



Summons to and
Agenda for a
Meeting on
**Thursday, 16th March,
2017**
at **10.00 am**



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 8 March 2017

To: All Members of the County Council

Please attend the meeting of the County Council in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 16 March 2017 at **10.00 am** to deal with the following business. **The meeting is scheduled to end by 4.30 pm.**

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.

By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately.

Voting at County Council Meetings

Before a vote is taken the Chairman will announce that a vote is to be taken and the division bell shall be rung for 60 seconds unless the Chairman is satisfied that all Members are present in the Chamber.

20 seconds are allowed for electronic voting to take place and the Chairman will announce that the vote has closed and the result.

A G E N D A

1. Apologies for Absence
2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
3. Minutes of the meetings held on 26 January and 9 February 2017 **(Pages 5 - 26)** and, if in order, to be approved as a correct record
4. Chairman's Announcements
5. Questions

6. Report by Leader of the Council (Oral)
7. The Sustainability and Transformation Plan (STP) for Kent and Medway **(Pages 27 - 56)**
8. Select Committee: Bus Transport **(Pages 57 - 72)**
9. Local Government Pension Scheme Pooling **(Pages 73 - 116)**
10. Treasury Management 6 Month Review **(Pages 117 - 128)**
11. Pay Policy Statement 2017 **(Pages 129 - 134)**
12. Constitutional Amendments to reflect recent decisions of the County Council **(Pages 135 - 144)**
13. Select Committee Topic Review Update - May 2013 - March 2017 **(Pages 145 - 212)**
14. Presentation of Kent Invicta Award to Mr Clive Emson



John Lynch,
Head of Democratic Services
03000 410466

KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 26 January 2017.

PRESENT:

Mr T Gates (Chairman)
Mr D L Brazier (Vice-Chairman)

Mrs A D Allen, MBE, Mr M J Angell, Mr M Baldock, Mr M A C Balfour, Mr R H Bird, Mr H Birkby, Mr N J Bond, Mr A H T Bowles, Mrs P Brivio, Mr C W Caller, Miss S J Carey, Mr P B Carter, CBE, Mr N J D Chard, Mr B E Clark, Mrs P T Cole, Mr G Cooke, Mr G Cowan, Mrs M E Crabtree, Mr A D Crowther, Mrs V J Dagger, Mr D S Daley, Mr M C Dance, Mr J A Davies, Mrs T Dean, MBE, Dr M R Eddy, Mr J Elenor, Mrs M Elenor, Mr G K Gibbens, Mr R W Gough, Mr P M Harman, Ms A Harrison, Mr M J Harrison, Mr M Heale, Mr P M Hill, OBE, Mr C P D Hoare, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr M J Horwood, Mrs S Howes, Mr A J King, MBE, Mr J A Kite, MBE, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr G Lymer, Mr B E MacDowall, Mr S C Manion, Mr R A Marsh, Ms D Marsh, Mr F McKenna, Mr B Neaves, Mr M J Northey, Mr P J Oakford, Mr J M Ozog, Mr R J Parry, Mr C R Pearman, Mr L B Ridings, MBE, Mrs E D Rowbotham, Mr J E Scholes, Mr T L Shonk, Mr C Simkins, Mr J D Simmonds, MBE, Mr C P Smith, Mr D Smyth, Mrs P A V Stockell, Mr B J Sweetland, Mr N S Thandi, Mr R Truelove, Mr M J Vye, Mrs C J Waters, Mr J N Wedgbury, Mrs J Whittle, Mr M E Whybrow and Mrs Z Wiltshire

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr B Watts (General Counsel) and Mr J Lynch (Head of Democratic Services)

UNRESTRICTED ITEMS

46. Apologies for Absence

The General Counsel reported apologies from Mr Burgess, Mr Chittenden, Mr Hotson, Mr Koowaree, Mr Maddison, Mr Terry and Mr Wickham.

47. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

Mr McKenna declared a Disclosable Pecuniary Interest in agenda item 10, Motion for Time Limited debate on South Eastern Rail Franchise, as he was an employee of Network Rail.

48. Minutes of the meeting held on 8 December 2016 and, if in order, to be approved as a correct record

RESOLVED that the minutes of the meeting held on 8 December 2016 be approved as a correct record and they be signed by the Chairman.

49. Chairman's Announcements

(a) New Year's Honours

(1) The Chairman referred Members to the list of New Year Honours recipients from Kent. He formally congratulated all those who had received an Honour and in particular Sir Julian Brazier MP Member of Parliament for Canterbury on his knighthood for Political and Public Service and Mr and Mrs Upton, who had been KCC Foster Carers, on receipt of their MBE's for Services to Children.

(b) Queen's Fire Service Medal for Distinguished Service

(2) The Chairman congratulated Ms Ann Millington, Chief Executive of the Kent and Medway Fire and Rescue Service on being awarded the Queen's Fire Service Medal for Distinguished Service.

(c) Permanency Carer Award 2016

(3) The Chairman stated that he was delighted to announce that Mr and Mrs Moody, two Kent foster carers, had been awarded FosterTalk magazine's Permanency Carer Award 2016. The award had been made all the more special by the fact that they were nominated by one of their current foster children. On behalf of all Members he had congratulated them on this recognition of their 14 year contribution to fostering.

(d) Petitions

(4) The Chairman received petitions from Mr Thandi, requesting the installation of a crossing in London Road Northfleet, and Mr Homewood, relating to the junction of Bull Lane and Pilgrims Way.

(5) The Chairman passed these two petitions to Mr Balfour, the Cabinet Member for Highways and Transport, and requested him to respond to them in accordance with the Petition Scheme.

(e) Election information for Members

(6) The Chairman drew Members attention to the purdah guidance and election timetable, which had been circulated to all Members.

(f) County Council Directorate and Strategic Commissioning Structure

(7) The Chairman referred to item 7 (County Council Directorate and Strategic Commissioning Structure) and advised Members that he had agreed that the relevant Corporate Directors and the Head of Paid Service would not be in attendance for this item.

50. Questions

In accordance with Procedure Rule 1.17(4), 6 questions were asked and replies given. A record of all questions put and answers given at the meeting are available [online](#) with the papers for this meeting.

51. Report by Leader of the Council (Oral)

- (1) The Leader updated the Council on events since the previous meeting.
- (2) Mr Carter referred to the differentials for schools under the proposed fair funding formula, and fair funding for local government, education and adult social care.
- (3) He reminded Members of the current national government consultation, on funding for schools which was due to close on 22 March. This included proposed changes and indicative budgets along with what this would mean for each individual school in the country. Within the consultation there was an acceptance that many parts of the country were overfunded and other parts were underfunded and an intended re-adjustment from government. However colleagues across the county council network shared concerns about whether this would be achieved by these proposals. He stated that there was a need to work with schools to make sure that, if there were to be significant adjustments, these were applied to the right schools in a fair and equitable way.
- (4) Mr Carter made reference to prior attainment being a big factor in driving additional money for schools and being superimposed upon what he considered to already be a fairly generous pupil premium allocation to secondary schools. He referred to the potential for some High Schools in Kent with challenging prior attainment to receive about £7,450 per pupil, including pupil premium, compared to a high performing High School and a Grammar School, trying to achieve excellent and high performance, receiving £3k less per pupil (e.g. about £4350 per pupil) which could mean a differential of £3m between secondary schools.
- (5) Mr Carter emphasised the importance of working with schools to make sure that well intended adjustments to the national funding formula returned to the basics of baseline funding for a one form entry primary school or a 6 form or 4 form entry secondary school. Also to make sure that factors were added in a sensible, intelligent way that gave all schools a fair chance of getting the very best out of all their pupils.
- (6) Mr Carter put forward his suggestions for sustainable adult social care funding. He referred to the growth in foreign aid over the last 5 – 6 years of £10.5 billion rising to £16.5 billion by 2020. He compared this to the 36% reduction in local government funding, with local government funding social services to help some of the most vulnerable, elderly or sick people in the community. He expressed the view that national government needed to re-calibrate as the world became a more peaceful place. He believed that some £4 billion from the foreign aid budget could be put into adult social care, whilst still increasing the foreign aid budget from £10 billion to £12 billion.
- (7) Mr Carter suggested that national government should review adult social care entitlement to services across Northern Ireland, Scotland, Wales and England. He referred to free domiciliary care for everybody at the point of delivery in Scotland, at a massive cost to the Treasury, and the deference in the methods of payment to health and social care providers in Wales. He stated that he believed that there should be

some form of National Insurance scheme that would raise £1billion or £2billion to protect the hard earned wealth of families of the 30% of elderly people who would need fairly intensive domiciliary care or residential care packages before they reach the end of their lives.

(8) Mr Carter referred to the relative needs formula paying predominately inner London authorities more than double per capita for their population over the age of 70 compared to the rest of the country. It was estimated about £1billion could have been re-distributed against a fair and equitable system into funding social care.

(9) Mr Carter stated that his suggestions added up to somewhere between £6 billion - £8 billion that could be distributed, therefore could mean another £200million into social care services in a local authority of the scope and size of Kent. He explained that all of his suggestions meant that the Treasury did not have to find any additional monies to fund this solution.

(10) Mr Carter expressed the hope that colleagues could work together to put the case for significant change on the basis of fairness and equity, specifically in the distribution of school funding and the funding of social care. Also that the fair funding review established sensible baselines for what services in inner London cost to deliver compared to the services in shire counties. He stated that area cost adjustments should be based on actual need, which would re-distribute over £1 billion of RSG before the baseline was assessed.

(11) In relation to the broader issue of local government funding Mr Carter stated that the local authority treasurers were meeting to work out what baseline funding was needed based on current evidence of funding levels across the different sizes and types of local authorities in the country. He believed that this would confirm the fact that inner London authorities were over funded. He stated that the question would be whether national government would be brave enough to address the issue where inner London boroughs were paying Council tax levels of £500 to £600 a year and county shires £1,500 a year, and make the necessary changes.

(12) Mr Latchford, the Leader of the Opposition, expressed concern about the continued reduction in central government grants to local government at the same time as increasing local government responsibilities. He referred to the potential Surrey County Council referendum on a 15 % increase in Council Tax. He echoed the accepted view that the County Council could not keep passing on an increased tax burden to the residents of Kent.

(13) Mr Latchford thanked the Leader for his statement on overseas aid and the financing of care for the elderly. He hoped that the Leader would, together with other Council Leaders, use his influence in Parliament.

(14) Mr Latchford stated that whilst he welcomed the move to a new formula for schools he questioned the fairness of the proposed formula. He referred to the 2015 spending review where the Department of Education had recognised that transforming education was central to government commitments to extend opportunity and deliver social justice. However, the old system where some pupils missed out on up to 2,000 of funding depended on what part of the country they lived in was a postcode lottery and let down some pupils who were seriously in need. He stated that the under the new formula whilst an estimated 11,000 schools would gain,

9,000 schools were alleged to lose out. Any changes to the current unfair system should not come from levelling down schools finances making a desperate situation even worse and shifting funding between schools.

(15) Mr Latchford referred to Kent's pride in its grammar schools and the reported pressure that Ministers were facing from MP's concerned about costs affecting schools of all kinds in their constituencies. He also mentioned that some grammar schools were now asking parents to make a parental contribution towards the cost of education within that school

(16) In conclusion Mr Latchford stated that fairer funding for schools could be a step in the right direction but it could only be viewed in the context of schools funding as a whole.

(17) Mr Cowan, Leader of the Labour Group, referred to the fair funding formula and the changes to the finances of local government. He stated that the government had reacted to short term issues with instant policies regardless of their overall impact. He gave the example of the Northern Powerhouse, local authorities in the Manchester area had been told that if they grouped together and had an elected mayor they would get special financial support for their economic development plans. This raised the question of what happened to those local authorities, including Kent who did not want to have an elected mayor. He referred to the proposal by Surrey, East Sussex County Council's and Tunbridge Wells District Council to form a grouping and the ability of the later to join even if the County Council was opposed.

(18) Mr Cowan mentioned the recent announcement that the Northern Powerhouse would get £556.3m for its development programme whereas the South East Local Enterprise Partnership, a longer established regional local authority based organisation, had put in a bid for £229m but were currently receiving between £45m-£55m. He could therefore understand why the Leader wanted to talk about fair funding due to the issues that local government were facing at every single level.

(19) Mr Cowan referred to reforming local government finances based chiefly on Council Tax and business rate receipts but expressed the view that neither of these sources of revenue were buoyant enough to meet the demands placed upon local authorities. He mentioned the rise in demand for council services, especially adult social care and that the funding for this was a central government problem. He made reference to the increased funding received by inner London councils compared to County Councils, which he stated made a mockery of the concept of fair funding. He stated that the government should acknowledge the substantial funds needed to meet demands imposed on local government and at the same time address the whole set of injustices and distortions so the government funding really would be fair.

(20) Mr Cowan concluded by stating that central government were to blame for local government fair funding issues.

(21) Mrs Dean, Leader of the Liberal Democrat Group, referred to the comments that had been made regarding fair funding and which were the result of wanting to see a civilised way of funding those who were most vulnerable.

(22) Mrs Dean asked the Leader if he was prepared to write to Mrs May, supported by other Leaders, to express the opposition of Kent County Council to the President of America's announcement that he was prepared to consider a return to torture.

(23) Mrs Dean referred to fair funding as the holy grail of local authorities in that it had been sought for a long time and never achieved. She referred to the government's announcement that the lion's share of the local growth fund was to go to those regions with elected mayors. The reasoning given for this was that where there were devolution deals in place the Department knew that there was a degree of accountability. She questioned what having an elected mayor had to do a local authorities deprivation, past record of delivery, value for money or need.

(24) Mrs Dean questioned how taxation based on a system which was not related to the ability to pay and was not related to service demands could provide a system of local services to deal with the most needy in our society. She expressed the view that there was no other way of funding social services other than through National Insurance, as this was a national burden. She did not believe that it was possible to address local authority demands through business rates which were not related to these services and did not reflect the needs of society. She stated that this unfairness needed to be replaced by openness and transparency

(25) Mr Whybrow, Leader of the Independents Group, reflected on the strange times on both sides of the Atlantic and stated that we seem to have entered an era of "alternative facts". He referred to central government using "alternative facts" in relation to local government funding for years. He also mentioned the Surrey County Council's proposed increase of 15% in council tax and the resultant referendum that this would trigger. He hoped that this would generate a very high profile very public debate about the whole nature of local government finance.

(26) Mr Whybrow expressed the view that central government should maintain the foreign aid budget and properly finance local government. He stated that Members should remember the human costs of reduced local government funding.

(27) Mr Whybrow referred to the short sightedness of government making cuts in public health funding when a recent report had shown that Britain's younger people had higher rates of obesity than the majority of their counter parts in the rest of Europe. He acknowledged that raising Council Tax was not the proper way to fund local government.

(28) In replying to the other Leaders' comments, Mr Carter referred to the potential increase in Council Tax by Surrey County Council and stated that he had not seen any evidence of Surrey's differences to most county shires across the country. He considered that Surrey County Council's proposed increase in Council Tax demeaned the hard work of other counties who had delivered services in response to the reduction of 36% in real terms. He agreed that it was necessary to find a sustainable way of funding social care.

(29) Mr Carter clarified that if the foreign aid budget stayed at £12b or £12.5b it would still represent a significant increase in public expenditure on foreign aid.

(30) Mr Carter emphasised the importance of working with Kent school's regarding the consultation on the funding formula. He stated that the good news was that Kent

would get £30m more but he was concerned that it would not be distributed in a way that would deliver better support and outcomes for all young people in Kent schools.

(31) In relation to commercial rate retention Mr Carter expressed concern at the lack of correlation between business rate collection pool and the demand led pressures on people based services.

(32) Mr Carter stated that he was more optimistic that if Kent brokered its case, working with all other local authorities, it would be possible to provide the evidence as to why money needed to be re-allocated from inner London, in a fair and equitable way, to fund services in other parts of the country. There was much to broker to make sure that there was a system that spent the £30m additional funding coming to Kent in the most intelligent way and the establishment of a new transparent evidence based way of funding local government needs.

52. County Council Directorate and Strategic Commissioning Structure

(The Head of Paid Service and the relevant Corporate Directors withdrew from the meeting during consideration of this item.)

(1) Mr Carter moved and Mr Simmonds seconded the following motion

“The County Council is asked to:

- Approve the proposed operating framework which sees the deletion of two existing Corporate Director posts and the introduction of two new ones leading to two new Directorates, as recommended by the Personnel Committee.
- Approve the new senior level post of Strategic Commissioner reporting to the Head of Paid Service.
- Approve revision to the pay and grading structure for the Head of Paid Service and three Corporate Director roles.
- Authorise the Monitoring Officer to make any necessary and consequential changes to the Constitution as outlined in section 4 of this paper.
- Note the actions and timescale that will result from this decision as outlined in section 8 of this paper.

(2) Following a debate the Chairman put the motion as set out in paragraph (1) above to the vote and the voting was as follows:

For (60)

Mrs A Allen, Mr M Angell, Mr R Bird, Mr H Birkby, Mr N Bond, Mr A Bowles, Mr D Brazier, Mrs P Brivio, Miss S Carey, Mr P Carter, Mr N Chard, Mr B Clark, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mrs T Dean, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr M Harrison, Mr M Heale, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr A King, Mr J Kite, Mr R Latchford, Mr R Long, Mr G Lymer, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr T Shonk, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr B Sweetland, Mr M Vye, Mrs C Waters, Mr J Wedgbury, Mrs J Whittle, Mrs Z Wiltshire

Against (14)

Mr M Baldock, Mr M Balfour, Mr C Caller, Mr G Cowan, Dr M Eddy, Mr P Harman, Ms A Harrison, Ms S Howes, Mr B MacDowall, Mrs E Rowbotham, Mr D Smyth, Mr N Thandi, Mr R Truelove, Mr M Whybrow.

Abstain (2)

Mr F McKenna, Mr B Neaves.

Motion carried

(3) RESOLVED that;

- a) the proposed operating framework which sees the deletion of two existing Corporate Director posts and the introduction of two new ones leading to two new Directorates, as recommended by the Personnel Committee be approved;
- b) the new senior level post of Strategic Commissioner reporting to the Head of Paid Service be approved;
- c) revision to the pay and grading structure for the Head of Paid Service and three Corporate Director roles, as set out in section 6 of the report, be approved;
- d) the Monitoring Officer be authorised to make any necessary and consequential changes to the Constitution as outlined in section 4 of this paper; and
- e) the actions and timescale that will result from this decision as outlined in section 8 of this paper be noted.

53. Early Years and School Performance in 2016 - National Curriculum Test and Public Examination Results

(1) Mr Gough moved and Mr Northey seconded the following motion:

“Members of the County Council are asked to note :

- The improvements in the Early Years Foundation Stage.
- The positive outcomes at Key Stages 1, 2, 4 and in A Level and technical qualifications at Post 16.”

(2) Mr Cowan moved and Mr Truelove seconded the following amendment

“Members of the County Council are asked to note :

- The improvements in the Early Years Foundation Stage.
- The positive outcomes at Key Stages 1, 2, 4 and in A Level and technical qualifications at Post 16.
- **The remaining areas of the report that require significant improvement.**

(3) Mr Gough with the approval of his seconder accepted the amendment and, following a debate the amended motion, was agreed without a formal vote.

(4) RESOLVED that the following be noted;

- a) The improvements in the Early Years Foundation Stage.
- b) The positive outcomes at Key Stages 1, 2, 4 and in A Level and technical qualifications at Post 16.
- c) The remaining areas of the report that require significant improvement.

54. Revised Proportionality Calculations and Committee Membership

- (1) The Chairman moved and the Vice-Chairman seconded the following motion:

“The Council is invited to agree that the UKIP Group should give up a seat on 2 of the County Council Committees (except for the Superannuation Fund Committee and the Electoral and Boundary Review Committee).”

- (2) The motion was agreed without a formal vote.

- (3) RESOLVED that the UKIP Group give up a seat on 2 of the County Council Committees (except for the Superannuation Fund Committee and the Electoral and Boundary Review Committee).

(Post meeting note – the UKIP Group gave up one seat on the Governance & Audit Committee and one seat on the Regulation Committee.)

55. Motion for Time Limited Debate - South Eastern Rail Franchise

(Mr McKenna declared a Disclosable Pecuniary Interest and withdrew from the meeting for this item.)

- (1) Mr Balfour proposed and Mr Pearman seconded the following motion:

“This Council welcomes the opportunity the new South Eastern franchise will present, and specifically:

- (1) supports the offer from the Secretary of State for Transport to Kent County Council to play a full and active part in the process of determination of the service specification for the new South Eastern franchise;
- (2) supports the new policy of the Secretary of State for Transport not to approve the transfer of the South Eastern franchise Metro services from the Department for Transport to the Mayor of London;
- (3) expects the new franchise to deliver a significant enhancement to High Speed services on the routes between London St Pancras and Kent;
- (4) expects the new franchise to deliver upgraded rolling-stock and services, with reliability on the Mainline routes between London Charing Cross / Cannon Street / London Bridge / Victoria and Kent;
- (5) expects the new franchise to deliver a higher quality of service, with improved station facilities, improved access for all, cleaner trains and enhanced public information;
- (6) expects the new franchise to offer continued support for the Kent and Sussex Community Rail Partnerships and the rural lines they support.”

- (2) Mr Caller proposed and Mr Smyth seconded the following amendment:

"This Council welcomes the opportunity the South Eastern franchise coming to an end will present, and specifically:

- (1) supports the offer from the Secretary of State for Transport to Kent County Council to play a full and active part in the process of determination of the service specification;
- (2) Kent County Council calls upon the Secretary of State for Transport to bring the South Eastern railway back into public ownership and accountability by re-establishing Directly Operated Rail Limited (DOR) to run it;
- (3) expects the DOR to deliver a significant enhancement to High Speed services on the routes between London St Pancras and Kent;
- (4) expects the DOR to deliver upgraded rolling-stock and services, with reliability on the Mainline routes between London Charing Cross / Cannon Street / London Bridge / Victoria and Kent;
- (5) expects the DOR to deliver a higher quality of service, with improved station facilities, improved access for all, cleaner trains and enhanced public information at a lower cost to both the tax payer and user;
- (6) expects the DOR to offer continued support for the Kent and Sussex Community Rail Partnerships and the rural lines they support."
- (6) expects the DOR to offer continued support for the Kent and Sussex Community Rail Partnerships and the rural lines they support."

(3) Following a debate the Chairman put the amendment as set out in paragraph (2) above to the vote and the voting was as follows:

For (18)

Mr M Baldock, Mr N Bond, Mrs P Brivio, Mr C Caller, Mr B Clark, Mr G Cowan, Dr M Eddy, Mr P Harman, Ms A Harrison, Mr M Heale, Ms S Howes, Mr B MacDowall, Mrs E Rowbotham, Mr T Shonk, Mr D Smyth, Mr N Thandi, Mr R Truelove, Mr M Whybrow.

Against (53)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr H Birkby, Mr A Bowles, Mr D Brazier, Miss S Carey, Mr P Carter, Mr N Chard, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr M Harrison, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr A King, Mr J Kite, Mr R Latchford, Mr R Long, Mr G Lymer, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr B Sweetland, Mrs C Waters, Mr J Wedgbury, Mrs J Whittle, Mrs Z Wiltshire

Abstain (4)

Mr R Bird, Mrs T Dean, Mr B Neaves, Mr M Vye.

Amendment lost

(4) Following a debate the Chairman put the motion as set out in paragraph (1) to the vote and the voting was as follows:

For (61)

Mrs A Allen, Mr M Angell, Mr M Baldock, Mr M Balfour, Mr R Bird, Mr H Birkby, Mr N Bond, Mr A Bowles, Mr D Brazier, Miss S Carey, Mr P Carter, Mr N Chard, Mr B Clark, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mrs T Dean, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr M Harrison, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr M Horwood, Mr A King, Mr J Kite, Mr R Latchford, Mr R Long, Mr G Lymer, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr T Shonk, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr B Sweetland, Mr M Vye, Mrs C Waters, Mr J Wedgbury, Mrs J Whittle, Mrs Z Wiltshire.

AGAINST (14)

Mrs P Brivio, Mr C Caller, Mr G Cowan, Dr M Eddy, Mr P Harman, Ms A Harrison, Mr M Heale, Ms S Howes, Mr B MacDowall, Mrs E Rowbotham, Mr D Smyth, Mr N Thandi, Mr R Truelove, Mr M Whybrow.

