC Local Authority Trading Company (LATCO).
- Directorate statement on social value.