ABSTAIN (0)

Motion carried

RESOLVED that this Council welcomes the opportunity the new South Eastern franchise will present, and specifically:

- (1) supports the offer from the Secretary of State for Transport to Kent County Council to play a full and active part in the process of determination of the service specification for the new South Eastern franchise;
- (2) supports the new policy of the Secretary of State for Transport not to approve the transfer of the South Eastern franchise Metro services from the Department for Transport to the Mayor of London;
- (3) expects the new franchise to deliver a significant enhancement to High Speed services on the routes between London St Pancras and Kent;
- (4) expects the new franchise to deliver upgraded rolling-stock and services, with reliability on the Mainline routes between London Charing Cross / Cannon Street / London Bridge / Victoria and Kent;
- (5) expects the new franchise to deliver a higher quality of service, with improved station facilities, improved access for all, cleaner trains and enhanced public information;
- (6) expects the new franchise to offer continued support for the Kent and Sussex Community Rail Partnerships and the rural lines they support.

26 JANUARY 2017

KENT COUNTY COUNCIL

MINUTES of a meeting of the Kent County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 9 February 2017.

PRESENT:

Mr T Gates (Chairman)
Mr D L Brazier (Vice-Chairman)

Mrs A D Allen, MBE, Mr M J Angell, Mr M Baldock, Mr M A C Balfour, Mr R H Bird, Mr H Birkby, Mr N J Bond, Mr A H T Bowles, Mrs P Brivio, Mr L Burgess, Mr C W Caller, Miss S J Carey, Mr P B Carter, CBE, Mr N J D Chard, Mr B E Clark, Mrs P T Cole, Mr G Cooke, Mr G Cowan, Mrs M E Crabtree, Mr A D Crowther, Mrs V J Dagger, Mr D S Daley, Mr M C Dance, Mr J A Davies, Mrs T Dean, MBE, Dr M R Eddy, Mr J Elenor, Mrs M Elenor, Mr G K Gibbens, Mr R W Gough, Mr P M Harman, Ms A Harrison, Mr M Heale, Mr P M Hill, OBE, Mr C P D Hoare, Mrs S V Hohler, Mr S Holden, Mr P J Homewood, Mr E E C Hotson, Mr M J Horwood, Mr A J King, MBE, Mr J A Kite, MBE, Mr S J G Koowaree, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr G Lymer, Mr B E MacDowall, Mr T A Maddison, Mr S C Manion, Mr R A Marsh, Ms D Marsh, Mr B Neaves, Mr M J Northey, Mr P J Oakford, Mr J M Ozog, Mr R J Parry, Mr C R Pearman, Mr L B Ridings, MBE, Mrs E D Rowbotham, Mr J E Scholes, Mr T L Shonk, Mr C Simkins, Mr J D Simmonds, MBE, Mr C P Smith, Mr D Smyth, Mrs P A V Stockell, Mr B J Sweetland, Mr A Terry, Mr N S Thandi, Mr R Truelove, Mr M J Vye, Mr J N Wedgbury, Mrs J Whittle, Mr M E Whybrow and Mrs Z Wiltshire

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr J Lynch (Head of Democratic Services) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

56. Apologies for Absence

The General Counsel reported apologies from Mr Chitteden, Mr Harrison, Mrs Howes, Mr McKenna, Mrs Waters and Mr Wickham.

57. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda

None.

58. Budget 2017-18 and Medium Term Financial Plan 2017-20 (including Council Tax setting 2017-18)

(1) The Chairman reminded all Members that any Member of a Local Authority who was liable to pay Council Tax, and who had any unpaid Council Tax amount overdue for at least two months, even if there was an arrangement to pay off the arrears, must declare the fact that they are in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

(2) The Chairman stated that all Members would have received a letter from the Head of Democratic Services, dated 1 February, setting out the process and order of the budget debate at today's meeting.

(3) The Chairman moved and the Vice-Chairman seconded that:

(a) Procedure Rule 1.12(2) be suspended in order that the meeting be extended to 5.00pm if necessary;

(b) Procedure Rule 1.28 be suspended in order that the Leader be allowed to speak for a maximum of 12 minutes, the seconder of the original motion to speak for up to 5 minutes, the Leaders of the UKIP, Labour, Liberal Democrat and Independent Groups to speak for 10, 7, 5 and 3 minutes respectively, with the Leader being given a 5 minute right of reply; and the Cabinet Members to speak for up to 6 minutes each when introducing each directorate debate; and;

(c) Procedure Rule 1.35 be suspended in order for the mover and seconder of the original motion to be permitted to speak on more than one occasion.

Agreed without a formal vote

(4) The Chairman then invited Mr Wood, Corporate Director Finance and Procurement, to give a presentation on various issues relevant to the budget. As part of this presentation Mr Wood as Section 151 officer confirmed that the budget estimates were robust and the level of reserves adequate, as required by the Local Government Act 2003.

(5) Mr Carter proposed and Mr Simmonds seconded the following motion:

"The County Council is asked to agree the following

(a) Net revenue budget requirement of £906.959m for 2017-18

(b) Capital investment proposals of £635.840m over three years from 2017-18 to 2019-20 together with the necessary funding and subject to approval to spend arrangements (summarised in appendix 2 to this report)

(c) The Treasury Management Strategy as per revised section 5 of the Medium Term Financial Plan (appendix 5 to this report)

(d) Prudential Indicators as set out in revised Appendix B to the Medium Term Financial Plan (appendix 7 to this report)

(e) The Revised Minimum Revenue Provision (MRP) Statement as set out in Appendix C to the Medium Term Financial Plan including the revised policy regarding debt repayment.

(f) The directorate revenue and capital budget proposals as set out in draft Budget Book published on 10th January as amended by the latest updates included in this report (summarised in appendix 3 to this report)

(g) Delegate responsibility to Cabinet Members and Corporate Directors to manage the budget within the parameters set out in the Constitution and Financial Regulations (delegations to managers as set out in appendix 4 to this report)

(h) To increase council tax band rates up to the maximum permitted without a referendum as set out in paragraph 2.7 table 2

(i) To levy the additional 2% social care precept (raising an additional £11,938,674 and taking the total social care precept to £23,403,591 out of precept set out in (j) below)

(j) The total council tax requirement of £620,526,793 to be raised through precepts on districts as set out in revisions to section 2 of the Budget Book (appendix 1 to this report)

In addition:

(k) To note that the Cabinet Member for Corporate and Democratic Services will determine the TCP reward thresholds for staff assessed as achieving, achieving above, and outstanding, and to set the recalibration of the pay ranges and minimum reward/increase to the bottom of KR2, within the 2.3% funding approved

(l) To delegate authority to the Corporate Director of Finance & Procurement (in consultation with the Deputy Leader/Cabinet Member for Finance & Procurement and the political Group Leaders) to resolve any minor technical issues for the final budget publication which do not materially alter the approved budget or change the net budget requirement

(m) The changes made in (l) above to be reflected in the final version of the Budget Book and MTFP due to be published in March

(n) To note the financial outlook for 2018-19 and 2019-20 with further anticipated funding reductions and additional spending demands offset by provisional council tax increases and additional savings (the vast majority of which are yet to be identified).

Social Care, Health & Wellbeing

(6) The Cabinet Members for Adult Social Care & Public Health and Specialist Children's Services introduced the budget for this Directorate prior to a general debate.

(7) Mrs Brivio proposed and Miss Harrison seconded the following amendment:

"That £500k be used to support those, who are medically fit to leave acute hospital beds, by the purchasing of additional enablement services and any necessary ongoing domiciliary care; to be funded from reducing the contribution to the Modernisation of the Council reserve.

REDUCE: Modernisation of the Council (Supplementary budget information document p24, line 149) £500k

INCREASE: Older People (aged 65+) – Residential – Commissioned Service (Supplementary budget information document p5, line 18) £500k."

(8) Following the debate the Chairman put the amendment set out in paragraph (7) above to the vote and the voting was as follows:

For (27)

Mr M Baldock, Mr R Bird, Mr H Birkby, Mr N Bond, Mrs P Brivio, Mr C Caller, Mr B Clark, Mr G Cowan, Mr D Daley, Mrs T Dean, Dr M Eddy, Mrs M Elenor, Mr P Harman, Ms A Harrison, Mr M Heale, Mr C Hoare, Mr G Koowaree, Mr R Latchford,

Mr T Maddison, Mr B MacDowall, Mrs E Rowbotham, Mr T Shonk, Mr D Smyth, Mr A Terry, Mr N Thandi, Mr M Vye, Mr M Whybrow.

Against (47)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr A Bowles, Mr D Brazier, Miss S Carey, Mr P Carter, Mr N Chard, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr M Dance, Mr J Davies, Mr J Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr M Hill, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr M Horwood, Mr J Kite, Mr R Long, Mr G Lymer, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr B Sweetland, Mr J Wedgbury, Mrs J Whittle, Mrs Z Wiltshire.

Abstain (1)

Mr A King.

Amendment lost

(9) Mr Vye proposed and Mr Bird seconded the following amendment

“Return the 2017-18 Kent Support & Assistance Service budget line to the level forecast to be spent in the 2016-17 December monitoring report, to be funded from increasing the MRP saving.

INCREASE: Support & Assistance Service (Social Fund) including refugee families (Supplementary 2017-18 budget information document p7, line 43) £500k

REDUCE: Net debt costs (incl. Investment income) (Supplementary 2017-18 budget information document p24, line 150) £500k.”

(10) Following the debate the Chairman put the amendment set out in paragraph (9) above to the vote and the voting was as follows:

For (76)

Mrs A Allen, Mr M Angell, Mr M Baldock, Mr M Balfour, Mr R Bird, Mr H Birkby, Mr N Bond, Mr A Bowles, Mr D Brazier, Mrs P Brivio, Mr L Burgess, Mr C Caller, Miss S Carey, Mr P Carter, Mr N Chard, Mr B Clark, Mrs P Cole, Mr G Cooke, Mr G Cowan, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mrs T Dean, Dr M Eddy, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr P Harman, Ms A Harrison, Mr M Heale, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr M Horwood, Mr A King, Mr J Kite, Mr G Koowaree, Mr R Latchford, Mr R Long, Mr G Lymer, Mr B MacDowall, Mr T Maddison, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mrs E Rowbotham, Mr J Scholes, Mr T Shonk, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mr D Smyth, Mrs P Stockell, Mr B Sweetland, Mr A Terry, Mr N Thandi, Mr R Truelove, Mr M Vye, Mr J Wedgbury, Mrs J Whittle, Mr M Whybrow, Mrs Z Wiltshire.

Against (1)

Mr J Elenor.

Amendment carried

Education and Young People Services

(11) The Cabinet Members for Education & Health Reform, Specialist Children's Services and Community Services introduced the budget for this Directorate prior to a general debate.

Strategic and Corporate Services

(12) The Cabinet Members for Corporate & Democratic Services, Finance & Procurement and Commercial Services introduced the budget for this Directorate prior to a general debate.

Growth, Environment and Transport

(13) The Cabinet Members for Community Services, Environment & Transport and Economic Development introduced the budget for this Directorate prior to a general debate.

(14) Mr Caller proposed and Dr Eddy seconded the following amendment:

“Reinvest £500k in the revenue budget to ensure that Kent Highways continue to focus on a proactive management approach; to be funded from reducing the Modernisation of the Council

REDUCE: Modernisation of the Council (Supplementary budget information document p24, line 149) £500k

INCREASE: General maintenance and emergency response (Supplementary budget information document p16, line 88) £500k”

(15) Following the debate the Chairman put the amendment set out in paragraph (14) above to the vote and the voting was as follows:

For (75)

Mrs A Allen, Mr M Angell, Mr M Baldock, Mr M Balfour, Mr R Bird, Mr H Birkby, Mr N Bond, Mr A Bowles, Mr D Brazier, Mrs P Brivio, Mr L Burgess, Mr C Caller, Miss S Carey, Mr P Carter, Mr N Chard, Mr B Clark, Mrs P Cole, Mr G Cooke, Mr G Cowan, Mrs M Crabtree, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mrs T Dean, Dr M Eddy, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr P Harman, Ms A Harrison, Mr M Heale, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr M Horwood, Mr A King, Mr J Kite, Mr G Koowaree, Mr R Latchford, Mr R Long, Mr G Lymer, Mr B MacDowall, Mr T Maddison, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mrs E Rowbotham, Mr J Scholes, Mr T Shonk, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mr D Smyth, Mrs P Stockell, Mr B Sweetland, Mr A Terry, Mr N Thandi, Mr R Truelove, Mr M Vye, Mr J Wedgbury, Mrs J Whittle, Mr M Whybrow, Mrs Z Wiltshire.

Against (1)

Mr A Crowther.

Amendment carried

Cross cutting and general amendments

(16) Mr Birkby proposed and Mr Baldock seconded the following amendment;

“Reinvest money into local democracy by increasing the amount available to be spent in their local communities by elected county councillors by £2,000 per elected member to £22,000 per annum

Increase Local Member Grants (Supplementary 2017-18 budget information document p16, line 98) by £162k

Reduce Arts & Culture (Supplementary 2017-18 budget information document p11, line 74) by £162k.”

(17) At the suggestion of the Leader, Mr Birkby and Mr Baldock agreed to amend their amendment, as follows:

“Reinvest money into local democracy by increasing the amount available to be spent in their local communities by elected county councillors by £2,000 per elected member to £22,000 per annum

Increase Local Member Grants (Supplementary 2017-18 budget information document p16, line 98) by £162k

~~Reduce Arts & Culture (Supplementary 2017-18 budget information document p11, line 74) by £162k”~~

Reduce earmarked reserves by £162k on page 24, line 147 of the supplementary budget information document.”

(18) Following the debate the Chairman put the revised amendment set out in paragraph (17) above to the vote and the voting was as follows:

For (67)

Mrs A Allen, Mr M Angell, Mr M Baldock, Mr M Balfour, Mr R Bird, Mr H Birkby, Mr N Bond, Mr A Bowles, Mr D Brazier, Mr L Burgess, Miss S Carey, Mr P Carter, Mr N Chard, Mr B Clark, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr D Daley, Mr M Dance, Mr J Davies, Mrs T Dean, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr P Harman, Mr M Heale, Mr M Hill, Mr C Hoare, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr M Horwood, Mr A King, Mr J Kite, Mr G Koowaree, Mr R Latchford, Mr R Long, Mr G Lymer, Mr B MacDowall, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr T Shonk, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr

B Sweetland, Mr A Terry, Mr M Vye, Mr J Wedgbury, Mrs J Whittle, Mr M Whybrow, Mrs Z Wiltshire.

Against (9)

Mrs P Brivio, Mr C Caller, Mr G Cowan, Ms A Harrison, Mr T Maddison, Mrs E Rowbotham, Mr D Smyth, Mr N Thandi, Mr R Truelove.

Abstain (1)

Dr M Eddy.

Amendment carried

(19) Mrs Dean proposed and Mr Bird seconded the following amendment:

"That this Council agrees to set up a Members task and finish group to investigate the increasing and variable costs and waiting periods of the Coroners Service, and suggest ways in which KCC working with the service can drive costs down and better serve the needs of relatives. "

(20) Following a debate the amendment set out in paragraph (19) above was agreed without a formal vote.

(21) As all of the amendments had either been determined or withdrawn, the Chairman put to the vote the substantive Motion (as set out in paragraph (5) with the addition of the amendments set out in paragraphs (9), (14), (17) and (19)) and voting was as follows:

For (51)

Mrs A Allen, Mr M Angell, Mr M Balfour, Mr A Bowles, Mr D Brazier, Miss S Carey, Mr P Carter, Mr N Chard, Mrs P Cole, Mr G Cooke, Mrs M Crabtree, Mr A Crowther, Mrs V Dagger, Mr M Dance, Mr J Davies, Mr J Elenor, Mrs M Elenor, Mr T Gates, Mr G Gibbens, Mr R Gough, Mr P Harman, Mr M Heale, Mr M Hill, Mrs S Hohler, Mr S Holden, Mr P Homewood, Mr E Hotson, Mr M Horwood, Mr A King, Mr J Kite, Mr R Long, Mr G Lymer, Mr S Manion, Mr A Marsh, Mrs D Marsh, Mr B Neaves, Mr M Northey, Mr P Oakford, Mr J Ozog, Mr R Parry, Mr C Pearman, Mr L Ridings, Mr J Scholes, Mr C Simkins, Mr J Simmonds, Mr C Smith, Mrs P Stockell, Mr B Sweetland, Mr J Wedgbury, Mrs J Whittle, Mrs Z Wiltshire.

Against (23)

Mr R Bird, Mr N Bond, Mrs P Brivio, Mr L Burgess, Mr C Caller, Mr B Clark, Mr G Cowan, Mr D Daley, Mrs T Dean, Dr M Eddy, Ms A Harrison, Mr C Hoare, Mr G Koowaree, Mr T Maddison, Mr B MacDowall, Mr T Shonk, Mrs E Rowbotham, Mr D Smyth, Mr A Terry, Mr N Thandi, Mr R Truelove, Mr M Vye, Mr M Whybrow.

Abstain (2)

Mr H Birkby, Mr R Latchford.

(22) RESOLVED that

(i) the County Council approve the following:

- (a) Net revenue budget requirement of £906.959m for 2017-18
- (b) Capital investment proposals of £635.840m over three years from 2017-18 to 2019-20 together with the necessary funding and subject to approval to spend arrangements (summarised in appendix 2 to the report)
- (c) The Treasury Management Strategy as per revised section 5 of the Medium Term Financial Plan (appendix 5 to the report)
- (d) Prudential Indicators as set out in revised Appendix B to the Medium Term Financial Plan (appendix 7 to the report)
- (e) The Revised Minimum Revenue Provision (MRP) Statement as set out in Appendix C to the Medium Term Financial Plan including the revised policy regarding debt repayment.
- (f) The directorate revenue and capital budget proposals as set out in draft Budget Book published on 10th January as amended by the latest updates included in this report (summarised in appendix 3 to the report)
- (g) Delegate responsibility to Cabinet Members and Corporate Directors to manage the budget within the parameters set out in the Constitution and Financial Regulations (delegations to managers as set out in appendix 4 to the report)
- (h) To increase council tax band rates up to the maximum permitted without a referendum as set out in paragraph 2.7 table 2
- (i) To levy the additional 2% social care precept (raising an additional £11,938,674 and taking the total social care precept to £23,403,591 out of precept set out in (j) below)
- (j) The total council tax requirement of £620,526,793 to be raised through precepts on districts as set out in revisions to section 2 of the Budget Book (appendix 1 to the report)
- (k) return the 2017-18 Kent Support & Assistance Service budget line to the level forecast to be spent in the 2016-17 December monitoring report, to be funded from increasing the MRP saving by increasing Support & Assistance Service (Social Fund) including refugee families (Supplementary 2017-18 budget information document p7, line 43) £500k and reducing the net debt costs (incl. Investment income) (Supplementary 2017-18 budget information document p24, line 150) £500k.
- (l) reinvest £500k in the revenue budget to ensure that Kent Highways continue to focus on a proactive management approach; to be funded by reducing "Modernisation of the Council" (Supplementary budget information document p24, line 149) £500k
- (m) reinvest money into local democracy by increasing the amount available to be spent in their local communities by elected county councillors by £2,000 per elected member to £22,000 per annum by increasing Local Member Grants (Supplementary 2017-18 budget information document p16, line 98) by £162k and reduce earmarked reserves by £162k (page 24, line 147 of the supplementary budget information document).

(ii) it be noted that the Cabinet Member for Corporate and Democratic Services will determine the TCP reward thresholds for staff assessed as achieving, achieving

above, and outstanding, and to set the recalibration of the pay ranges and minimum reward/increase to the bottom of KR2, within the 2.3% funding approved.

(iii) authority be delegated to the Corporate Director of Finance & Procurement (in consultation with the Deputy Leader/Cabinet Member for Finance & Procurement and the political Group Leaders) to resolve any minor technical issues for the final budget publication which do not materially alter the approved budget or change the net budget requirement.

(iv) the changes made in (iii) above be reflected in the final version of the Budget Book and MTFP due to be published in March.

(v) the financial outlook for 2018-19 and 2019-20 with further anticipated funding reductions and additional spending demands offset by provisional council tax increases and additional savings (the vast majority of which are yet to be identified) be noted.

(vi) a Members task and finish group be set up to investigate the increasing and variable costs and waiting periods of the Coroners Service, and suggest ways in which KCC working with the service can drive costs down and better serve the needs of relatives.

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From: Paul Carter CBE, Leader of Kent County Council
 Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing

To: County Council - 16 March 2017

Subject: **THE SUSTAINABILITY AND TRANSFORMATION PLAN (STP) FOR KENT AND MEDWAY**

Classification: Unrestricted

Summary: NHS England has identified 44 health and social care “footprints” to produce Sustainability and Transformation Plans (STP) that describe how the provisions of the Five Year Forward View will be delivered. Key to the success of the plans will be effective integration of health and social care. Kent County Council has a major role to play in developing the whole of the STP in Kent through social care, public health and effective partnership relationships.

The Kent and Medway STP provides the opportunity to transform the health and social care system so that people receive the care they need in the place they want, primarily at home or in the community. It should allow us to reduce the demand for hospital care so that the quality of care people can expect will improve. Integration of services, including social care, and improved commissioning for outcomes will lead to better value from the budgets we control and a more financially sustainable system.

Recommendation: The County Council is asked to **ENDORSE** the approach being taken towards the development of the Kent and Medway Sustainability and Transformation Plan.

1. Introduction

1.1 The Sustainability and Transformation Plans (STPs) that are being developed by the 44 local area health economies, or “footprints” such as Kent and Medway as defined by NHS England, describe how the aspirations of the Five Year Forward View can be delivered in the ways that best suit local conditions. The Kent and Medway STP was published in November 2016 following its endorsement by NHS England. The Five Year Forward View recognises that the current health and social care services have served us well for a long time and have ensured that many more people are living into older age than at any time in the past. However it also appreciates that the way health and social care services currently operate cannot deliver the types of care that the increasing population of older people, many of whom will suffer from a number of medical conditions as they age, will need and deserve. As the Care Quality Commission’s chief inspector of hospitals Professor Sir Mike Richards has said:

"What is clear is that while staff continue to work hard to deliver good care, the model of care that once worked well cannot continue to meet the needs of today's population."

- 1.2 So whilst the current arrangements have served us well in the past they are not able to meet the challenges of the future. This presents us with a rare opportunity to redesign our health and social care system around the needs of our people and deliver much more integrated ways of working wherever possible. Local authorities can put social care centre stage as part of that integrated system, as well as being an essential partner in delivering the transformation we need. We need to maximise the opportunities that now arise to ensure that the combined resources of the health service and the local authority, are spent in the most effective ways and that we embed the principles of commissioning for outcomes throughout the new system.
- 1.3 Kent is at the forefront nationally in designing the new ways the health and social care system will need to operate so that people can be confident that they will receive "the right care, at the right time, in the right place". By focusing on providing care in the community, preferably treating people in their own homes wherever possible, we can help people manage their health conditions, maintain their independence and improve the outcomes that can be achieved. Fewer patients will require hospital treatment and our hospitals will have pressures reduced enabling them to improve the care they can offer to those that need the specialist and more intensive treatment delivered in an acute hospital. The STP suggests that there could be a reduction of 30% of admissions within hospitals could be reduced.

2. The Kent and Medway Sustainability and Transformation Plan

- 2.1 The Five Year Forward View published by NHS England in October 2014 described the challenges faced by health and social care. There were several key messages from the Five Year Forward View that meant that radical changes were necessary to how we deliver the care people need:
 - There are very welcome dramatic and continuing increases in life expectancy as many people live longer than earlier generations, often as a result of improved medical practice that has reduced mortality from previously fatal conditions
 - Whilst people are living longer they often now suffer from long-term conditions such as diabetes, COPD, dementia and others that cannot be cured but which can be managed to best effect. Many people will acquire two or more long-term conditions as they age and their treatment will become increasingly complex
 - The present way we treat patients with such conditions places far too much reliance on hospitals to admit people for treatment when their conditions deteriorate dangerously rather than maintaining them at home, and cannot provide the clinical outcomes people need. Hospital care is also very expensive and if patients can be treated better elsewhere hospitals can concentrate on those people that need to be there because

hospital is the only place that can provide the intensive and complex interventions they need

- If health and social care services are not to be overwhelmed by the increasing demand for their services and become financially sustainable we need to transform how we treat people with far more emphasis on maintaining people in the community and less reliance on our hospitals.

2.2 The Five Year Forward View also mandated the health service and its partners to explore new models of care that will improve outcomes for patients and their experience of care; make sure people receive the right care, in the right place, at the right time; use our available resources much more effectively and wisely; and help to create financial stability for the whole system.

3. The Case for Change

3.1 Kent and Medway reflect many of the issues faced nationally but there are also local imperatives for doing things differently. As the Kent and Medway STP states:

- We are **£109m 'in the red'** and this will rise to **£486m by 20/21** across health and social care if we do nothing.
- Our **workforce is ageing** and we have difficulty recruiting in some areas. This means that **senior doctors and nurses are not available** all the time.
- Our population is expected to **grow by 90,000 people (5%)** over the next five years; 20,000 of these people are in the new town in Ebbsfleet. Growth in the number of over 65s is **over 4 times greater** than those under 65; an aging population means **increasing demand for health and social care**.
- There are **health inequalities** across Kent and Medway; in Thanet, one of the most deprived areas of the county, a woman living in the best ward for life expectancy can expect to live **almost 22 years longer** than a woman in the worst. The main causes of early death are **often preventable**.
- Over **500,000 local people live with long-term health conditions**, many of which are preventable. And many of these people have multiple long-term health conditions, dementia or mental ill health.
- There are many people who are **in hospital beds who could be cared for nearer to home**. Being in a hospital bed **for too long is damaging for patients** and increases the risk of them ending up in a care home.
- We are **struggling to meet performance targets** for cancer, dementia and A&E. This means people are not seen as quickly as they should be.

- Many of our local hospitals are in ‘special measures’ because **of financial or quality pressures** and numerous local nursing and residential homes are **rated ‘inadequate’ or ‘requires improvement’**.

3.2 Our ambition

- Create services which are able to meet the needs of our changing population
- Reduce health inequalities and reduce death rates from preventable conditions
- More measures in the community to prevent and manage long-term health conditions
- Achieve financial balance for health and social care across Kent and Medway
- To attract, retain and grow a talented workforce

3.3 The aspiration of the Kent and Medway STP is also clear from the Executive Summary:

“The Kent and Medway health and care system is seeking to deliver an integrated health and social care model that focuses on delivering high quality, outcome focused, person centred, coordinated care that is easy to access and enables people to stay well and live independently and for as long as possible in their home setting

3.4 More than that, the system will transform services to deliver proactive care, and ensure that support is focused on improving and promoting health and wellbeing, rather than care and support that is solely reactive to ill health and disease

3.5 Core to the model is the philosophy of health and care services working together to promote and support independence, utilising statutory and voluntary services, and where appropriate the independent sector, to deliver the right care, in the right place, at the right time

3.6 Our transformation plan will bring a profound shift in where and how we deliver care. It builds on conversations held with local people about the care they want and need and has the patient at its heart:

- Our first priority is developing **Local Care**, building on local innovative models that are delivering new models of care, which brings primary care general practices into stronger clusters, and then aggregating clusters into Multispecialty Community Provider (MCP) type arrangements, and, potentially, into a small number of larger Accountable Care Organisation (ACO) type arrangements that hold capitated budgets – Local Care will enable services to operate at a scale where it will be possible to bring together primary, community, mental health and social care to develop truly integrated services in the home and in the community.

- This model will manage demand for acute services, enabling significant reductions in acute activity and length of stay which amount to £160m of net system savings by 2020/21 and relieve pressure on our bed base.
- We have also therefore committed to a Kent and Medway-wide strategy for **Hospital Care**, which will both ensure provision of high-quality specialist services at scale and also consider opportunities to optimise our service and estate footprint as the landscape of care provision becomes more local”.
- Work is ongoing to surface potential opportunities and evaluate them ahead of public consultation in 2017.

4. Key Elements of the STP

4.1 There are three key elements to the STP, all of which involve significant engagement with the council. The three elements are Prevention, Local Care and Hospitals.

4.2 Prevention

4.2.2 Most people in Kent enjoy good health but risk developing long-term health conditions as they age. Only 2% of our funding is spent on prevention of ill-health. The council is the public health authority for Kent and as such we have responsibility for the general health of the population and many of the interventions and programmes designed to keep people healthy. Key to this is helping people change their behaviour and lifestyles to promote healthier living such as quitting smoking, improving their diet and taking exercise as well as influencing other determinants of health such as employment, housing and education. A healthier population will not only live longer and enjoy better quality of life but will also reduce demand for health and social care services through the prevention of long-term conditions. The STP has highlighted four specific priorities for prevention – Obesity and Physical Activity; Smoking Cessation and Prevention; Workplace Health and Reduction of Alcohol-Related Harms in the Population.

4.2.3 In addition the council is working with partners, especially District Councils, to reduce the inequalities in health across the county. Everybody should benefit from better health but if we are to reduce inequalities we need to “improve the health of the poorest fastest” or the inequalities gap will widen. The council’s public health division will prioritise those areas of the county with most need and the new public health commissioning strategy focuses on the 88 Lower Super Output Areas that are our most deprived communities.

4.2.4 We also need to ensure the best value for the money we spend and our emphasis on commissioning for outcomes will help us achieve this.

4.3 Local Care

4.3.1 Based on the belief that wherever possible “your own bed is the best bed” for delivering care, a prime focus of the STP in Kent and Medway is on how to

achieve the best outcomes for patients whilst ensuring that they receive the care they need in their own homes or as near to it as possible. The new models of care, called Local Care, that are being explored are all fundamentally trying to achieve the same thing, a move from more traditional health care to one where people and their carers are given all the support they need to manage their long-term conditions as effectively as possible in the community.

4.3.2 Patient experience will be at the heart of the process with community facilities based around GP practices. Groups of GPs will cluster together pooling their various specialisms and expertise. Services and interventions currently only available in hospitals will be accessed from a GP surgery or nearby facilities. These will potentially include consultant outpatient clinics, x-rays and other diagnostic tests, minor surgery, minor injury treatments, physiotherapy and other therapies, enhanced outreach and community District nursing services, re-ablement services, social care and even, in time, residential and nursing care facilities. People will experience a supportive team of professionals around them led by their GP who will co-ordinate the care they need. Many services will be accessible 24/7/365.

4.3.3 Another feature of the Five Year Forward View is the ambition it contains to integrate physical and mental health. Our new models of Local Care will therefore also be designed to ensure that they are properly equipped to cater for people who experience mental health issues, either individually or in conjunction with other conditions.

4.3.4 Taken together these changes will produce much better outcomes for patients and divert large amounts of activity that is currently delivered by our overburdened hospitals. Through the integration of services and the avoidance of duplication we will also make much better use of the Kent health and social care resources to allow for reinvestment savings generated.

4.3.5 Local Care in Practice – The Encompass Vanguard

4.3.5.1 This transformation of how we deliver health and social care is not wishful thinking or just aspiration for the future. It is happening here and now in Kent and local people in Whitstable are enjoying the benefits. One of the new models of care we are testing is a national showcase, or NHS England sponsored Vanguard, to demonstrate how effective this approach can be. The Encompass Vanguard development serves 170,000 people and brings together GPs, in the Whitstable practice with another 15 associated GP practices across East Kent aligned to four Community Hub Operating Centres (CHOCs) in Whitstable, Canterbury, Faversham and Sandwich. Currently they offer an expanding range of GP services including specialisms, consultant appointments, Paramedic Practitioner home visiting, a minor injuries clinic, x-ray and other diagnostic tests, nursing and re-ablement.

4.3.5.2 Further development will include a much greater range of services and the aim of the Encompass Vanguard is to provide:

- “pro-active community care and prevention through early identification, coordinated care planning and community care delivery in primary and community setting. Care will be patient focused, easy to access and well co-ordinated via “care navigation” enabling clear transition through services based around clearly identified and agreed “care decision points”. Care will take place in the most appropriate, safe and effective setting, shifting avoidable activity from acute hospital to community settings, preferably in the patient or service user’s own home, whilst promoting self-care and management with support from carers. The MCP will support and promote people to stay well, maintaining their health and independence living in their place of choice, buoyed by appropriate integrated multi-agency community services.”

4.3.5.3 All of this contributes to serious reductions in the number of people that need to attend A&E departments and being subsequently admitted and evidence from recent “listening events” in East Kent is that patients greatly appreciate the new ways of working. The Encompass Vanguard is our most developed example but similar programmes of Local Care are underway or planned in other areas of the county.

4.4 Hospitals

4.4.1 Problems affecting our hospitals in Kent and Medway are well documented and we must ensure they are able to provide the standards of care people need and be financially sustainable.

4.4.2 Some people will always need the treatments and facilities that can only be provided in a hospital. People who are very ill or with complex conditions need intensive treatment that is not available safely in the community. However, we need to ensure that our hospitals are able to deliver the excellent care they are capable of by reducing the demand from patients who can be treated better elsewhere.

4.4.3 There is evidence that as many as 40% of emergency hospital admissions could be avoided through appropriate care in the community. Several recent studies have shown that on any one day about a third of the beds in our acute hospitals are occupied by people that could be cared for elsewhere were appropriate facilities to be available. This amounts to over 1000 beds that could be used differently and which divert hospital resources from other patients that need them.

4.4.4 Hospitals are far from being the best place for many people to receive treatment. Evidence suggests that for many conditions outcomes in hospital are poorer than for good community treatment and there are serious risks from being in hospital unnecessarily – including loss of muscle function, increased confusion, risk of infection and a greater chance of being admitted to residential or nursing care.

4.4.5 We must find ways to free up our hospitals so they can concentrate on giving good quality care to those that require it. The transformation we make must ensure that attendances at, and subsequent admissions from, Accident and Emergency units reduce significantly and ensure people who would be better served by community facilities can access these when they need it. With the right facilities in the community our acute hospitals can safely become smaller and more specialised, but cognisant of demography and population growth. Further development of short stay community beds offering “step up” or “step down” alternatives to an acute hospital can greatly assist and our focus on Local Care should generate a “virtuous circle” of reducing demand for more expensive care thereby releasing resources to re-invest in the care people need and want away from hospitals. The council has a key role to play in ensuring our hospitals are sustainable through integrated social care services in the community that help avoid hospital admissions and expedite discharges when people are ready to leave. Relieving the pressure on our acute hospitals (where a bed typically costs £220 per day) will go a very long way to resolving the financial problems we face which will amount to £434 million across Kent and Medway if we do not change what we do. As the chief executive of NHS England, Simon Stevens, has said we must “accelerate these proposals” so that the benefits can be realised as soon as possible.

5. Partnership

5.1 None of this will be achieved if we do not forge the right partnerships between all concerned to ensure the whole system is pulling in the same direction.

5.2 Kent and Medway is one of the most complicated health economies in the country with eight Clinical Commissioning Groups; four major hospital trusts; a mental health trust; an ambulance trust; a community health trust and other providers; 13 Community Hospitals, 249 GP practices, 335+ pharmacies, 394 dental practices, 466 privately run social care providers, a county, unitary and twelve district local authorities. Securing unanimity across all of these different and independent organisations can be a challenge but one of the key successes of the STP process so far is that every major organisation has signed up to the vision and principles that the STP is trying to achieve. There is enthusiastic support for the changes we need to make because it will deliver better outcomes for patients. This emphasis on clinical leadership means that all the proposed changes are considered firstly with regard to whether they will improve the treatment people receive. Unless there is a clear clinical case, supported by medical leaders, to deliver better care anything that arises from the STP should not, and will not, be put to the public for consultation.

5.3 Our combined health and social care budget is c.£3.15 billion. Local authority spend on social care is £553 million, £617.4 million is spent on primary and community care, £1.42 billion on acute hospital care, £190.6 million on mental health services and £74.5 million on public health. There is a clear recognition that the only way to secure a financially sustainable health and

social care system is for all partners to wholeheartedly support the integration of their services and organisations. Again we must ensure that we make the best use of our joint resources and commissioning for outcomes drives our activity.

- 5.4 The Kent and Medway STP is being developed under the governance of a STP Programme Board currently chaired by the Senior Responsible Officer for the STP – Glenn Douglas the Chief Executive of the Maidstone and Tunbridge Wells NHS Hospitals Trust. KCC representation on the Programme Board consists of Paul Carter (Leader), Roger Gough (Cabinet Member for Education and Health Reform and Chair of the Kent Health and Wellbeing Board) and Andrew Ireland (Corporate Director of Social Care, Health and Wellbeing). Other key STP groups include the Clinical Board, the Programme Board and the various work streams that concentrate on four specific themes of the STP.
- 5.5 Involvement in the STP process has been a key priority for KCC and we have successfully ensured that we are represented at all levels including the relevant work streams that continue the STP development. The council has a lead role on important enablers such as digital and estates. Our view is that it is critical that any proposals to change health and social care services that emanate from the STP properly support what we in KCC are trying to achieve, integrate with Phase 3 of our social care transformation programme, and fit with our wider ambitions to become a commissioning organisation. The development of Local Care provides a highly complementary framework for our plans to integrate social care with health services, our continued emphasis on promoting independence and ensuring people can maintain themselves at home for as long as possible. It also allows the council to be very clear with our partners that whatever else the STP delivers it must include high quality and financially sustainable social care.
- 5.6 In some parts of the country local authorities have not been integral to the development of their local STPs. Where councils have been actively engaged the results have been encouraging and Simon Stevens himself has recently said in evidence to the Public Accounts Committee that he would welcome greater local authority leadership for decision making to drive changes forward. The council needs to be ready to play its part in the STP going forward including helping construct robust and effective governance arrangements. The Kent Health and Wellbeing Board could potentially play a significant role in the future.
- 5.7 The other critical component of the partnership needed to deliver the STP is the public themselves. There has been concern about the transparency of the process so far, as NHS England have been keen to ensure that the plans published are of sufficient quality before being put to the public. In Kent and Medway a “Case for Change” that will describe why these changes are desirable as well as necessary will be published in the very near future. It is hoped that this will generate substantial public interest and debate to inform the transformation plans going forward and involve as many people as possible in Kent. Later in the year specific proposals for change will begin to be put to a full public consultation process. Healthwatch Kent will also play a

major role in the public engagement around the STP and we must also recognise the important contribution that the extensive voluntary and community sector in Kent can make. The current plan is that following publication of the Case for Change the formal consultation on proposals in East Kent and Kent and Medway wide stroke and vascular services will be put to the public later this year, followed by a second wave of proposals for other areas and services in due course.

6. STP Enablers

- 6.1 The STP identifies that in order to support the delivery of the emerging care models that there are a number of key enablers which are fundamental to success. The STP identifies that the appropriate approach to workforce, estates, digital, back office infrastructure and the way that we commissioning will be significant factors in transforming the way that we deliver services in response to the case for change. Dedicated work streams have been established to support the emerging clinical models to address and develop short, medium and long term strategies, key to this will be the development of an integrated approach to workforce to support of Health and Social care integration and a medical school in Kent to create clear career pathways along with the development of a long term estates investment and digital strategy across the county.

7. Conclusion

- 7.1 The STP process provides us with a rare opportunity to redesign and improve the health and social care system around the needs of the people who use it and, most importantly, deliver improved outcomes. It also enables us to ensure that the voice of social care is properly heard and recognised as an absolutely essential part of any sustainable system in the future.
- 7.2 The Kent and Medway STP has many positive features. However we should also be mindful that these changes will take time to achieve and the need for financial sustainability can sometimes affect our ability to “invest to save”. The £2.2 billion Sustainability and Transformation funding from NHS England has been very largely (£1.8 billion) devoted to servicing the debt of the main provider organisations with little left over to fund transformation. Big challenges remain but so do the opportunities. The workthe council has already done to transform its social care services provides a very good example of what can be achieved and all of these lessons will be incorporated into the further development of Local Care. Through the STP we can bring together all the relevant organisations and align how they spend their resources much more effectively. By spending the joint Kent Health and Social Care budget more wisely we can make sure we generate the best possible value as well as better outcomes for our population.

8. Recommendation

| | |
|-----|---|
| 8.1 | The County Council is asked to ENDORSE the approach being taken towards the development of the Kent and Medway Sustainability and Transformation Plan. |
|-----|---|

9. Background Documents

Draft Sustainability and Transformation Plan for Kent and Medway. Extract attached as Appendix. Full version found at:

http://www.kent.gov.uk/_data/assets/pdf_file/0018/65205/The-STP-draft-plan.pdf

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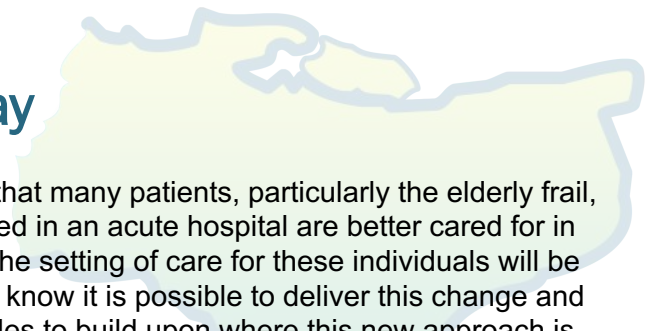


Transforming health and social care in Kent and Medway

Sustainability and Transformation Plan

21st October 2016

Work in progress



Transforming Health and Social Care in Kent and Medway

Kent and Medway, like other parts of England, have the challenge of balancing significantly increasing demand, the need to improve quality of care and improve access all within the financial constraints of taxpayer affordability over the next five years. Health and social care, with partners, have come together to develop this Sustainability and Transformation Plan. We have a track record of working well together and, increasingly, of integrating our approach to benefit our population by achieving more seamless care, and workforce and financial efficiencies.

This is an exciting opportunity to change the way we deliver prevention and care to our population. We are working in new ways to meet people's needs and aspirations, ensuring an increased quality of support by a flexible NHS and social care provision.

Our main priority is to work with clinicians and the public to transform Local Care through the integration of primary, community, mental health and social care and re-orientate some elements of traditional acute hospital care into the community. This allows patients to get joined-up care that considers the individual holistically – something patients have clearly and consistently told us they want.

We believe the way to achieve this is to enhance primary care by wrapping community services around a grouping of GP practices, to support the communities they serve, and to commission and manage higher-acuity and other out-of-hospital services at scale, so that we are able to:

- meet rising demand, including providing better care for the frail elderly, end of life patients, and other people with complex needs, who are very clear that they want more joined-up care;
- deliver prevention interventions at scale, improve the health of our population, and reduce reliance on institutional care; done well this will:
- enable us to take forward the development of acute hospital care (through reducing the number of patients supported in acute hospitals and supporting these individuals in the community).

Clinical evidence tells us that many patients, particularly the elderly frail, who are currently supported in an acute hospital are better cared for in other settings. Changing the setting of care for these individuals will be truly transformational. We know it is possible to deliver this change and already have local examples to build upon where this new approach is being delivered (such as the Encompass Vanguard comprising 16 practices (170,000 patients) in east Kent who are operating as a multi-specialty community provider (MCP), providing a wide range of primary care and community services).

We also need to focus more on preventing ill-health and promoting good health and our Local Care model needs to deliver population-level outcomes through delivery at scale. This is needed to support individuals in leading healthy lives, as well as reduce demand and costly clinical interventions. We also need a disproportionate focus on the populations where health outcomes are the poorest.

In response to this, acute care will need to change to improve patient experience and outcomes; achieve a more sustainable workforce infrastructure; and make best use of our estate, reducing our environmental impact and releasing savings. We want to continue to create centres of acute clinical expertise that see a greater separation between planned and unplanned care. This would end the current pattern of much-needed surgery being delayed because of pressure on beds for non-elective patients. Through this we will deliver referral to treatment time (RTT) targets; improve workforce rotas, retention and morale; and release significant savings, alongside investment in Local Care.

This is an ambitious plan of work and we are committed to progressing it for the benefits of the people we serve.

Glenn Douglas
Senior Responsible Officer
Kent and Medway Sustainability and Transformation Plan

Executive summary (1/2)

- The Kent and Medway health and care system is seeking to deliver an integrated health and social care model that focuses on delivering high quality, outcome focused, person centred, coordinated care that is easy to access and enables people to stay well and live independently and for as long as possible in their home setting
- More than that, the system will transform services to deliver proactive care, and ensure that support is focused on improving and promoting health and wellbeing, rather than care and support that is solely reactive to ill health and disease
- Core to the model is the philosophy of health and care services working together to promote and support independence, utilising statutory, voluntary and where appropriate the independent sector to deliver the right care, in the right place, at the right time
- Our transformation plan will bring a profound shift in where and how we deliver care. It builds on conversations held with local people about the care they want and need and has the patient at its heart:
 - Our first priority is developing **Local Care**, building on local innovative models that are delivering new models of care, which brings primary care general practices into stronger clusters, and then aggregating clusters into multispecialty community provider (MCP) type arrangements, and, potentially, into a small number of larger accountable care organisation (ACO) type arrangements that hold capitated budgets
 - Local Care will enable services to operate at a scale where it will be possible to bring together primary, community, mental health and social care to develop truly integrated services in the home and in the community
 - This model will manage demand for acute services, enabling significant reductions in acute activity and length of stay which amount to ~£160m of net system savings by 2020/21 and relieve pressure on our bed base
 - We have also therefore committed to a Kent and Medway-wide strategy for **Hospital Care**, which will both ensure provision of high-quality specialist services at scale and also consider opportunities to optimise our service and estate footprint as the landscape of care provision becomes more local
 - Work is ongoing to surface potential opportunities and evaluate them ahead of public consultation from June 2017

Executive summary (2/2)

- Over the last year we have built the new working relationships and launched the discussions which enable us to work at a greater scale and level of impact than before.
- In recent months we have made dramatic improvements in our STP, moving from a fragmented and unsustainable programme to one which has a truly transformational ambition, engages health and social care leaders from across the footprint, has robust governance oversight, and brings the system back towards sustainability.
- Our plan aims for a radical transformation in our population's health and wellbeing, the quality of our care, and the sustainability of our system by targeting interventions in four key areas:

Care Transformation

Preventing ill health, intervening earlier and bringing excellent care closer to home

Productivity

Maximising synergies and efficiencies in shared services, procurement and prescribing

Enablers

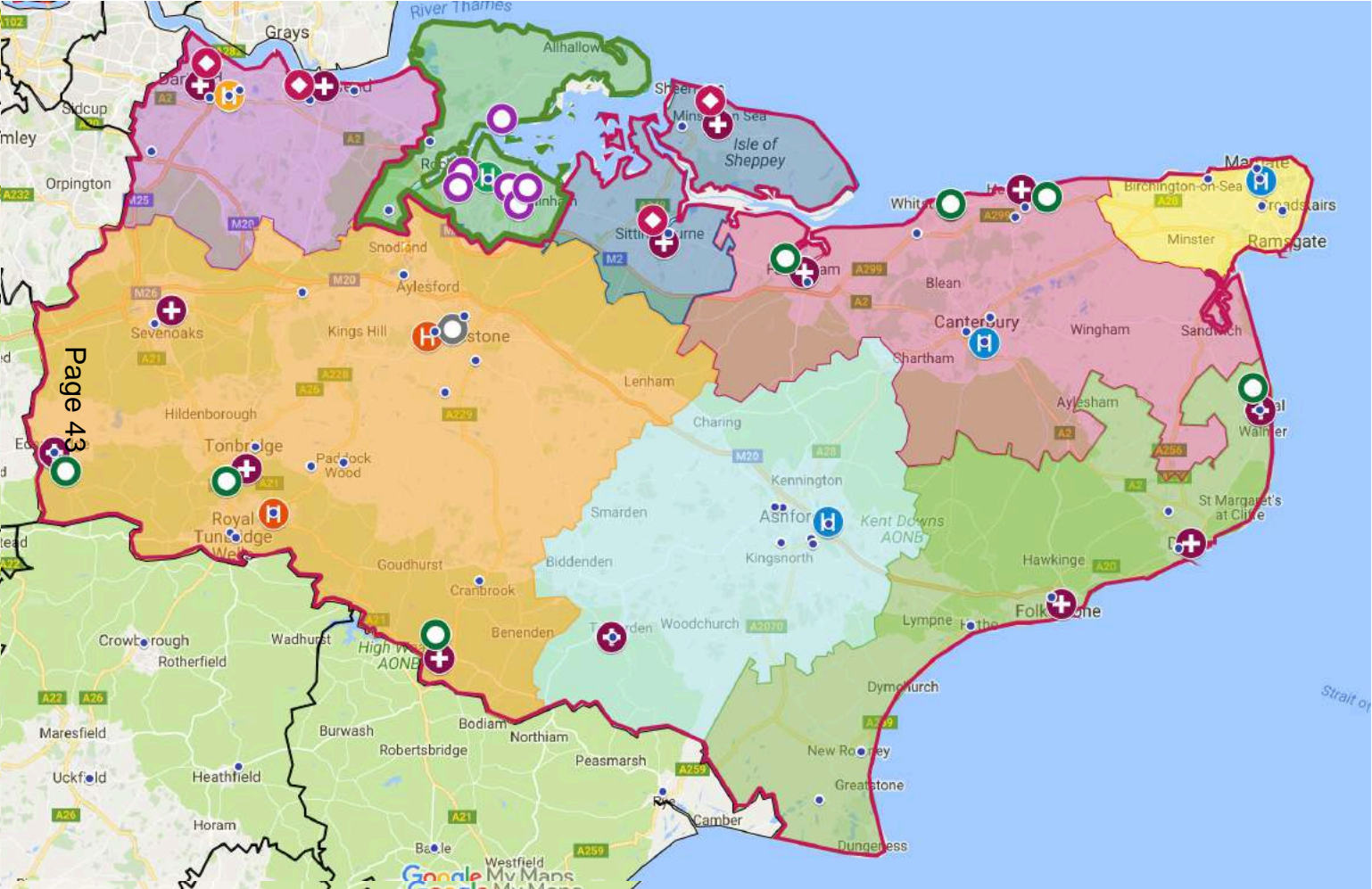
Investing in estates, digital infrastructure and the workforce needed to underpin a high-performing system

System Leadership

Developing the commissioner and provider structures which will unlock greater scale and impact

- Our financial strategy now directs the system back to sustainability, closing a £486m do-nothing financial challenge (including social care pressures) to a remaining £29m challenge in 2020/21. The remaining £29m challenge is associated to financial pressures that arise as a result of the Ebbsfleet Health New Town Development.
- Working with health and social care professionals, patients and the public, we are continuing to develop our plan and design the transformation programme which will deliver it
- We anticipate that some elements of the core transformation will influence 2017/18 operational planning and that a first wave of holistic transformation will launch in 2018

We are eight CCGs, 7 NHS providers and two local authorities, joining together with other partners, to transform health and care in Kent & Medway



- H D&G NHS Trust
- H EKHU NHS FT
- H Medway NHS FT
- H MTW NHS Trust
- + Kent community hospitals
- Kent and Medway NHS and Social Care Partnership Trust
- Medway Community Healthcare services
- Kent Community Healthcare Foundation NHS Trust
- ◊ Virgin Health
- South East Coast Ambulance Service NHS Foundation Trust

Local Authorities:

- Kent County Council
- Medway Council

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Since June we have made great strides in strengthening our change programme and raising our joint ambition

Previous position

How we are strengthening the programme

Programme development

- Programme lacked a robust and active set of workstreams aligned with strategic priorities
- No PMO to drive progress

- ✓ Workstreams mobilising around core priorities, with SROs now all in place and PIDs being completed
- ✓ PMO established with interim external support

Financial sustainability

- Plan did not balance, leaving a £196m NHS gap before STF allocation

- ✓ Analytical work undertaken across Kent and Medway has indicated significantly higher potential to transform the way we deliver health and care
- ✓ Our financial framework is now close to balance

System leadership and relationships

- Two-speed programme with little strategic work completed across Kent and Medway
- Insufficient governance

- ✓ Commitment from leaders across the STP footprint to work together and drive further, faster
- ✓ Alignment around joint consultation timeline
- ✓ Strengthened governance arrangements in place

Communication

- Varying levels of communication with wider stakeholders beyond senior system leaders

- ✓ Consensus across all organisations around STP
- ✓ STP rationale and benefits communicated to staff, public, stakeholders and media in letter signed by leaders
- ✓ Comprehensive communications and engagement plan in place to March 2017 (incl. key stakeholders and timing)

We believe that health and care in Kent and Medway needs to change



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Case for change

- Our population is expected to **grow by 90,000 people** (5%) over the next five years; 20,000 of these people are in the new town in Ebbsfleet. Growth in the number of over 65s is **over 4 times greater** than those under 65; an aging population means **increasing demand for health and social care**.
- There are **health inequalities** across Kent & Medway; in Thanet, one of the most deprived areas of the county, a woman living in the best ward for life expectancy can expect to live **almost 22 years longer** than a woman in the worst. The main causes of early death are **often preventable**.
- Over **500,000 local people live with long-term health conditions**, many of which are preventable. And many of these people have multiple long-term health conditions, dementia or mental ill health.

- There are many people who are **in hospital beds who could be cared for nearer to home**. Being in a hospital bed **for too long is damaging for patients** and increases the risk of them ending up in a care home.
- We are **struggling to meet performance targets** for cancer, dementia and A&E. This means people are not seen as quickly as they should be.
- Many of our local hospitals are in 'special measures' because of **financial or quality pressures** and numerous local nursing and residential homes are **rated 'inadequate' or 'requires improvement'**.

- We are **£109m 'in the red'** and this will rise to **£486m by 20/21** across health and social care if we do nothing.
- Our **workforce is aging** and we have difficulty recruiting in some areas. This means that **senior doctors and nurses are not available** all the time.

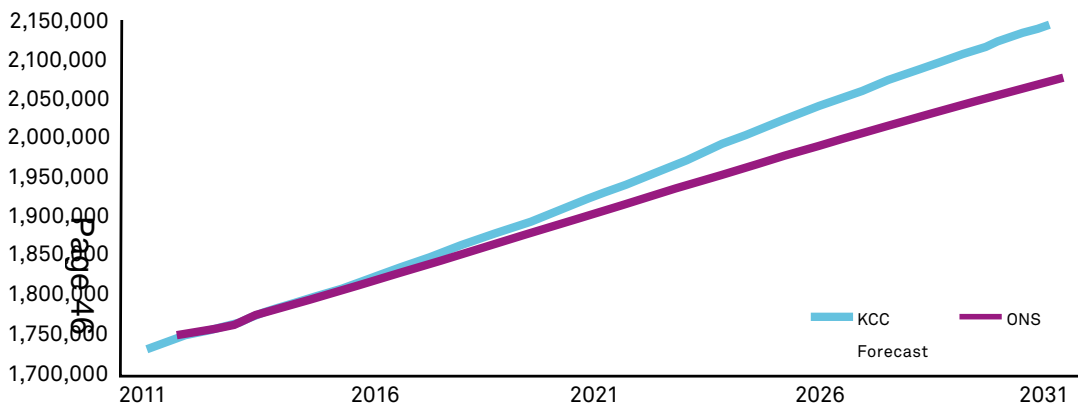
Our ambition

- Create services which are able to meet the needs of our changing population
- Reduce health inequalities and reduce death rates from preventable conditions
- More measures in the community to prevent and manage long-term health conditions
- Make sure people are cared for in clinically appropriate settings
- Deliver high quality and accessible social care across Kent and Medway
- Reduce attendance at A&E and onward admission at hospitals
- Support the sustainability of local providers
- Achieve financial balance for health and social care across Kent and Medway
- To attract, retain and grow a talented workforce

Kent and Medway population is set to grow rapidly, faster than ONS projections

Housing developments will bring a higher population than ONS projections

Population growth forecast, Kent, KCC estimate vs. ONS



- Kent and Medway has planned significant housing growth (aimed at commuters and new families)
- The Kent and Medway Growth and Infrastructure Framework (KMGIF) has projected 188,200 new homes and 414,000 more people incremental to ONS projections
- Expected that the new population will place pressure on paediatric and maternity care especially

Ebbsfleet Health Garden City brings an additional pressure

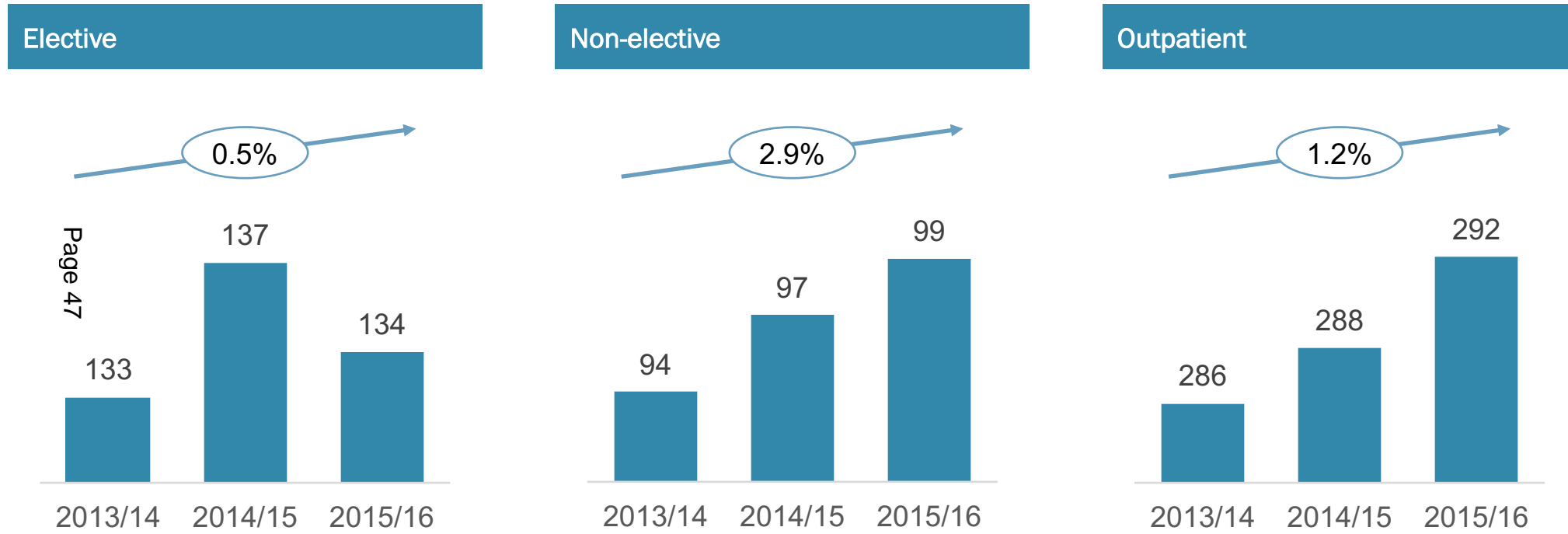


- Ebbsfleet Healthy Garden City and wider local housing developments will grow Dartford, Gravesham and Swanley CCG population especially
- Population expected to grow by 21,000 by 2020/21
- Work by local NHS organisations suggests £28m health care commissioner pressure and £75m provider capital needs

The rate at which our growing population uses services is also rising, placing further pressure on services

Example: Acute activity per 1,000 population, Kent and Medway

- CAGR, %



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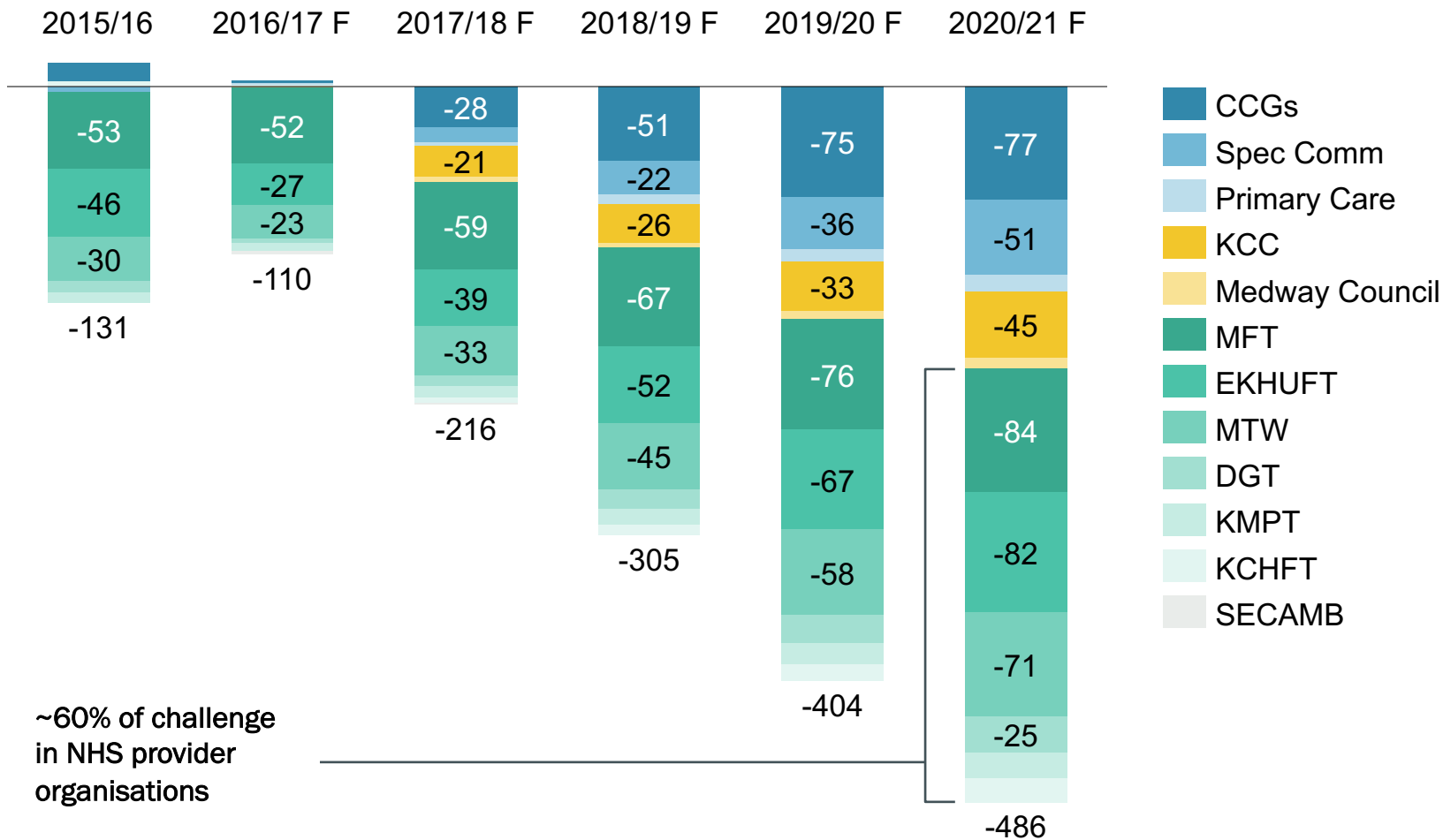
Notes: 1 Right Care peers for each K&M CCG selected and peer activity data aggregated, weighting by population
Source: MAR Data, Carnall Farrar analysis

Increasing demand is set to widen a £110m system deficit in 2016/17 into a £486m financial challenge by 2020/21 if nothing is done

£ Millions, health and social care system surplus/deficit, assuming ONS population growth

Kent & Medway system financial position, split by organisation

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Note: 'No nothing' scenario is hypothetical; local authorities in particular confirm their statutory obligation and commitment not to run a deficit
 Source: Kent and Medway STP Finance Group

We are pursuing transformation around four themes to tackle these challenges

Care Transformation

We are transforming our care for patients, moving to a model which prevents ill health, intervenes earlier, and delivers excellent, integrated care closer to home.

This clinical transformation will be delivered on four key fronts:

- **Prevention:** Enlisting public services, employers and the public to support health and wellbeing, with efforts to tackle the future burden of cardiovascular disease and diabetes
- **Local care:** A new model of care closer to home for integrated primary, acute, community, mental health and social care
- **Hospital transformation:** Optimal capacity and quality of specialised, general acute, community and mental health beds
- **Mental health:** Bringing parity of esteem, integrating physical and mental health services, and supporting people to live fuller lives

Productivity

We can achieve more collectively than we can as individual organisations.

This applies most immediately for Providers in Kent & Medway as they look to realise efficiencies and productivity improvements in non-clinical settings.

Learning the lessons from the Carter Review, we will undertake a programme to identify, quantify and deliver savings through collaborative provider productivity addressing the following areas:

- **CIPs and QIPP delivery**
- **Shared back office** and corporate services (e.g., Finance, Payroll, HR, Legal)
- **Shared clinical services** (e.g. Pathology integration)
- **Procurement** and supply chain
- **Prescribing**

Enablers

We need to develop three strategic priorities to enable the delivery of our transformation:

- **Workforce:** Transforming our ability to recruit, inspire and retain the skilled health and care workers we need to deliver high-quality services – including partnership with local universities to develop a medical school
- **Digital:** Unifying four local digital roadmaps within a single Kent and Medway digital framework, which both informs and is informed by the strategic clinical models we are implementing
- **Estates:** Achieving 'One Public Estate' by working across health organisations and local authorities to find efficiencies, deliver new models of care, and develop innovative ways of financing a step change in our estate footprint

System Leadership

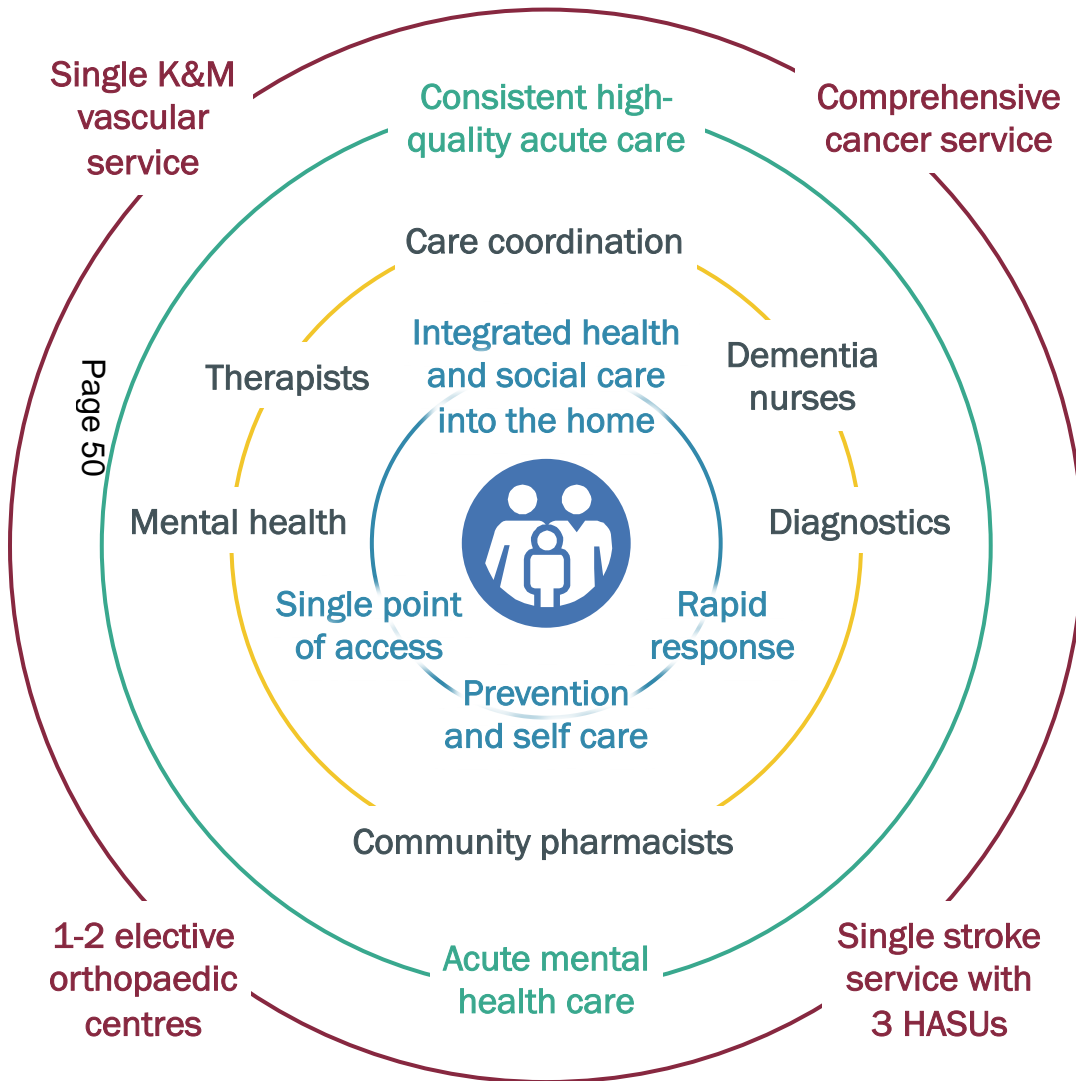
A critical success factor of this programme will be system leadership and system thinking. We have mobilised dedicated programmes of work to address:

- **Commissioning transformation:** Enabling plans for the future to be shaped by health and social care professionals, the public, patients, carers and stakeholders in an open and honest way, and responding to concerns
- **Communications and engagement:** Ensuring consistent communications and inclusive engagement which inform and include all key stakeholders in the design and development of the STP

We are currently designing a workstream to consider provider organisational form and develop the strategy to sustaining innovative provider models of care, including Accountable Care Organisations (ACOs).

Our vision for care has the patient at its core

Kent and Medway Future Care Model



How health and care services will work for patients

- Your own bed is the best bed: only the most seriously injured or ill will ever spend more than a few days in an acute hospital due to their need to be under the care of a consultant
- Teams will support frail older people and people with complex needs, including those reaching the end of their lives at home whenever possible to maximise their quality of life
- Health and social care teams will support people at home, providing care, treatment and support round-the-clock, including in a crisis – and will be based in GP practices and community hubs
- People in Kent and Medway will take good care of themselves and of each other – taking charge of their health and wellbeing, avoiding preventable illnesses, and being experts on their own health, knowing when they can manage and when they need to contact a professional
- People will have planned surgery under conditions that maximise their recovery, including improved health before their operation

We are enlisting the whole Kent and Medway community in improving health and wellbeing through our prevention programme

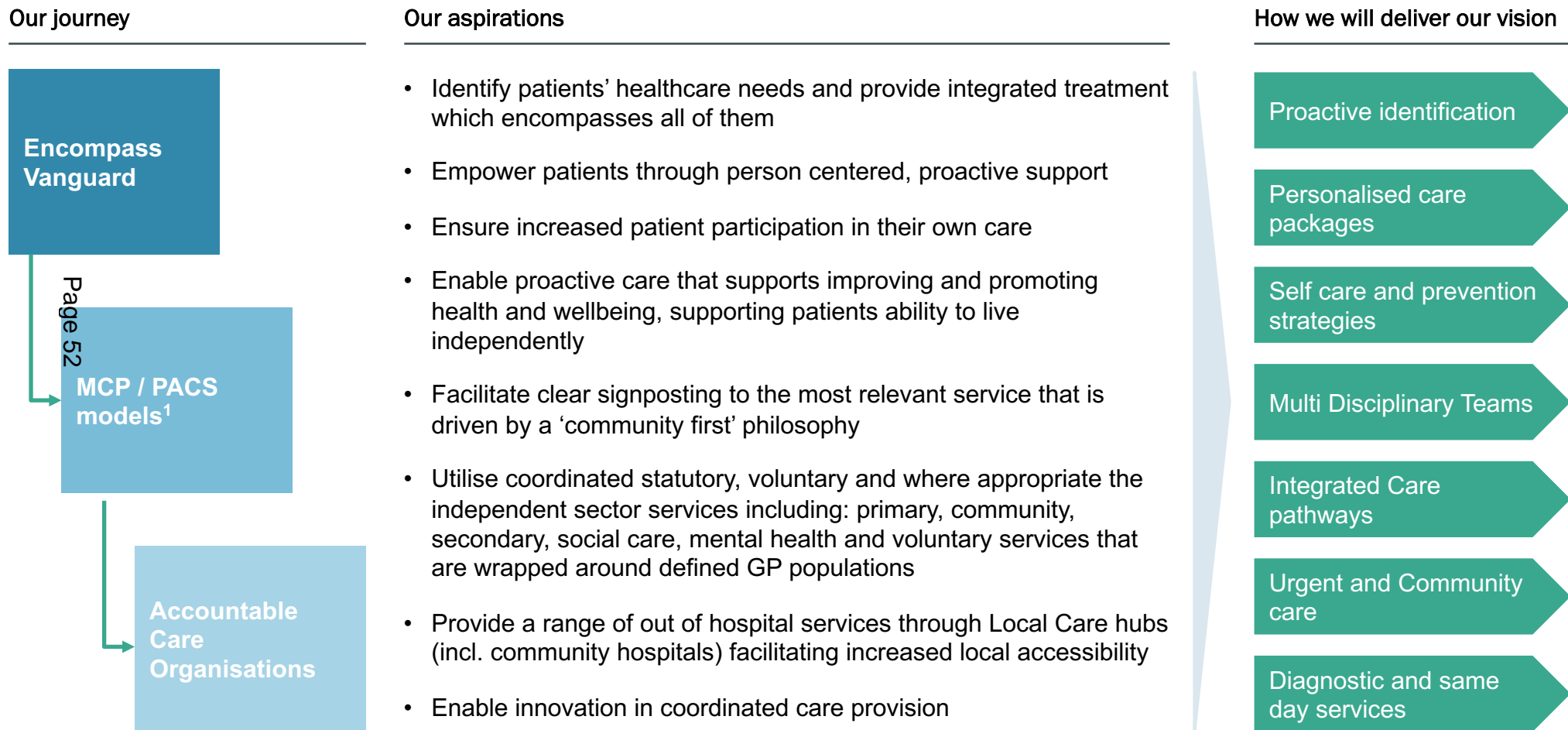
Our vision

- Improve health and wellbeing for our population, reducing their need for health and care services
- We aim to make this vision the responsibility of all health and social care services, employers and the public
- We will achieve this by:
 - delivering workplace health initiatives, aimed at improving the health of staff delivering services;
 - industrialising clinical treatments related to lifestyle behaviours and treat these conditions as clinical diseases;
 - treating both physical and mental health issues concurrently and effectively; and
 - concentrating prevention activities in four key areas

Our prevention priorities

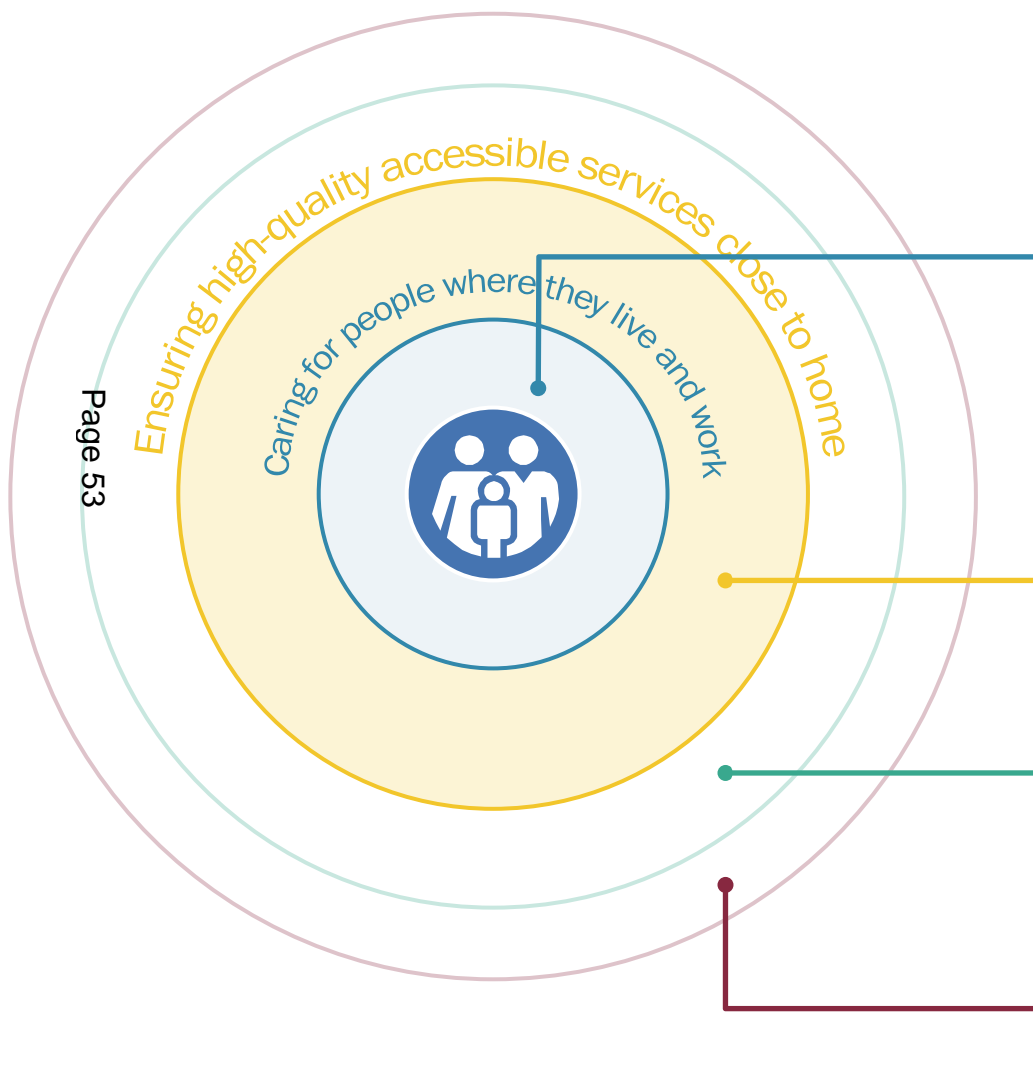
- **Obesity and Physical Activity:** ‘Let’s Get Moving’ physical activity pathway in primary care at scale across Kent and Medway. Increase capacity in Tier 2 Weight Management Programmes from 2,348 to 10,000
- **Smoking Cessation and Prevention:** Acute trusts becoming smoke-free with trained advisors, tailored support for the young and youth workers, pregnant and maternal smokers and people with mental health conditions.
- **Workplace Health:** Working with employers on lifestyle interventions and smoking and alcohol misuse, providing training programmes for improved mental health and wellbeing in the workplace
- **Reduce Alcohol-Related Harms in the Population:** ‘Blue Light initiative’ addressing change-resistant drinkers. ‘Identification and Brief Advice’ (IBA) in hospitals (‘Healthier Hospitals initiative’) and screening in GPs. Alcohol health messaging to the general population

Local Care aims to improve health, support independence and reduce reliance on hospitals through transformational, integrated health and social care



Note: 1 Multispecialty Community Providers and Primary and Acute Care Systems

Our Local Care model will be delivered across Kent and Medway through a series of strategic interventions both close to home and beyond

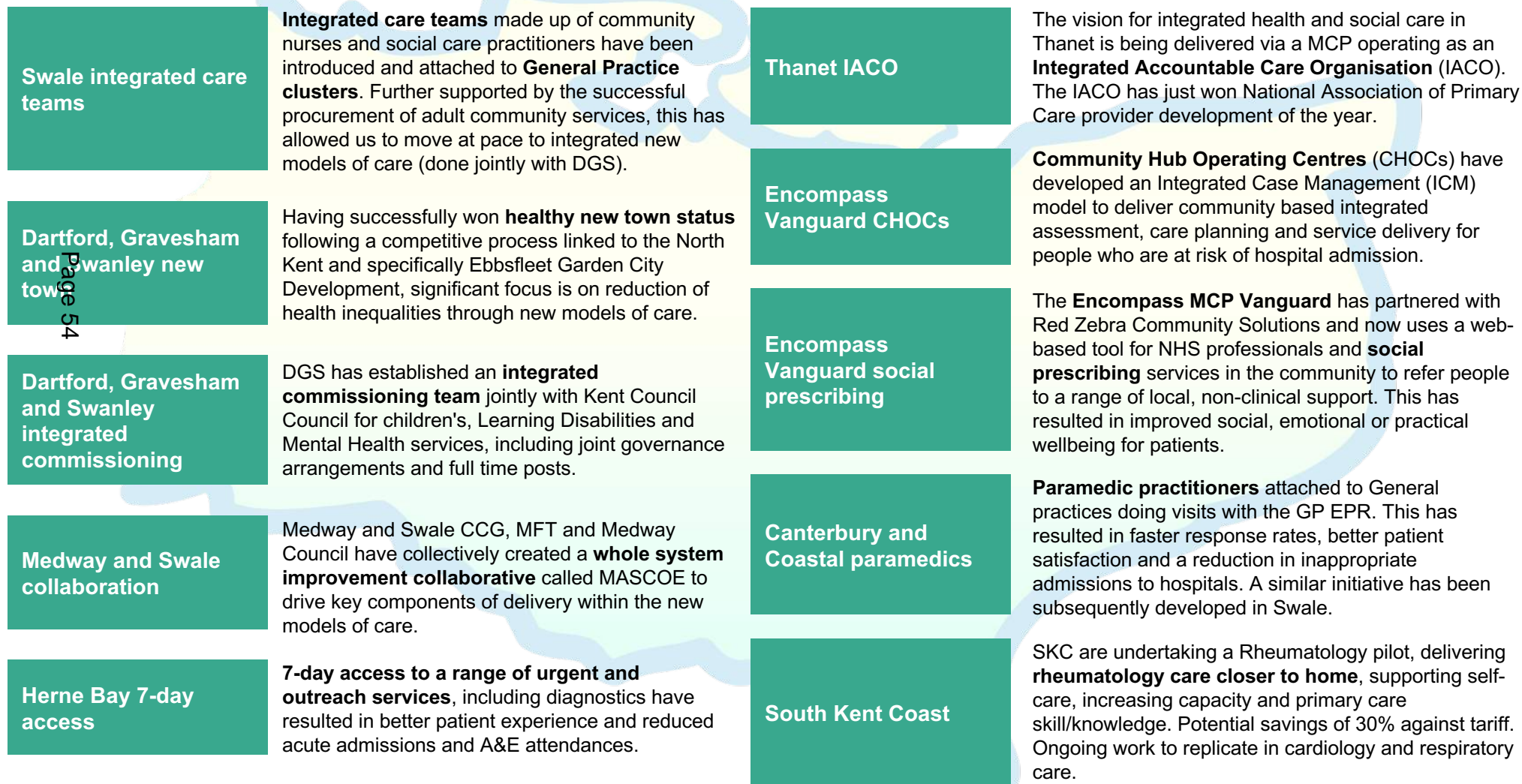


Key interventions

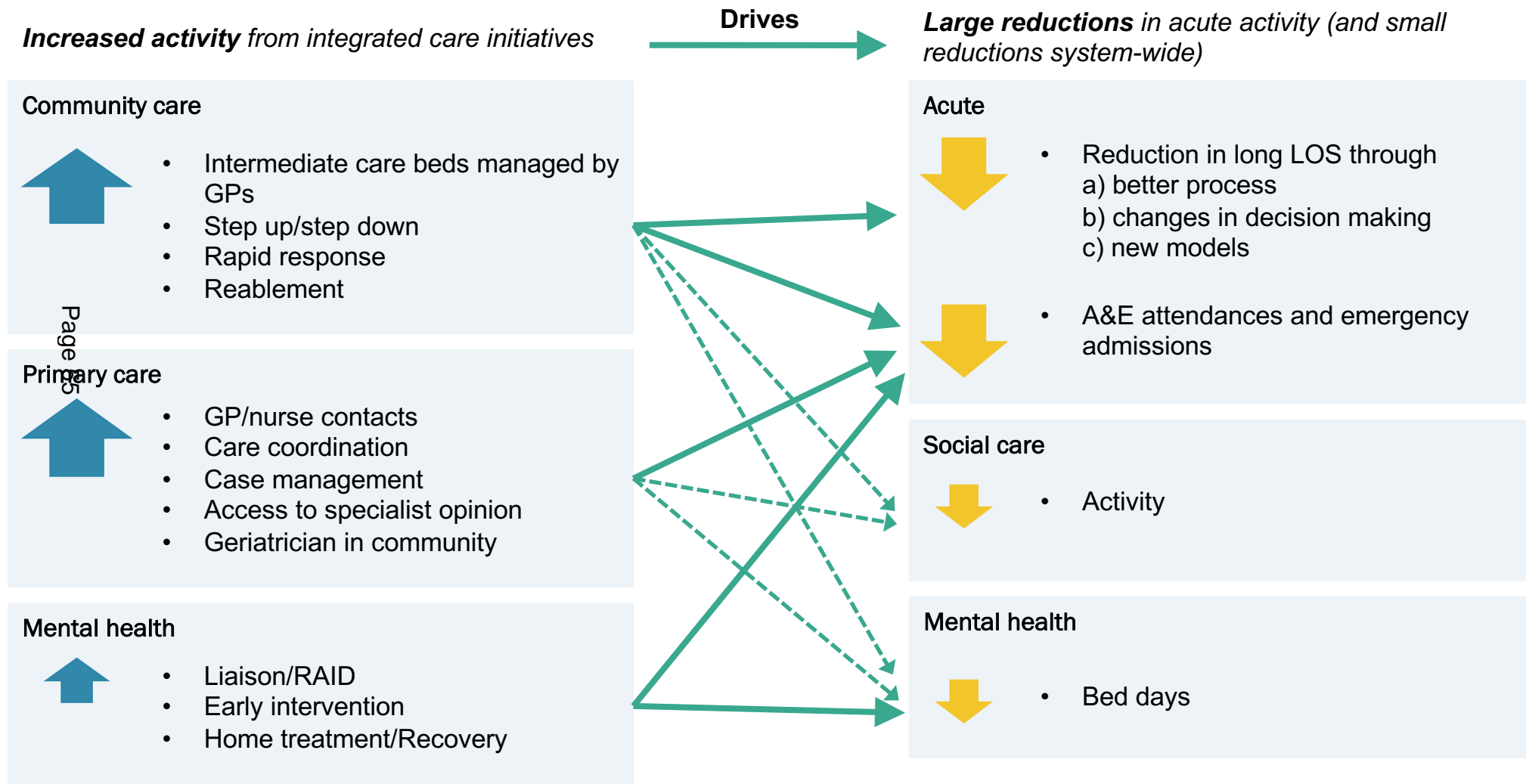
- 1 Support people and their carers to improve and maintain health and wellbeing by building knowledge and changing behaviours
- 2 Bring integrated health and social care into the home
- 3 Provide rapid response service to get a community nurse to home within 2 hours and avoid ambulance or admission
- 4 Provide single point of access to secure any community and social care package
- 5 Care coordination, planning and management around GP practices and community services
- 6 Access to expert opinion without referral for outpatient appointment, including making use of GPSI and advanced nurse and therapist roles
- 7 Facilitation of transitions of care incl. discharge planning
- 8 Mental health liaison

Innovative interventions are also being developed and delivered locally to meet population needs

Selection of local interventions



Growing our Local Care model will enable a change in care setting and drive large reductions in acute activity



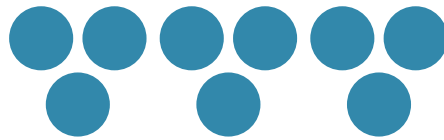
We are delivering Local Care by scaling up primary care into clusters and hub-based Multispeciality Care Provider models

Local Care infrastructure

Description

Population served

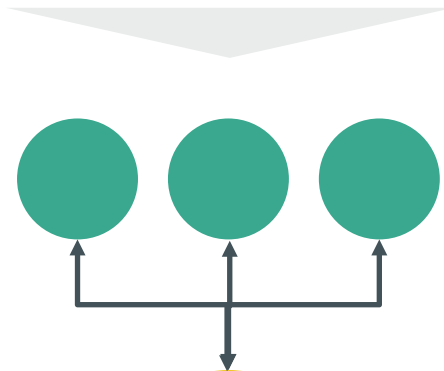
GP practices



- Individual GP practices providing limited range of services
- Many working well at scale, others struggling with small scale and related issues incl. workforce

- Various

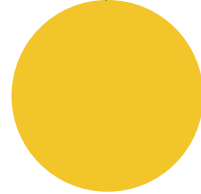
Tier 1
Extended Practices with community and social care wrapped around



- Larger scale general practices or informal federations
- Providing enhanced in-hours primary care and enable more evening and weekend appointments.

- 20 – 60k

Tier 2
MCPs/PACS based around community hubs



- Multi-disciplinary teams delivering physical and mental health services locally at greater scale
- Seven day integrated health and social care

- 50 – 200k

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By: Mr Matthew Balfour, Cabinet Member for Environment and Transport
Ms Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: County Council meeting – 16 March 2017

Subject: Select Committee: Bus Transport

Summary: To comment on and endorse the report of the Select Committee on Bus Transport.

1. Introduction

Bus services are key to providing a transport network that enables access to employment, education, retail, leisure and health services in the county. As the local transport authority for Kent, Kent County Council is responsible for promoting and improving the social, economic and environmental wellbeing of the area and for implementing local transport schemes that support these long-term objectives.

Although KCC does not directly influence the provision of commercial bus services, it does work closely with private bus operators to improve the quality of services and to ensure that the highway network is planned and managed effectively. For the last 30 years KCC has also subsidised a number of routes which, while not commercially viable, have been considered important to the needs of the communities and passengers they serve.

While KCC has endeavoured to protect these subsidies, significant budget pressures now require a careful consideration of the extent to which the Authority can afford to support local bus transport. This provides an opportunity for the Select Committee to examine the current delivery model of local bus transport, assess the extent to which KCC can afford to support this model, and explore the viability and effectiveness of alternative models.

The timing of the review is appropriate; the recent Bus Services Bill offers a number of tools to help local authorities and bus operators to unlock the potential of the bus industry to provide more efficient and effective services that meet the needs of the county.

2. Select Committee

2.1 Membership

The Chairman of the Select Committee was Mr Alan Marsh (Conservative). Other members of the Committee were Mr Mike Baldock (UKIP), Mr Andrew Bowles (Conservative), Mr Colin Caller (Labour), Mr Ian Chittenden (Liberal Democrat), Mr Mike Harrison (Conservative), Mr Geoff Lymer (Conservative), Mr Brian MacDowall (UKIP) and Mrs Jenny Whittle (Conservative).

2.2 Terms of Reference

The agreed terms of reference were:

- To examine the current delivery model of local bus transport in Kent.
- To assess the extent to which KCC can prioritise support of the current delivery model of local bus transport in Kent, while having due regard to the resource implications and the budget setting processes.
- To explore whether alternative models of local bus transport delivery are available and, if so, to consider their viability and effectiveness.
- To consider the implications of the recent Bus Services Bill for bus transport in Kent.
- To make recommendations after having gathered evidence and information throughout the review.

2.3 Evidence

The Bus Transport Select Committee conducted its evidence gathering programme between September and November 2016. The Select Committee held nineteen hearings, from which it collected a wealth of information and evidence from a variety of sources, including:

- Kent residents
- Representatives of local bus operators
- National level organisations representing bus passengers' interests
- Consultants
- Other local authorities
- KCC officers.

Full details of all the oral evidence received by the Committee are available online. (<https://democracy.kent.gov.uk/ieListMeetings.aspx?CId=874&Year=0>)

This oral evidence was complemented by extensive written evidence and by one visit. Literature stemming from desktop research was also used to inform the review.

A list of the witnesses who provided oral and written evidence can be found in Appendix 1.

3. The Report

The Select Committee approved its report at a formal meeting on 2 March 2017. The executive summary of the report is attached in Appendix 2. A copy of the full report is available online (please see the link below) or via the Select Committee Research Officer (details below).

(http://www.kent.gov.uk/_data/assets/pdf_file/0005/67784/Bus-Transport-Select-Committee-Report.pdf)

4. Next Steps

The Cabinet Member will ask officers to produce an implementation plan to share with the Scrutiny Committee around June 2017. In the meantime, the Cabinet Member will take forward more immediate actions, such as writing to the Secretary of State for Transport regarding the English National Concessionary Travel Scheme (ENCTS) and the Bus Services Bill.

5. Conclusion

The Cabinet Member for Environment and Transport welcomes the report, applauds its pragmatism and would like to congratulate the Select Committee on completing this piece of work.

He would also like to thank all the witnesses who gave evidence to the Select Committee and the officers who supported it.

5. Recommendations

5.1 The Select Committee be thanked for its work and for producing a relevant and balanced document.

5.2 The witnesses and others who provided evidence and made valuable contributions to the Select Committee be thanked.

5.3 County Council's comments on the report be noted and the report endorsed.

Select Committee Research Officer:

Gaetano Romagnuolo
Research Officer – Overview and Scrutiny
gaetano.romagnuolo@kent.gov.uk
03000 416624

Evidence

Oral Evidence

The list includes a summary of the key topics discussed in each session.

Tuesday 27 September 2016

- **Phil Lightowler, Head of Public Transport, Kent County Council**
 - Legislation and regulations in relation to bus transport in the UK
 - Overview of the structure and operation of the current model of bus transport in Kent

- **Matthew Balfour, Cabinet Member for Environment and Transport, Kent County Council**
 - KCC's main responsibilities in relation to the delivery of bus transport in Kent
 - Discussion of the main achievements and challenges associated with local bus services

Friday 30 September 2016

- **Philip Norwell, Managing Director, Stagecoach South East**
 - Overview of the structure and operations of Stagecoach in Kent
 - Roles and responsibilities of Stagecoach in relation to the delivery of bus transport in Kent
 - Key opportunities and challenges facing Stagecoach
 - Views on the opportunities and challenges associated with the Bus Services Bill

- **Mike Bartram, Bus Policy Advisor, Transport Focus**
 - Bus passengers' priorities for bus service improvement
 - Extent of passengers' engagement in decisions about bus service delivery
 - Views on the opportunities and challenges associated with the Bus Services Bill

- **James Coe, Policy and Public Affairs Executive, Community Transport Association**
 - Main issues and opportunities associated with the provision and delivery of community transport
 - Role of access, inclusion and social value in bus transport delivery models
 - The Bus Services Bill and community consultation

Monday 10 October 2016

- **Phil Lightowler, Head of Public Transport, Kent County Council**
 - Main concessionary travel schemes supported by KCC
 - Criteria adopted by KCC to determine its bus services' support
- **Norman Kemp, Co-owner, Nu-Venture, and Chair of the Kent & Medway branch of the Confederation of Passenger Transport**
 - Overview of the structure and operations of Nu-Venture in Kent
 - Main challenges and opportunities faced by smaller bus operators in Kent
 - The effects of the Bus Services Bill on smaller bus operators
- **Anne Clark, Managing Director, MCL Transport Consultants**
 - Operation of KCC concessionary travel schemes
 - Views on the opportunities and challenges associated with the Bus Services Bill
- **Claude Evele, Joseph Horsnell, Arpana Rai and Charlotte Swaine, Kent Youth County Council Transport Committee**
 - Key local bus transport issues from young persons' perspectives
 - Opportunities and challenges associated with the Kent Young Person's Travel Pass

Tuesday 18 October 2016

- **Keith Harrison, Chief Executive of Action with Communities in Rural Kent (ACRK)**
 - Bus service provision in rural Kent
 - Main issues and opportunities associated with the provision and delivery of community transport in Kent
 - Main benefits and challenges associated with the Bus Services Bill
- **Dai Powell, Chief Executive, and Julia Meek, Head of Business Development, HCT Group**
 - Outline of the HCT Group in terms of its operations and objectives
 - Account of the States of Jersey's model of bus transport and of HCT Group's experience of the franchising process
 - Main benefits and challenges associated with the Bus Services Bill

- **Cllr Bernard Heyes, and Chris Miller, Parking, Highways and Transportation Manager, Ashford Borough Council**

- Outline of the structure and main operations of the Ashford Quality Bus Partnership
- Key achievements of the Partnership
- Key challenges facing the Partnership
- Views on the Bus Services Bill

Tuesday 25 October 2016

- **Heath Williams, Regional Managing Director for Arriva Southern Counties**

- Overview of the structure and operations of Arriva in Kent
- Roles and responsibilities of Arriva in relation to the delivery of bus transport in Kent
- Key opportunities and challenges facing Arriva
- Main benefits and challenges associated with the Bus Services Bill

- **Ruth Goudie, Senior Transportation Officer, Canterbury City Council**

- Outline of the structure and main operations of the Canterbury Quality Bus Partnership
- Key achievements of the Partnership
- Key challenges facing the Partnership
- Views on the Bus Services Bill

- **Stephen Joseph, Chief Executive, Campaign for Better Transport**

- Bus passengers' priorities for bus service improvement
- Extent of passengers' engagement in decisions about bus service delivery
- Views on the opportunities and challenges associated with the Bus Services Bill

Friday 28 October 2016

- **Stephen Elsdon, Chief Executive, Compaid, and Steve Pay, Public Transport Planning and Operations Manager, Kent County Council**

- Outline of the main services provided by Kent Karrier and Compaid
- Extent of KCC's involvement in the operation and delivery of local community transport schemes
- Main issues and opportunities associated with the provision and delivery of local community transport
- Local community transport and information sharing

- **Diana Beamish, Jean Bentley, Brian Gasson, Frank McConnell and Veronica McGannon, Sevenoaks District Seniors Action Forum**
 - Importance of bus transport and concessionary bus travel schemes to senior Kent residents
 - Views on the current quality of local bus service provision
 - Extent to which current bus service provision meets the needs of Kent communities
 - Extent of Kent residents' engagement in decisions about local bus service delivery

- **Councillor David Burton, Maidstone Borough Council**
 - Outline of the structure and main operations of the Maidstone Quality Bus Partnership
 - Key achievements of the Partnership
 - Key challenges facing the Partnership
 - Views on the Bus Services Bill

Wednesday 2 November 2016

- **Phil Lightowler, Head of Public Transport, Steve Pay, Public Transport Planning and Operations Manager, and Dan Bruce, Infrastructure and Development Senior Officer, Kent County Council**
 - Session to discuss and clarify any final issues

Written Evidence

- **Mike Bartram, Bus Policy Adviser, Transport Focus**
- **James Coe, Policy and Public Affairs Executive, Community Transport Association**
- **East Kent Seniors Forum**
- **Roland Eglington, Commercial Director, Chalkwell**
- **Stephen Elsdon, Chief Executive, Compaid**
- **Ruth Goudie, Senior Transportation Officer, Canterbury City Council**
- **Keith Harrison, Chief Executive of Action with Communities in Rural Kent (ACRK)**

- **Cllr Bernard Heyes, Ashford Borough Council**
- **Norman Kemp, Co-owner, Nu-Venture, and Chair of the Kent & Medway branch of the Confederation of Passenger Transport**
- **Kent Youth County Council (KYCC) Transport Committee**
- **Julia Meek, Head of Business Development, HCT Group**
- **Philip Norwell, Managing Director, Stagecoach South East**
- **Oxfordshire County Council**
- **Public Transport division, Kent County Council**
- **Senior Citizens Forum for the Towns and Villages of Dover District**
- **Sevenoaks District Seniors Action Forum**
- **States of Jersey**
- **Swale Seniors Forum**
- **Tunbridge Wells Over Fifties Forum**

Visits

Friday 28 October 2016

- **Stagecoach, newly built bus depot, Herne Bay**

1. Executive Summary

1.1. Committee Membership

1.1.1. The Committee consists of nine elected Members of Kent County Council (KCC): five members of the Conservative Party, two members of the UK Independence Party (UKIP), one member of the Labour Party and one member of the Liberal Democrat Party.



Mr Mike Baldock

UKIP

Swale West



Mr Andrew Bowles

Conservative

Swale East



Mr Colin Caller

Labour

Gravesham East



Mr Ian Chittenden

Liberal Democrat

Maidstone North East



Mr Mike Harrison

Conservative

Whitstable



Mr Geoff Lymer

Conservative

Dover West



Mr Brian MacDowall

UKIP

Herne Bay



Mr Alan Marsh

Conservative (Chair)

Herne and Sturry



Mrs Jenny Whittle

Conservative

Maidstone Rural East

1.2. Scene Setting

- 1.2.1. Bus services are key to providing a transport network that enables access to employment, education, retail, leisure and health services in the county. As the local transport authority for Kent, Kent County Council is responsible for promoting and improving the social, economic and environmental wellbeing of the area and for implementing local transport schemes that support these long-term objectives.
- 1.2.2. Although KCC does not directly influence the provision of commercial bus services, it does work closely with private bus operators to improve the quality of services and to ensure that the highway network is planned and managed effectively. For the last 30 years KCC has also subsidised a number of routes which, while not commercially viable, have been considered important to the needs of the communities and passengers they serve.
- 1.2.3. While KCC has endeavoured to protect these subsidies, significant budget pressures now require a careful consideration of the extent to which the Authority can afford to support local bus transport. This provides an opportunity for the Select Committee to examine the current delivery model of local bus transport, assess the extent to which KCC can afford to support this model, and explore the viability and effectiveness of alternative models.
- 1.2.4. The timing of the review is appropriate; the recent Bus Services Bill offers a number of tools to help local authorities and bus operators to unlock the potential of the bus industry to provide more efficient and effective services that meet the needs of the county.

1.3. Terms of Reference

- 1.3.1. To examine the current delivery model of local bus transport in Kent.
- 1.3.2. To assess the extent to which KCC can prioritise support of the current delivery model of local bus transport in Kent, while having due regard to the resource implications and the budget setting processes.
- 1.3.3. To explore whether alternative models of local bus transport delivery are available and, if so, to consider their viability and effectiveness.
- 1.3.4. To consider the implications of the recent Bus Services Bill for bus transport in Kent.
- 1.3.5. To make recommendations after having gathered evidence and information throughout the review.

1.4. Scope

1.4.1. The complexity of this topic and the tight timetable for the review required a clear and focused approach. Key themes and aspects covered by the review are detailed below:

1. To examine the current delivery model of local bus transport in Kent.
 - a. To explore the structure and operation of the current model of local bus transport in Kent.
 - b. To consider the roles and responsibilities of KCC, local bus operators and partner organisations in relation to the delivery of this transport model.
 - c. The focus of the review, as agreed by the Scrutiny Committee, is on bus transport and its public subsidy. It was therefore agreed to include a consideration of the Kent Young Person's Travel Pass but to exclude an investigation of the general issue of school transport on the grounds that this is a commissioned service and, as such, entails additional complexities that are outside the review's remit.
2. To assess the extent to which KCC can prioritise support of the current delivery model of local bus transport in Kent, while having due regard to the resource implications and the budget setting processes.
3. To explore whether alternative models of local bus transport delivery are available and, if so, to consider their viability and effectiveness.
 - a. To explore whether alternative delivery models of local bus transport are available, including an investigation of the role of Community Transport.
 - b. To consider the viability and effectiveness of any models identified.
4. To consider the implications of the recent Bus Services Bill.
 - a. For bus transport in Kent.
 - b. To explore the opportunities that the Bus Services Bill offers to help local authorities and bus operators to provide more efficient and effective services in the current economic climate.
5. To make recommendations after having gathered evidence and information throughout the review.

1.5. Recommendations

The recommendations are listed in priority order.

Recommendation 16

The Select Committee endorses the Bus Services Bill and strongly supports the franchising model of bus transport in particular. The Committee recommends a full investigation into the adoption, in Kent, of the most appropriate elements of the Bill. The adoption of any element of the Bill in Kent should reflect the features highlighted by the Committee.

Recommendation 17

The Committee believes that the Bus Services Bill should extend franchising powers to all local authorities in England and Wales and should allow the formation of municipal bus companies. The Committee recommends that KCC's Cabinet Member for Environment and Transport writes to the Secretary of State for Transport expressing these views.

Recommendation 1

Kent County Council should appoint a "bus panel", composed of a number of KCC Members, to review the current method of prioritising subsidisation of socially necessary bus routes, to make sure that it reflects the current needs of local communities more accurately.

Recommendation 2

KCC's Cabinet Member for Environment and Transport should write to the Secretary of State for Transport asking for a review of the calculation of the English National Concessionary Travel Scheme (ENCTS) funding to ensure that it is sufficient to cover the cost of the scheme in Kent.

Recommendation 3

The Select Committee urges KCC's Cabinet Member for Environment and Transport to protect the discretionary element of the ENCTS scheme offered by KCC.

Recommendation 4

KCC's Public Transport division should work with bus operators to assess the viability of introducing the opportunity of upgrading the Young Person's Travel Pass to include bus travel during evenings, weekends and holidays.

Recommendation 5

KCC should:

- **Promote the establishment of a number of bus transport forums. The remit of these forums should be to discuss local bus transport-related issues and to identify possible solutions, which are then referred to Quality Bus Partnerships (QBPs) through formal communication channels.**
- **Ensure that at least one Kent County councillor is a member of each QBP, and that their attendance is formalised.**
- **Encourage all Kent QBPs to include all bus operators in their areas.**
- **Encourage all Kent QBPs to brief their respective Joint Transportation Boards on a regular basis on bus transport-related priorities, measures for intervention and achievements.**

Recommendation 6

KCC's Public Transport division should examine demand management measures, where feasible and appropriate, to ease traffic congestion and promote bus patronage in Kent.

Recommendation 7

KCC's Highways division should ensure clear lines of communication with bus operators to give them timely notification of roadworks and coordinate such programmes to minimise disruption to bus services. The Division should also investigate the feasibility of increasing the size of fines and using the income from utility companies that overrun roadworks programmes to improve the range of community bus provision for Kent residents.

Recommendation 8

KCC's Cabinet Member for Environment and Transport should lobby the Government, Network Rail and Train Operating Companies to include improved connectivity between bus and rail services in Kent as a key element of South Eastern's new franchise agreement in 2018.

Recommendation 9

KCC's Public Transport division should:

- **Seek greater financial contributions from local bus operators and businesses towards the provision and maintenance of local bus infrastructure.**

- Encourage Kent districts to make greater use of the Community Infrastructure Levy to finance local bus infrastructure schemes.

Recommendation 10

KCC's Public Transport division should strongly encourage local bus operators to:

- Extend the range of their discounted fares, particularly for those on lower incomes.
- Expand their network coverage and service frequency, especially in rural areas, to better meet the needs of local communities.

Recommendation 11

KCC's Public Transport division should identify and subsidise a number of bus services that would better serve selected rural communities and give them access to their nearest main towns on selected days.

Recommendation 12

KCC's Public Transport division should urge local bus operators to increase the deployment of smaller buses, particularly in congested Kent localities. In the case of KCC tendered services, the appropriate bus size should be specified within the commissioning process.

Recommendation 13

KCC's Public Transport division should make available an approved driving course to train a number of bus drivers to be employed by smaller bus operators in Kent.

Recommendation 14

KCC's Cabinet Member for Environment and Transport should reiterate to Arriva and Stagecoach the importance of the Connected Kent and Medway smartcard and should urge these companies to participate in the scheme.

Recommendation 15

KCC's Public Transport division should investigate:

- Extending coverage of Community Transport operations in the County.
- Acting as a single point of information for all local transport provision and developing a database which holds up-to-date information on all community transport schemes in the County.

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By: Chairman Superannuation Fund Committee

To: County Council – 16 March 2017

Subject: **LOCAL GOVERNMENT PENSION SCHEME POOLING INTER-AUTHORITY AGREEMENT**

Classification: Unrestricted

Summary: To agree the inter-authority agreement for the Council to participate in the ACCESS pool.

FOR DECISION

INTRODUCTION

1. In the summer 2015 budget the Chancellor of the Exchequer announced the Government's intention to enforce the pooling of LGPS investments. The criteria published in November 2015 required the pools to have a minimum of £25bn of assets. The drivers for the changes were to reduce cost and increased investment in infrastructure.

CURRENT POSITION

2. This Council charges the Superannuation Fund Committee with the management of the Superannuation Fund. The Fund is now valued at £5.3bn, has 120,000 scheme members and over 500 participating employers. The Kent Fund has achieved good investment returns and pays some of the lowest investment manager fees of any of the 89 LGPS funds. Whilst the Committee believes that there were other ways of achieving the Government objectives it does welcome the fact that the only change in its role is that it will not appoint investment managers directly, but it will have a strong say in who the managers are. It also welcomes the fact that the highly successful £500m direct property portfolio will remain outside the pool.
3. In late 2015 / early 2016 discussions took place with other local County Council funds and in July 2016 the ACCESS (A Collaboration of Central, Eastern and Southern Shires) was established consisting of:

| | |
|----------------|------------------|
| Cambridgeshire | Kent |
| East Sussex | Norfolk |
| Essex | Northamptonshire |
| Hampshire | Suffolk |
| Hertfordshire | West Sussex |
| Isle of Wight | |

The wider membership was required to achieve the scale required.

4. Chairmen of the 11 Fund committees have been meeting monthly and officer representatives more frequently. Government require that a pool is legally established by April 2018 based upon a Financial Conduct Authority (FCA) regulated Collective Investment Vehicle (CIV).
5. The ACCESS pool has proved to be the right pool for the Kent Fund. All 11 Funds believe in the sovereignty of the underlying Funds and the need to keep as much decision making locally and that decisions are made for the benefit of scheme members, pensions and employers. There are eight pools in total and some of these are looking to set up investment managers and take decision making away from the underlying Funds.
6. The ACCESS Chairmen believe that the Government's objectives can be achieved without the significant additional costs of the FCA regulated investment vehicle through collaborative joint procurement. This issue has been discussed with Marcus Jones MP the Local Government Minister. The Minister's position is that he does not accept that the collaborative joint procurement approach does meet the Government's objectives. At their meeting on 15 February the Chairmen agreed that they would proceed with the procurement of a FCA regulated CIV operator but they still wish to pursue the collaborative joint procurement approach further. This report is therefore written to allow the inter-authority agreement to apply on either the FCA regulated CIV operator or the collaborative joint procurement approach.

INTER-AUTHORITY AGREEMENT

7. The Monitoring officers of Governance the 11 Councils assisted by Eversheds have been tasked by the Chairmen in producing a legally binding Inter-Authority Agreement. The governing principles for the agreement agreed by the Chairmen are:
 - working collaboratively,
 - all Councils will have an equitable voice,
 - avoiding unnecessary complexity, and
 - operating economically applying VFM considerations.
8. It is proposed that the Pool will be governed by a Joint Committee constituted under S101 of the Local Government Act 1972 and made up of one elected councillor chosen by each Council from their pension committees. It is proposed that the Joint Committee will be "hosted" by Kent County Council.

COST SHARING

9. It is the aim of the ACCESS Pool that costs are shared equitably between the member funds. Some costs will be shared equally between the member funds, or costs will be shared according to the value of investments by each fund as follows:

Costs to be shared equally between the member funds:

- The pool establishment costs including strategic and technical advice, legal advice, project management costs and the costs associated with running either the procurement process to appoint a CIV Operator or to set up a collaboratively procured framework of investment managers.
- Under the CIV Operator pool model, any set-up costs charged by the Operator for the overall creation of the sub-fund structure.
- The ongoing costs of managing and governing the pool including the host authority's costs of hosting the Joint Committee and providing the secretariat function, the cost of any external advice commissioned by the Joint Committee and any re-procurement processes for either the CIV Operator or investment manager framework.

Costs in relation to funds' investments will be shared according to the value of each fund's investments, either:

- As charged by the CIV Operator for the sub-funds that each fund is invested in; or
- Charged directly to the funds by Investment Managers they have invested with through Collaborative Joint Procurement.

Other costs will not be shared and will be borne by the fund that they are incurred by, which includes:

- Each fund's costs of participating in the pool, such as attendance at meetings.
- Any transition costs of moving assets to or within the pool.

WITHDRAWAL AND TERMINATION

10. Any fund can withdraw from the IAA and therefore the ACCESS Pool by giving 12 months notice to expire on 31 March. Following the signing of the IAA, any fund that wishes to withdraw from the pool will be liable for its share of the costs (not relating directly to investments) for the remainder of the contract period of the CIV Operator or in the case of Collaborative Joint Procurement until the commitment period for any open frameworks expires, unless otherwise agreed by the Joint Committee.

OTHER PROVISIONS

11. The IAA will cover a number of other standard areas including dispute resolution, information and confidentiality, data protection, freedom of information, equal opportunities, and change in identity of Administering Authorities.

TIMESCALES

12. The Government requires LGPS funds to begin transferring their investments into pools by no later than April 2018. In order for the ACCESS Pool to meet this deadline, the procurement processes will need to commence in or around April 2017. The ACCESS Pool has committed to move forward in a way that will enable either proposal to meet the Government's April 2018 deadline.
13. It is therefore necessary to seek decisions now to enable establishment of the Joint Committee and commence the procurement processes for either proposal. To achieve this, it is necessary for all of the ACCESS Authorities to make decisions at Council meetings in February / March 2017.
14. This approach was endorsed by the Superannuation Fund Committee at its meeting on 10 February.

RECOMMENDATION

15. Council is asked to agree:
 - (1) That authority is delegated to the Corporate Director Finance and Procurement, in consultation with the Chairman of the Superannuation Fund Committee to agree the approach to pooling that County Council will take, based upon the Government's responses to the two options put forward by the ACCESS Pool and the views of the local authorities that make up the ACCESS Pool.
 - (2) If the Corporate Director Finance and Procurement, in consultation with the Chairman of the Superannuation Fund Committee agrees to adopt pooling based on the use of a CIV Operator, then authority is delegated to the Corporate Director Finance and Procurement in consultation with the Chairman of the Superannuation Fund Committee, to finalise and agree the terms of an IAA to implement this model, and the Council resolves to delegate the functions to the Joint Committee as specified in Appendix 2 with effect from the date of execution of the IAA;
 - (3) If the Corporate Director Finance and Procurement, in consultation with the Chairman of the Superannuation Fund Committee agrees to adopt pooling based on Collaborative Joint Procurement, then authority is delegated to the Corporate Director Finance and Procurement in consultation with the Chairman of the Superannuation Fund Committee to finalise and agree the terms of an IAA to implement this model and the Council resolves to delegate the functions to the Joint Committee as specified in Appendix 3 with effect from the date of execution of the IAA; and

- (4) That authority is delegated to the General Counsel to make consequential amendments to the County Council's Constitution to reflect the agreed approach to pooling and the creation of the Joint Governance Committee. Any amendments to the Constitution will be reported to a future meeting of the County Council.

Nick Vickers
Business Partner (Pension Fund)
Tel: 03000 416797
E-mail: nick.vickers@kent.gov.uk

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Dated: 2017

- (1) CAMBRIDGESHIRE COUNTY COUNCIL
 - (2) EAST SUSSEX COUNTY COUNCIL
 - (3) ESSEX COUNTY COUNCIL
 - (4) HAMPSHIRE COUNTY COUNCIL
 - (5) HERTFORDSHIRE COUNTY COUNCIL
 - (6) ISLE OF WIGHT COUNCIL
 - (7) KENT COUNTY COUNCIL
 - (8) NORFOLK COUNTY COUNCIL
 - (9) NORTHAMPTONSHIRE COUNTY COUNCIL
 - (10) SUFFOLK COUNTY COUNCIL and
 - (11) WEST SUSSEX COUNTY COUNCIL
-

Agreement to cooperate in the pooling of Local Government Pension Scheme investments

Eversheds Draft

Eversheds revised draft 21 November 2016

Eversheds revised draft 27th November 2016

Eversheds revised draft 5th December 2016

Eversheds revised draft 20th December 2016

Eversheds revised draft 22nd December 2016

Eversheds revised draft 11th January 2017

Eversheds revised draft 13th January 2017

Eversheds revised draft 19th January 2017

Eversheds revised draft 24th January 2017

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DRAFT

BETWEEN

- (1) CAMBRIDGESHIRE COUNTY COUNCIL of Shire Hall, Castle Street, Cambridge, CB3 0AJ ("**Cambridgeshire**");
- (2) EAST SUSSEX COUNTY COUNCIL of County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE ("**East Sussex**");
- (3) ESSEX COUNTY COUNCIL of County Hall, Market Road, Chelmsford CM1 1QH ("**Essex**");
- (4) HAMPSHIRE COUNTY COUNCIL of The Castle, Winchester, Hampshire SO23 8UJ ("**Hampshire**");
- (5) HERTFORDSHIRE COUNTY COUNCIL of County Hall, Pegs Lane, Hertford SG13 8DQ ("**Hertfordshire**");
- (6) ISLE OF WIGHT COUNCIL of County Hall, High St, Newport, Isle of Wight PO30 1UD ("**Isle of Wight**");
- (7) KENT COUNTY COUNCIL of County Hall, Maidstone, ME14 1XQ ("**Kent**");
- (8) NORFOLK COUNTY COUNCIL of County Hall, Martineau Lane, Norwich, NR1 2DH ("**Norfolk**");
- (9) NORTHAMPTONSHIRE COUNTY COUNCIL of County Hall, Northampton NN1 1ED ("**Northants**");
- (10) SUFFOLK COUNTY COUNCIL of Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX ("**Suffolk**"); and
- (11) WEST SUSSEX COUNTY COUNCIL of County Hall , West Street, Chichester, West Sussex, PO19 1RG ("**West Sussex**")

BACKGROUND

WHEREAS

- (A) The Councils are each administering authorities within the Local Government Pension Scheme and within the meaning of the Local Government Pension Scheme Regulations 2013.
- (B) The Councils each administer, maintain and invest their own respective funds within the LGPS in accordance with those Regulations and the LGPS Investment Regulations.
- (C) In accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 the Councils have decided to enter into this Agreement in order to establish management arrangements relating to the joint undertaking of their respective Funds by appointing an entity to act as an alternative investment fund manager to run and operate one or more collective investment vehicles to allow the administering authorities to pool their respective investments.
- (D) This arrangement is intended to enable the Councils to execute their fiduciary responsibilities to LGPS stakeholders including scheme members and employers as economically as possible and to provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible.
- (E) The Councils are local authorities within the meaning of the Local Government Act 1972 and have agreed as set out in this Agreement to establish and participate in a joint

committee which will be responsible for the Specified Functions to the extent provided for in the Terms of Reference.

- (F) The Councils have entered into this Agreement in reliance on the rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, 103, 112 and 113 of the Local Government Act 1972 and the Regulations made under that Act together with the general power within section 2 of the Localism Act 2011 and the supporting provisions within section 111 Local Government Act 1972.

OPERATIVE PROVISIONS

IT IS HEREBY AGREED AS FOLLOWS

1. DEFINITIONS AND INTERPRETATION

In this Agreement:

- 1.1 the following expressions have the following meanings unless inconsistent with the context:

"Agreement Personal Data" the Personal Data which is processed by the Councils pursuant to this Agreement

"Agreement" this Agreement

"Business Days" any day which is not a Saturday, a Sunday or a bank or public holiday

"Client Unit" employees of any Council employed at the request of the Joint Committee wholly or mainly for the purposes of implementing this agreement or the Pool

"Commencement Date" the date of this Agreement

"Constitution" the Constitution of the Joint Committee set out at **Schedule 1**

"Councils" (1) at the Commencement Date and until such time as a Council withdraws from this Agreement the local authorities who are parties to this Agreement and (2) after the withdrawal of a Council from this Agreement those local authorities who remain parties to this Agreement and (3) from such time as another local authority becomes party to this Agreement that local authority and the other local authorities who are parties to this Agreement

and each a "Council"

"Data Controller" has the same meaning as given to it under the Data Protection Legislation

"Data Processor" has the same meaning as given to it under the Data Protection Legislation

"Data Protection Authority" any organisation which is responsible for the supervision, promotion and enforcement of the Data Protection Legislation, including the Information Commissioners Office (or any joint, like, replacement or successor organisation from time to

time)

“Data Protection Legislation”

all privacy laws applicable to the personal data which is Processed under or in connection with this Agreement, including, where applicable, EU Directive 95/46/EC, 2002/58/EC, and Regulation (EU) 2016/679/EC (amongst others) as implemented by the applicable local laws, including the DPA, GDPR as directly applicable, and all regulations made pursuant to and in relation to such legislation together with all codes of practice and other guidance on the foregoing issued by any relevant data protection authority or government department, all as amended, updated and/or replaced from time to time

“DPA”

Data Protection Act 1998

“Exempt Information”

any information relating to this Agreement which may be:

- exempt from disclosure under the Freedom of Information Act 2000 (as updated, amended, or replaced from time to time); or
- excepted from disclosure under the Environmental Information Regulations 2004 (as updated amended, or replaced from time to time)
- or otherwise does not fall to be disclosed because it is vexatious or compliance with the Information Request would exceed an applicable time and costs limit specified within the FOI Legislation
- defined in Part VA of the Local Government Act 1972

“FOI Legislation”

the Freedom of Information Act 2000 and subordinate legislation made under this or the Environmental Information Regulations 2004 together with all codes of practice and other guidance on the foregoing issued by the Information Commissioner’s Office, and/or relevant Government Department, all as amended, updated and/or replaced from time to time (or, for the purposes of clause 16, exempt information as defined by Schedule 12A to the Local Government Act 1972)

“Former Council”

a Council which has withdrawn from this agreement.

“GDPR”

the General Data Protection Regulation as set out in Regulation (EC) 2016/679 which is expected to

come into force in the UK on 25 May 2018 and as may (in respect of the UK) be replaced, amended and or updated from time to time

| | |
|---|---|
| "Head of Paid Service" | the statutory officer appointed to this role by each Council |
| "Host Authority" | the Council appointed from time to time to act as referred to in Clause 9 hereof |
| "Information Request" | a request for information under FOI Legislation |
| "Joint Committee" | the statutory Joint Committee of elected members from the Councils to be known as the LGPS Access Joint Committee established for the purposes contained within this Agreement |
| "Lead Authority" | Kent or such other Council as may be agreed from time to time by the Joint Committee as being the Council appointed to undertake the procurement of the Services |
| "LGPS" | the Local Government Pension Scheme in England and Wales |
| "LGPS Investment Regulations" | The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 |
| "Officer Working Group Terms of Reference" | the Terms of Reference of the Officer Working Group set out at Schedule 4 |
| "Operator" | the person appointed by the Councils from time to time to provide the Services |
| "Operator Contract" | the arrangement entered into between the Councils and the Operator for the provision of investment services. |
| "Personal Data" | as defined in the Data Protection Act 1998 |
| "Pool" | the arrangements made by the Councils to operate some investments using a joint investment vehicle |
| "Pool Aligned Assets" | any assets of the Councils not in vehicles run by the Operator but where the Joint Committee may recommend the Councils to use the same investment |
| "Pool Assets" | any assets of the councils which are managed by the Operator |
| "Process" and other derivations such as "Processed" and "Processing" | any use of Personal Data in accordance with the Data Protection Legislation. For the avoidance of doubt, this includes, without limitation, storing, accessing, reading, using, copying, printing, revising, deleting, disclosing, transferring or otherwise using Personal Data; |

| | |
|---|---|
| "Secretary to the Joint Committee" | the officer appointed in accordance with Clause 9 hereof |
| "Section 151 Officer" | the officer designated by each of the Councils as the person responsible for the proper administration of its financial affairs as required by section 151 of the Local Government Act 1972 |
| "Services" | the services provided by the Operator in accordance with the Operator Contract |
| "Specified Functions" | managing the investment functions of the Councils as pension administering authorities to the extent specified in the Terms of Reference |
| "Terms of Reference" | the Terms of Reference of the Joint Committee set out at Schedule 2 |
| "Vehicle" | any Collective Investment Vehicle used by the Operator as the repository for the investments which are under its stewardship. |
| "Withdrawal Date" | the date of withdrawal from the Agreement by a Council which gives notice to withdraw in accordance with the Agreement |

- 1.2 references to the background section, clauses and Schedules are to the background section and clauses of and schedules to this Agreement and references to paragraphs are to paragraphs of the relevant Schedule;
- 1.3 the Schedules form part of this Agreement and will have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement will include the Schedules;
- 1.4 the background section and all headings are for ease of reference only and will not affect the construction or interpretation of this Agreement;
- 1.5 unless the context otherwise requires:
- 1.5.1 references to the singular include the plural and vice versa and references to any gender include every gender; and
 - 1.5.2 references to a "person" include any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, government, local or municipal authority, governmental or supra-governmental agency or department, state or agency of state or any other entity (in each case whether or not having separate legal personality);
- 1.6 references to any statute or statutory provision will include any subordinate legislation made under it and will be construed as references to such statute, statutory provision and/or subordinate legislation as modified, amended extended, consolidated, re-enacted and/or replaced and in force from time to time;
- 1.7 any words following the words "include", "includes", "including", "in particular" or any similar words or expressions will be construed without limitation and accordingly will not limit the meaning of the words preceding them;
- 1.8 the rule known as the ejusdem generis rule will not apply and accordingly the meaning of general words introduced by the word "other" or a similar word or expression will not be

restricted by reason of the fact that they are preceded by words indicating a particular class of acts matters or things;

- 1.9 references to "in writing" or "written" are to communication effected by post and email or any other means of reproducing words in a legible and non-transitory form (but not fax);
- 1.10 an obligation on a party to procure or ensure the performance or standing of another person will be construed as a primary obligation of that party; and
- 1.11 unless expressly stated otherwise, all obligations, representations and warranties on the part of two or more persons are (unless stated otherwise) entered into, given or made by such persons severally.

2. **TERM**

This Agreement shall come into force on the Commencement Date and shall continue from year to year subject to the right of the Councils to terminate this Agreement in accordance with the provisions of this Agreement.

3. **GOVERNING PRINCIPLES**

The Councils agree to adopt the principles set out in **Part 1** of **Schedule 1** when working jointly

4. **PRINCIPLES OF COLLABORATION**

The Councils agree to act in good faith and to adopt the behaviours set out in **Part 2** of **Schedule 1** when working jointly

5. **ESTABLISHMENT OF A JOINT COMMITTEE**

- 5.1 In exercise of their powers under sections 102(1)(b) of the Local Government Act 1972 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 the Councils hereby create the Joint Committee with effect from the Commencement Date.
- 5.2 The purpose of the Joint Committee shall be to undertake the Specified Functions to the extent set out in the Terms of Reference.
- 5.3 The Joint Committee shall operate and conduct its business in accordance with the terms of this Agreement including the Constitution and the Terms of Reference.
- 5.4 In so far as the business of the Joint Committee may require the exercise of overview or scrutiny functions by the elected members of the Councils each of the Councils will comply with the overview and scrutiny requirements of its own constitution.
- 5.5 In discharging its functions the Joint Committee shall:
 - 5.5.1 Take steps to ensure that the Operator provides sufficient sub-funds to enable each Council to execute its investment strategy;
 - 5.5.2 Have due regard to any relevant stewardship codes of practice or other relevant documents recognising that individual Councils reserve the right to adopt their own individual policies in areas including application of stewardship codes, exercise of shareholder voting rights and policies in respect of responsible investment;
 - 5.5.3 Ensure at all times that the processes and arrangements of the pool deliver value for money for the Councils and the taxpayer;

- 5.5.4 Ensure that members appointed to the Joint Committee undertake training to acquire and maintain knowledge and skills relevant to the performance of their duties; and
- 5.5.5 Put arrangements in place to ensure that it takes decisions only after considering proper advice from the Officer Working Group or from appropriate professional advisers.
- 5.6 The Councils may from time to time agree to vary this Agreement to enable any other pension administering authority to become a party to this Agreement and such agreement will be effected by the Councils and that other pension administering authority entering into a deed of variation on such terms as may be agreed including but without prejudice to the generality hereof to include provision that the terms of Schedule 5 relating to cost sharing will apply.

6. **TERMS OF REFERENCE OF THE JOINT COMMITTEE**

The terms of reference of the Joint Committee are set out in **Schedule 2** of this Agreement.

7. **PROCUREMENT OF THE OPERATOR**

- 7.1 The Councils will jointly procure the services of an operator to provide the Services. The Lead Authority will issue the necessary invitation and formally respond to any queries and receive the bids.
- 7.2 The Lead Authority will consult each Council as to the form and content of the documents used to procure the operator and will consider any comments made by each Council in response.
- 7.3 The Lead Authority will issue the award notice and the Operator Contract will be entered into by each Council as co-signatories or by such other means as the Councils may agree.
- 7.4 Should any Council decline to be a party to the Operator Contract then that Council shall be treated as having given notice to withdraw in accordance with **Clause 12** hereof save that such notice will have immediate effect.

8. **GOVERNANCE**

- 8.1 Each of the Councils shall each ensure that as soon as reasonably practicable it makes any changes to its own constitution as are necessary to facilitate the operation of this Agreement.
- 8.2 This Agreement is entered into without prejudice to the exercise by the section 151 officer the Monitoring Officer and the Head of Paid Service of any Council of their statutory powers and duties and without prejudice to the generality of the foregoing each Council will provide the said officers with all such information as is reasonably required to enable each of them to undertake their statutory role and responsibilities.

9. **HOST AUTHORITY**

- 9.1 On the Commencement Date Kent County Council will act as Host Authority on behalf of the Joint Committee and will designate one of its officers to be the Secretary to the Joint Committee.
- 9.2 The role of Host Authority may be undertaken by any Council as agreed by the Joint Committee from time to time with the agreement of the Council concerned.
- 9.3 The Joint Committee will designate officers nominated by the Councils for the purpose of providing support to it in undertaking its functions including engaging with the Operator on behalf of the Joint Committee as client and commissioner.

10. **COST SHARING**

- 10.1 Costs incurred in the operation of the Joint Committee (including the costs of officers providing support to the Joint Committee through the Officer Working Group in accordance with this Agreement but excluding costs incurred by the Host Authority in its capacity as Host Authority) will be borne by the Council incurring them.
- 10.2 Costs incurred as a result of the Councils entering into this Agreement will be shared and paid in accordance with **Schedule 5** of this Agreement.

11. **VARIATION OF AGREEMENT**

- 11.1 Any of the Councils may request a variation to this Agreement by making such a request in writing to the Secretary to the Joint Committee.
- 11.2 The Secretary to the Joint Committee shall circulate the request to each of the Councils by sending it to the officers nominated in accordance with Clause 9.3 and to the Officer Working Group within 10 Business Days of receipt of the request for consideration and approval by the Councils.
- 11.3 Each Council shall provide a response to the Secretary to the Joint Committee indicating whether it agrees to the variation and shall do so within 60 Business Days of receipt of the request. Any failure to respond within that period shall be deemed to indicate agreement to the requested variation.
- 11.4 If all of the Councils approve the variation then the Secretary to the Joint Committee shall arrange for the preparation of an appropriate deed of variation to this Agreement to be prepared for execution by all of the Councils and such change shall only take effect upon completion of that deed and the costs associated with the preparation of such deed of variation shall be shared equally between the Councils.
- 11.5 If any of the Councils does not approve the variation then the variation to this Agreement shall not occur.

12. **WITHDRAWAL FROM THIS AGREEMENT¹**

- 12.1 A Council may withdraw from this Agreement in accordance with the procedure set out in this Clause 12.
- 12.2 Any Council which wishes to withdraw from this Agreement shall subject to any decision by the Joint Committee to waive this requirement give not less than twelve months written notice to expire on 31st March to the Secretary to the Joint Committee of its intention to do so.
- 12.3 A Council wishing to withdraw from this Agreement undertakes as a condition of such withdrawal to make payment as shall be determined in the manner set out in **Part 2** of **Schedule 5** to this Agreement.
- 12.4 On the Withdrawal Date the Council giving notice shall cease to be a member of the Joint Committee and subject to Clause 19 hereof this Agreement shall cease to apply to that Council
- 12.5 Each Council is entitled to recover from any Council which withdraws from this Agreement the costs of any claims, costs, expenses, losses or liabilities of any nature or which have been caused by any act or omission of the other Council and which are discovered after the other Council's withdrawal from this Agreement.
- 12.6 Where a Council withdraws from this Agreement it must unless the Joint Committee agree otherwise withdraw all its funds from the Vehicle no later than the Withdrawal Date.

13. **TERMINATION OF THIS AGREEMENT**

- 13.1 This Agreement may be terminated upon terms agreed by all Councils but only before the commencement of or on termination of the Operator Contract.
- 13.2 Upon termination of this Agreement the Councils agree that the Joint Committee shall cease to exist.
- 13.3 Notwithstanding the termination of this Agreement the Councils each agree to do all such acts and things and execute all such documents as each of them reasonably requires.
- 13.4 On termination of this Agreement the provisions relating to costs set out in **Part 3 of Schedule 5** will have effect.

14. **DISPUTE RESOLUTION**

- 14.1 The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this joint working arrangement) to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the Councils.
- 14.2 In the event of any dispute or disagreement arising out of or in connection with this Agreement or any breach thereof a Council may serve notice upon one or more of the other Councils setting out brief details of the Dispute that has arisen and the Notice of Dispute shall in the first instance be considered by the Section 151 Officers of the relevant Councils who shall acting in good faith attempt to resolve such dispute within 28 days of the Dispute being referred to them.
- 14.3 Where the Section 151 Officers are unable to resolve such dispute within that period of 28 days or where in the opinion of those officers such dispute would be more effectively resolved in another forum the councils in dispute may refer such dispute to a suitably qualified and independent person as may be recommended by the Section 151 Officers and to be agreed by the Councils which are in dispute or in the event of failure within a period of 28 days to agree on such appointment a person nominated by the President of the Law Society who shall act as an expert.
- 14.4 Where a dispute is referred to a person appointed under clause 14.3 hereof that person shall determine the procedure and timetable for resolution of the said dispute at his or her absolute discretion and the decision of that person shall be binding on the Councils.
- 14.5 For the avoidance of doubt, this **clause 14** applies only to disputes between the Councils and does not apply to any dispute between the Councils and Operator or between the officers supporting the Joint Committee.

15. **NOTICES**

- 15.1 Any notice or other communication given under or in connection with this Agreement will be in writing, marked for the attention of the specified representative of the party to be given the notice or communication and:
 - 15.1.1 sent to that party's address by pre-paid first class post or mail delivery service providing guaranteed next working day delivery; or
 - 15.1.2 delivered to or left at that party's address.
- 15.2 The address and representative for each Council are set out below and may be changed by that party giving at least 10 Business Days' notice in accordance with this **clause 15**.

| COUNCIL | ADDRESS | FOR THE ATTENTION OF |
|----------------|----------------|-----------------------------|
|----------------|----------------|-----------------------------|

| COUNCIL | ADDRESS | FOR THE ATTENTION OF |
|---------------------------------|---|-----------------------------|
| CAMBRIDGESHIRE COUNTY COUNCIL | Shire Hall, Castle Street, Cambridge, CB3 0AJ | |
| EAST SUSSEX COUNTY COUNCIL | County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE | |
| ESSEX COUNTY COUNCIL | County Hall, Market Road, Chelmsford CM1 1QH | |
| HAMPSHIRE COUNTY COUNCIL | The Castle, Winchester, Hampshire SO23 8UJ | |
| HERTFORDSHIRE COUNTY COUNCIL | County Hall, Pegs Lane, Hertford SG13 8DQ | |
| ISLE OF WIGHT COUNCIL | County Hall, High St, Newport, Isle of Wight PO30 1UD | |
| KENT COUNTY COUNCIL | County Hall, Maidstone, ME14 1XQ | |
| NORFOLK COUNTY COUNCIL | County Hall, Martineau Lane, Norwich, NR1 2DH | |
| NORTHAMPTONSHIRE COUNTY COUNCIL | County Hall, Northampton NN1 1ED | |
| SUFFOLK COUNTY COUNCIL | Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX | |
| WEST SUSSEX COUNTY COUNCIL | County Hall, West Street, Chichester, West Sussex, PO19 1RG | |

15.3 Any notice or communication given in accordance with this **clause 15** will be deemed to have been served:

15.3.1 if given as set out in **clause 15.1**, at 9.00am on the 2nd Business Day after the date of posting; and

15.3.2 if given as set out in **clause 15.1**, at the time the notice or communication is delivered to or left at that party's address,

provided that if a notice or communication is deemed to be served before 9.00am on a Business Day it will be deemed to be served at 9.00am on that Business Day and if it is deemed to be served on a day which is not a Business Day or after 5.00pm on a Business Day it will be deemed to be served at 9.00am on the immediately following Business Day.

15.4 For the purposes only of this **clause 15**, references to time of day are to the time of day at the address of the recipient parties referred to in **clause 15**.

15.5 To prove service of a notice or communication it will be sufficient to prove that the provisions of this **clause 15** were complied with.

16. **INFORMATION AND CONFIDENTIALITY**

16.1 Whilst acknowledging that meetings of the Joint Committee will ordinarily be open to the public, and that the Councils intend to comply with their respective obligations under the

FOI Legislation, the Councils shall seek to protect the commercial information and in particular shall

16.1.1 seek to prevent the disclosure of any Exempt Information relating to this agreement; and

16.1.2 use all reasonable endeavours to prevent their employees and agents from making any disclosure of any Exempt Information to any person of any matter relating to the Agreement.

16.2 **Clause 16.1** shall not apply to:

16.2.1 Any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;

16.2.2 Any matter which a Council can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;

16.2.3 Any disclosure to enable a determination to be made under **clause 14** (Dispute Resolution);

16.2.4 Any disclosure which is required by any law (including any order of a court of competent jurisdiction), in compliance with the Data Protection Legislation, and/or the FOI Legislation (including their relevant exemptions and exceptions where appropriate), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;

16.2.5 Any required disclosure by a Council to a department, office or agency of the Government; and

16.2.6 Any disclosure for the purpose of the examination and certification of a Council's accounts.

16.3 Save for in relation to disclosures made under the FOI Legislation which for the avoidance of doubt, cannot be made subject to imposed conditions or where disclosure is permitted under **clause 16.2**, the recipient of the information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

17. **DATA PROTECTION**

17.1 The Councils shall be Data Controllers of the limited Personal Data which may be Processed pursuant to this Agreement ("**the Agreement Personal Data**"). As such, the Councils shall at all times comply with their obligations under the Data Protection Legislation. In doing so the Councils shall:

17.1.1 to the extent required, maintain a valid and up to date registration or notification under the Data Protection Legislation covering any Processing of Agreement Personal Data;

17.1.2 only undertake Processing of Agreement Personal Data that is reasonably required in connection with the operation of this Agreement and only as may be lawful under the Data Protection Legislation;

17.1.3 not transfer any Agreement Personal Data to any country or territory outside the European Economic Area, notwithstanding their ability to do so under the Data Protection Legislation, save for any export of Agreement Personal Data which is compliant with the Data Protection Legislation which is necessary for the use of core IT services and systems operated by the Councils in connection with this Agreement;

- 17.1.4 implement appropriate technical and organisational measures to prevent unauthorised or unlawful Processing of Agreement Personal Data and against the accidental loss, or destruction of, or damage to Agreement Personal Data;
 - 17.1.5 promptly notify the other Councils (and no later than within one working day) if they become aware of any actual or suspected, threatened or 'near miss' incident of accidental or unlawful destruction or accidental loss, alteration, unauthorised or accidental disclosure of or access to the Agreement Personal Data Processed, or if it is corrupted or rendered unusable, which is reasonably likely to result in risks to the rights and freedoms of natural persons, pursuant to this Agreement;
 - 17.1.6 use their reasonable endeavours to restore or retrieve any personal data which is unlawfully or accidentally lost, destroyed, damaged, corrupted or made unusable;
 - 17.1.7 keep full, up-to-date and accurate records of any processing of Personal Data carried out pursuant to this Agreement;
 - 17.1.8 promptly respond to any request from one of the other Councils to amend, transfer, delete or otherwise Process Personal Data; and
 - 17.1.9 not do anything (whether by act or omission) which would cause the other Councils to be in breach of their obligations as Data Controllers of the Agreement Personal Data under the Data Protection Legislation.
- 17.2 The Councils shall not disclose Agreement Personal Data to any third parties in compliance with the Data Protection Legislation, for example other than:
- 17.2.1 as required in law in response to a data subject access request under the DPA;
 - 17.2.2 to employees and contractors to whom such disclosure is necessary in order to comply with their obligations under this Agreement; or
 - 17.2.3 to the extent required to comply with a legal obligation.
- 17.3 To the extent that any Council acts as a Data Processor for and on behalf of one or more of the other Councils in relation to the Agreement Personal Data Processed pursuant to this Agreement, the Data Processor shall:
- 17.3.1 only Process that Agreement Personal Data on the instructions of the Data Controller(s);
 - 17.3.2 Process that Agreement Personal Data in accordance with their obligations under the Data Protection Legislation (to the extent applicable);
 - 17.3.3 implement appropriate technical and organisational measures to prevent unauthorised or unlawful Processing of that Agreement Personal Data and against the accidental loss, or destruction of, or damage to that Agreement Personal Data;
 - 17.3.4 notify the Data Controller(s) within one working day of becoming aware of any actual or suspected loss, alteration or disclosure of that Agreement Personal Data in breach of this Agreement, or the Data Protection Legislation;
 - 17.3.5 provide such reasonable assistance to the Data Controller(s) in the event of any:
 - 17.3.5.1 request from individuals in relation to their Agreement Personal Data (including a data subject access request and/or a request to correct or stop processing any Personal Data);

- 17.3.5.2 request from the Information Commissioner's Office in relation to any Processing of that Agreement Personal Data including in relation to any complaint, data subject access request and/or , data security incident;
- 17.3.6 subject to the Data Controller entering into appropriate non-disclosure agreements and on reasonable request and notice, provide the Data Controller with access to their premises during regular business hours in order to inspect whether the Data Processor is complying with its obligations pursuant to this Agreement. Additionally, the Data Processor shall, at no cost to the Data Controller, take such further steps as may be reasonably necessary in the opinion of the Data Controller to permit the Data Controller to obtain an accurate and complete assessment of the Data Processor's compliance with its obligations under this Agreement and, in particular, this clause 17;
- 17.3.7 not transfer any Agreement Personal Data outside the European Economic Area, unless this is done with the express written agreement of the Data Controller and it is necessary for the use of core IT services and systems operated by the Councils, and is undertaken in compliance with Data Protection Legislation; and
- 17.3.8 on withdrawal from or termination of this Agreement, return all the Agreement Personal Data to the Data Controller(s) and securely delete and/or destroy any copies of the Agreement Personal Data which is Processed by the Data Processor pursuant to this Agreement, unless applicable laws permit retention of the Agreement Personal Data, in which case the relevant Council(s) agree(s) it (or they) shall retain the Agreement Personal Data securely and only for as long as strictly necessary in the capacity as a Data Controller.
- 17.4 The Councils acknowledge that the Data Protection Legislation includes the GDPR if it enters in to force on 25 May 2018 or on any date after. In order to address those potential upcoming changes:
- 17.4.1 the Councils shall during the first twelve (12) months of this Agreement, develop, draft and agree a protocol which will document and provide further detail regarding the manner in which the Agreement Personal Data will be Processed in order to meet the requirements of the GDPR; and
- 17.4.2 the Councils note that the provisions of this Agreement do not necessarily comply with the GDPR requirements. As such, the Councils agree to review and (to the extent necessary) revise the terms of this Agreement as may be appropriate in the six (6) months preceding the date of the GDPR coming into force in England and Wales.
- 17.5 Each Council agrees to indemnify and keep indemnified and defend at its own expense the other Councils against all costs, claims, damages and/or expenses (including legal and administrative) incurred by the other Councils or for which the other Councils may become liable due to any failure by a particular Council, its employees or agents to comply with any of its obligations under this clause 17.
18. **FREEDOM OF INFORMATION**
- 18.1 The Councils recognise that each Council is a public authority as defined by FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of an Information Request which shall be considered in accordance with this clause 18.
- 18.2 The Councils shall assist each other in complying with their obligations under FOI Legislation as they relate to Information Requests made in relation to this Agreement, including but not limited to assistance without charge in gathering information to respond to an Information Request relating to this Agreement. For the avoidance of doubt, nothing in this clause 18.2, shall require a Council to provide information, if the relevant

information has not been held on behalf of the Council that received the Information Request.

18.3 Each Council, as a separate public authority, shall in their absolute and sole discretion, decide:

18.3.1 whether the Information Request is valid under the FOI Legislation, as well as all other considerations relevant in the assessment of an Information Request under the FOI Legislation, such as any considerations (as may be applicable) regarding the cost of complying with a request or any charges for responding to a request, whether the request is repeated, vexatious or manifestly unreasonable and any other relevant considerations;

18.3.2 whether the information requested in an Information Request is relevant to the Agreement;

18.3.3 whether, if the Information Request does relate to the Agreement, whether the information is Exempt Information;

18.3.4 where appropriate, whether or not in all circumstances of the case the public interest in maintaining any exemption outweighs the public interest in disclosing the requested information; and

18.3.5 whether the information requested in the Information Request is to be disclosed or not, or proactively disclosed regardless of whether an Information Request is received or not.

18.4 Where a Council receives an Information Request for information about the Agreement which may be Exempt Information and which refers to one or more of the Councils, then where reasonably practicable and subject to clause 18.5 below take reasonable steps prior to disclosure of such information to:

18.4.1 as soon as reasonably practicable, circulate the Information Request to the other Council(s) to which the Information Request relates and invite those other Council(s) to make representations to the Council which received the Information Request as to whether or not the information is considered to be Exempt Information and as to disclosure; and

18.4.2 in good faith, consider any representations raised by the Council(s) consulted pursuant to Clause 18.4.1 when deciding whether to disclose Exempt Information, but the Council which receives the Information Request shall not be obliged to accept or agree to the representations which are made by the other Council(s).

18.5 The Councils acknowledge that (notwithstanding the provisions of this Clause 18) the Council which received the Information Request may, under the FOI Legislation or acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the Freedom of Information Act 2000 (the "Code"), be obliged under the FOI Legislation to disclose information concerning this Agreement or the other Councils:

18.5.1 in certain circumstances without consulting with other Councils; or

18.5.2 following consultation with other Councils and having taken their views into account,

provided always that where 18.5.1 above applies the Council which receives the Information Request, shall take reasonable steps wherever practicable to draw this to the attention of the other Councils prior to any disclosure.

18.6 The Councils acknowledge and agree that no Council will be liable to any other Council for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to an Information Request.

19. **PROVISIONS REMAINING OPERATIVE**

19.1 Following the termination of this Agreement:

19.1.1 the following provisions will continue in force:

Clause 3 and Schedule 1

Clause 4 and Schedule 1

Clause 8

Clause 10 and Schedule 5

Clause 12

Clause 13

Clause 14

Clause 15

Clause 16

Clause 17

Clause 18

together with any other provisions which expressly or impliedly continue to have effect after expiry or termination of this Agreement; and

19.1.2 all other rights and obligations will immediately cease without prejudice to any rights, obligations, claims (including without limitation claims for damages for breach) and liabilities which have accrued prior to termination.

20. **EQUAL OPPORTUNITIES**

Each of the Councils is subject to public law duties under the Equality Act 2010 and agree to operate the Agreement in such a way as to ensure compliance the requirements of the Equality Act 2010.

21. **RELATIONSHIP OF COUNCILS**

Each of the Councils is an independent local authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of partnership or principal/agent or of employer/employee. No Council shall have any right or authority to act on behalf of another Council nor to bind any of the other Councils by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

22. **COUNTERPARTS**

22.1 This Agreement may be executed in any number of counterparts, each of which will constitute an original but which will together constitute one agreement.

23. **SEVERANCE**

If any term of this Agreement is found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable, such term will be deemed to be severed from this Agreement and this will not affect the remainder of this Agreement which will continue in full force and effect. In this event the parties will agree a valid and enforceable term to replace the severed term which, to the maximum extent possible, achieves the parties' original commercial intention and has the same economic effect as the severed term.

24. **RIGHTS OF THIRD PARTIES**

The Councils do not intend that any term of this Agreement will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person.

25. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.

26. **JURISDICTION**

Each party agrees that the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Agreement (including in relation to any non-contractual obligations).

27. **CHANGE IN ADMINISTERING AUTHORITY**

- 27.1 This clause 26 applies if any of the Councils is to be abolished or ceases to be an administering authority in circumstances where one or more local authorities become the administering authority in place of the Council.
- 27.2 Where this clause applies the Council affected may, subject to any contrary provision in any statutory order made in connection with the abolition or change in administering authority, assign this agreement to the replacement administering authority or administering authorities, provided that the replacement administering authorities must agree to accept the assignment and the obligations arising.

This document is executed as a **deed** and **delivered** on the date stated at the beginning of this Agreement.

Executed as a deed by)
CAMBRIDGESHIRE COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

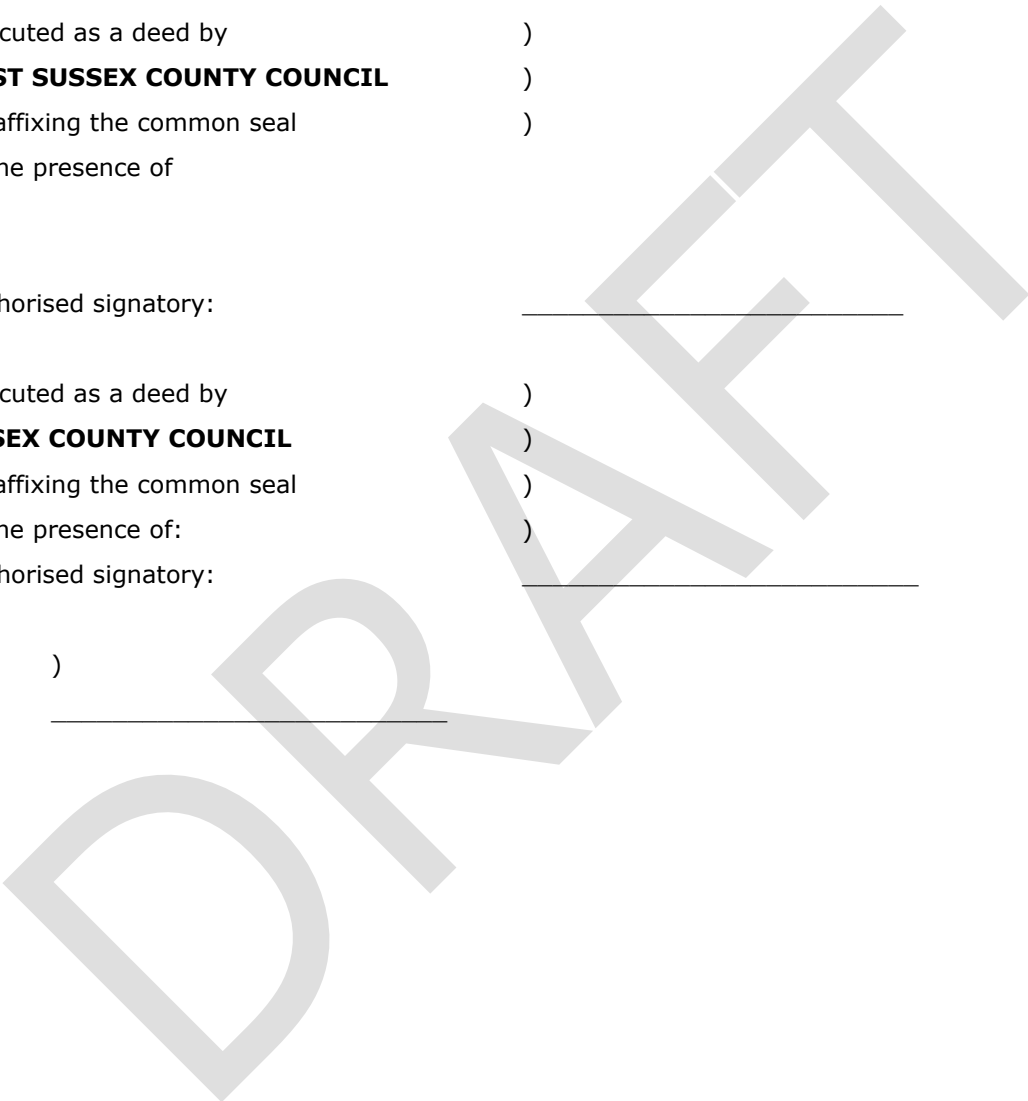
Executed as a deed by)
EAST SUSSEX COUNTY COUNCIL)
by affixing the common seal)
in the presence of

Authorised signatory: _____

Executed as a deed by)
ESSEX COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

:)



Executed as a deed by)
HAMPSHIRE COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
HERTFORDSHIRE COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
ISLE OF WIGHT COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
KENT COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
NORFOLK COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
NORTHAMPTONSHIRE COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

DRAFT

Executed as a deed by)
SUFFOLK COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

Executed as a deed by)
WEST SUSSEX COUNTY COUNCIL)
by affixing the common seal)
in the presence of:)

Authorised signatory: _____

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SCHEDULE 1

PRINCIPLES

Part 1 Governing Principles

1. The Councils will work collaboratively.
2. The Councils will have an equitable voice in governance.
3. Decision making will be objective and evidence based.
4. The Pool will use professional resources as appropriate.
5. The risk management processes will be appropriate to the Pool's scale, recognising it as one of the biggest pools of pension assets in the UK.
6. The Pool will avoid unnecessary complexity.
7. The Pool will evolve its approach to meet changing needs and objectives.
8. The Pool will welcome innovation.
9. The Pool will be established and run economically, applying value for money considerations.
10. The Pool's costs will be shared equitably.
11. The Pool is committed to collaboration with other pools where there is potential to maximise benefits.

Part 2 Principles of Collaboration

1. to establish and adhere to the governance structure set out in this Agreement to ensure that activities are delivered and actions taken as required;
2. to manage and account to each other for performance of their respective roles and responsibilities set out in this Agreement;
3. to communicate openly about concerns, issues or opportunities relating to the Project;
4. to learn, develop and seek to achieve full potential. The Councils will share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
5. to behave in a positive, proactive manner;
6. to adhere to statutory requirements and best practice. The Councils will comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation;
7. to recognise the time-critical nature of the work and respond accordingly to requests for support;
8. to manage stakeholders effectively;
9. to ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this Agreement.

SCHEDULE 2

Terms of Reference of the Joint Committee

Part 1 Functions in relation to the Operator

1. **Specifying Operator services:** Deciding, in consultation with the Councils, the specification of services and functions that the Operator will be required to deliver including the sub-funds and classes of investments required to enable each Council to execute its investment strategy.
2. **Procuring the Operator:** agreeing the method and process for the procurement and selection of the Operator.
3. **Appointing the Operator:** Making a recommendation to the Councils as to the identity of the Operator and the terms upon which the Operator is to be appointed.
4. **Reviewing the Performance of the Operator:** Keeping the performance of the Operator under constant review and making arrangements to ensure that the Joint Committee is provided with regular and sufficient reports from the Officer Working Group to enable it to do so including but not limited to:
 - 4.1 the performance of the Operator against its contractual requirements and any other performance measures such as any Service Level Agreement (SLA) and key performance indicators (KPIs) and Officer Working Group recommendations on any remedial action;
 - 4.2 sub-fund investment performance;
 - 4.3 investment and operational costs including the annual review of investment manager costs;
 - 4.4 performance against the strategic business plan agreed by the Councils.
5. **Managing the Operator:** The Joint Committee shall:
 - 5.1 Make recommendations to the Councils on the termination or extension of the Operator Contract and
 - 5.2 Make decisions about any other action to be taken to manage the Operator Contract including the giving of any instruction or the making of any recommendation to the Operator including but not restricted to recommendations on investment managers (within any regulatory constraints that may apply).
6. **Appointment of Advisers**
 - 6.1 The Joint Committee may appoint such professional advisers on such terms as it thinks fit. Any procurement of advisers must comply with the constitution of the Authority designated to undertake the procurement and that Authority will enter into a contract with the appointed adviser on behalf of the Authorities.
 - 6.1 The Joint Committee may appoint such professional advisers on such terms as it thinks fit. Any procurement of advisers must comply with the constitution of the Authority designated to undertake the procurement and that Authority will enter into a contract with the appointed adviser on behalf of the Authorities.
 - 6.2 The Joint Committee shall decide which tasks shall be performed by the Client Unit and which Council shall manage the Client Unit including the employment arrangements for employees in the Client Unit.

Part 2 Functions in relation to management of Pool Assets

7. The Joint Committee shall make recommendations to the Councils on the strategic plan for transition of assets that are to become Pool Assets.

Part 3 Functions Concerning Pool Aligned Assets

8. Making recommendations to the Councils about Pool Aligned Assets (including proposals concerning the migration of investments-such as passive investments via life fund policies-to become Pool Aligned Assets) in accordance with this Agreement or any other delegation to the Joint Committee by the Councils.

Part 4 Functions concerning Business Planning and Budget

9. Make recommendations to the Councils about the annual strategic business plan for the Pool
10. Determine the budget necessary to implement that plan and meet the expenses of undertaking the Specified Functions (insofar as they will not be met by individual transaction costs paid by Councils to the Operator) in accordance with Schedule 5 hereof.
11. Keep the structures created by this Agreement under review from time to time and make recommendations to the Councils about:
 - 11.1 the future of the Pool;
 - 11.2 any changes to this Agreement; and
 - 11.3 as to the respective merits of continuing to procure operator services by means of a third party or by creation of an operator owned by the Councils.
12. The Joint Committee is required to commence the first review of this Agreement by the second anniversary of its first meeting.
13. The Joint Committee is required to undertake a review of the Pool and this Agreement:
 - 13.1 to be completed 18 months before the expiry of each and every Operator Contract including as a result of the exercise of any option to terminate the Operator Contract;
 - 13.2 whenever a Council gives notice of withdrawal under clause 12 of this agreement

SCHEDULE 3

Constitution of the Joint Committee

Part 1 Membership

1. The Joint Committee shall consist of one elected councillor appointed by each Council. The member so appointed must, at the time of the appointment, be an elected councillor serving as a member of the Committee of a Council which discharges the functions of that Council as pension administering authority.
2. Each Council may appoint a substitute. Any substitute must meet the eligibility requirements in paragraph 1. The substitute may attend any meeting of the Joint Committee or any of its sub-Committees in place of that authority's principal member if notice that the substitute will attend is given to the Secretary of the Joint Committee by the Council concerned
3. Where a substitution notice is in effect with respect to a particular member at a particular meeting, the substitute shall be a full member of the Joint Committee for the duration of the meeting in place of the principal member
4. Each Council may remove its appointed member and appoint a different member by giving written notice to the Secretary to the Joint Committee.
5. Each appointed member shall be entitled to remain on the Joint Committee for so long as the Council appointing them so wishes, but shall cease to be a member if he or she ceases to meet the eligibility criteria in paragraph 11 or if that Council removes the appointed member.
6. Any casual vacancies will be filled as soon as reasonably practicable by the Council from which such vacancy arises by giving written notice to the Secretary to the Joint Committee or his or her nominee.
7. The Joint Committee may co-opt any other person whom it thinks fit to be a non-voting member of the committee. The Joint Committee may from time to time make rules as to:
 - 7.1 Registration and declaration of interests by co-opted members.
 - 7.2 Standards of behaviour required to be observed by co-opted members when acting as such.
8. The Chairman of the Joint Committee will be appointed from time to time by the members of the Joint Committee. Subject to paragraph 5, the Chairman of the Joint Committee shall hold that office until their replacement is appointed which shall be at the first meeting to take place after the second anniversary of their appointment.
9. The Vice-Chairman of the Joint Committee will be appointed from time to time by the members of the Joint Committee. Subject to paragraph 5, the Vice-Chairman of the Joint Committee shall hold that office until their replacement is appointed which shall be at the first meeting to take place after the second anniversary of their appointment.
10. The Joint Committee may appoint sub-committees from among its membership as it thinks will help it to enable it to fulfil its remit. The Joint Committee may delegate its responsibilities to such sub-committees. Sub-Committees may co-opt non-voting members.
11. The Joint Committee may set up working groups to advise it on matters within its remit. Such working groups may be formed of members or officers of the constituent authorities or any other third party as the Joint Committee sees fit. Such working groups are advisory only and the Joint Committee may not delegate its responsibilities to such working groups.

12. Each member of the Joint Committee and any Sub-committee shall comply with any relevant code of conduct of their Council when acting as a member of the Joint Committee.
13. The Chairman may direct the Secretary to call a meeting and may require any item of business to be included in the summons.
14. Any 5 members of the Joint Committee may by notice in writing require the Chairman to call a meeting to consider a particular item of business and if the Chairman fails to do so within 20 working days of receipt of the notice then those 5 members may direct the Secretary to call a meeting to consider that business.
15. The Committee may, if the law permits, arrange for attendance at meetings via video conferencing. Any such attendance shall be in accordance with the law and any other requirements imposed by the Joint Committee from time to time.

Part 2 Proceedings

16. Time and Place of Meetings

The Joint Committee will meet at least four times each year. All meetings of the Joint Committee will take place at a suitable venue and at a time to be agreed by the Councils.

17. Notice of and Summons to Meetings

The Secretary to the Joint Committee will give notice to the public of the time and place of any meeting in accordance with Part VA of the Local Government Act 1972. At least five clear days before a meeting, the Secretary to the Joint Committee will send a summons by email and if a member so requests by post to every Member at their last known address. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

18. Chairing of Joint Committee

The Vice Chairman shall preside in the absence of the Chairman. If there is a quorum of members present but neither the Chairman nor the Vice-Chairman is present at a meeting of the Joint Committee, the other members of the Joint Committee shall choose one of the members of the Joint Committee to preside at the meeting.

19. Quorum

19.1 The quorum of a meeting will be at least 8 members who are entitled to attend and vote.

19.2 If there is no quorum present at the start of the meeting the meeting may not commence. If after 1 hour from the time specified for the start of the meeting no quorum is present then the meeting shall stand adjourned to another time and date determined by the Secretary.

20. Voting

20.1 Majority

Each elected member shall have one vote. Co-opted members will not have a vote. Any matter will be decided by a simple majority of those members of the Councils represented in the room at the time the question is put. In the event of equality of votes the person presiding at the meeting will be entitled to a casting vote under paragraphs 39(1) and 44 of Schedule 12 of the Local Government Act 1972.

20.2 **By Substitutes**

The member appointed as a substitute shall have the same voting rights as the member for whom he or she is substituting. Where notice of substitution has been given for a particular meeting the principal member may not vote unless the notice of substitution is withdrawn before the start of the meeting.

20.3 **Show of hands**

The Chairman will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

20.4 **Recording of individual votes**

The minutes of the meeting shall record how a member of the Committee voted on a particular question if, at the time that the vote is taken or immediately thereafter, that member asks the Secretary or his or her representative at the meeting to record his vote.

21. **Minutes**

21.1 The Secretary to the Joint Committee shall arrange for written minutes to be taken at each meeting of the Joint Committee and shall present them to the Joint Committee at its next meeting for approval as a correct record. At the next meeting of the Joint Committee, the Chairman shall move that the minutes of the previous meeting be signed as a correct record. If this is agreed, the Chairman of the Joint Committee shall sign the minutes. The only part of the minutes that can be discussed is their accuracy.

21.2 Draft minutes or a summary of the decisions taken at the meeting and a note of the actions arising shall be circulated to the Committee and to each Council by email no later than 7 days after the date of the meeting.

22. Any elected member of the Councils who is not a member of the Joint Committee may speak at a meeting of the Joint Committee if the Chairman of the Joint Committee invites him or her to do so but an elected member of the Councils who is not a member of the Joint Committee shall not be entitled to vote at a meeting of the Joint Committee.

23. Meetings of the Joint Committee shall be open for members of the public to attend unless the Joint Committee determines that it is necessary to exclude members of the public in accordance with Part VA of the Local Government Act 1972 or the Joint Committee determines that it is necessary to close the meeting to the public because of a disturbance.

23.1 Copies of the agenda for meetings of the Joint Committee and any reports for its meetings shall be open to inspection by members of the public at the offices of the Councils with the exception of any report which the Secretary to the Joint Committee determines relates to items which in his or her opinion are likely to be considered at a time when the meeting is not to be open to the public.

24. Minutes of the meeting shall be published by the Host Authority to the extent required by Part VA of the Local Government Act 1972.

25. If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will arrange for their removal from the meeting room and will suspend the meeting until the member of the public has left or been removed.

26. If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.

27. **Overview and Scrutiny**

27.1 Each Council has overview and scrutiny committees which have the right to scrutinise the operation of the Joint Committee and the Joint Committee and the Host Authority will cooperate with reasonable requests for information from any of the Councils' overview and scrutiny committees.

27.2 The decisions of the Joint Committee are not subject to call-in.

28. **Regulation of Business**

28.1 Any ruling given by the Chairman as to the interpretation of this constitution with respect to the regulation of proceedings at meeting shall be final.

28.2 Subject to the law, the provisions of this Constitution and the terms of any contract, the Joint Committee may decide how it discharges its business.

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SCHEDULE 4

Terms of reference for the Officer Working Group

1. The Officer Working Group is a working group of officers appointed by the Councils whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee (and also if requested for the Councils as a collective group of investors in the Operator).
2. The Officer Working Group will work with the Joint Committee to support the functions of the Joint Committee as set out in the Joint Committee's Terms of Reference.
3. The Officer Working Group will provide technical support at meetings of the Joint Committee, for example by proving and delivering performance management reports for the Joint Committee on all aspects relating to the provision of services by the Operator.
4. The Officer Working Group will act as a conduit for the Joint Committee to communicate back to the respective Councils and/or direct to the Operator. It will do so in liaison with the client support unit established by the Councils to oversee the Contract and the Service.
5. The Officer Working Group will operate in accordance with the shared objectives of the Pool as set out at **Clause 3** and Schedule 1 and within any budget and policies set by the Joint Committee.
6. The Officer Working Group may be assisted by external professional advisers appointed by the Joint Committee.

SCHEDULE 5

Cost sharing

Part 1 Sharing of Pool establishment and running costs

A Pool Establishment Costs

1. For the purpose of this Schedule 5 Pool Establishment Costs are the costs of creating the Pool including but not limited to:
 - 1.1 Strategic and technical advice
 - 1.2 External legal advice
 - 1.3 Project management
 - 1.4 Financial and taxation advice
 - 1.5 Costs of undertaking the procurement of the Operator
2. Pool establishment costs shall be shared equally between the Councils.

B Running Costs

Operator Costs

3. For the purpose of this Schedule 5 Operator Costs are the costs payable to the Operator or investment managers as follows:
 - 3.1 Costs payable to the Operator or investment managers will be made in accordance with the Operator Contract or such arrangements as are made with investment managers.
 - 3.2 Where these costs are calculated based on the value of investments under management these costs will be borne by each Council in accordance with the agreed fee arrangements for each sub-fund as set out in the prospectus for each sub-fund or in accordance with the Operator Contract. To the extent that the general costs payable to the Operator for the operation of the Vehicle are calculated based on a flat fee then that fee shall be shared equally between the Councils.
 - 3.3 Operator costs incurred in the creation of a new sub-fund shall be allocated back to the sub-fund and will therefore be apportioned to those Councils investing based on the assets under management in that sub-fund as set out in the prospectus approved by the Joint Committee and the contract entered into pursuant to that agreement.
 - 3.4 Where the Operator or a Council incurs charges or liabilities in circumstances where it would be inequitable to apply the provision of clauses 3.1-3.3 above the Joint Committee may decide that one or more Councils should pay some or all of those costs or charges to the Operator or to a Council as the case may be so as to reflect the responsibility for those charges in an equitable way and the Councils affected shall make payments to reflect the decision of the Joint Committee. Before making a decision that costs should be borne differently in a way which it considers to be more equitable under this paragraph the Joint Committee must allow any Council which would be adversely affected the opportunity to make written representations..

Other Costs

4. For the purpose of this Schedule 5 Other Costs are the costs of operating the Pool excluding Pool Establishment Costs and Operator Costs including but not limited to the cost of:

- 4.1 Strategic and technical advice
- 4.2 Legal advice
- 4.3 Project management
- 4.4 Financial and taxation advice
- 4.5 The cost of overseeing and supervising the operation of the Operator Contract including the cost of the Client Unit and the Host Authority and including the costs of any procurement and appointment of any contractor to provide advisers services.
- 5. Other Costs shall be shared equally between the Councils and shall be reviewed annually.
- 6. Where the Operator or a Council incurs charges or liabilities in circumstances where it would be inequitable to apply the provision of clause 5 the Joint Committee may decide that one or more Councils should pay some or all of those costs or charges to the Operator or to a Council as the case may so as to reflect the responsibility for those charges in an equitable way and the Councils affected shall make payments to reflect the decision of the Joint Committee. Before making a decision that costs should be borne differently in a way which it considers to be more equitable under this paragraph the Joint Committee must allow any Council which would be adversely affected the opportunity to make written representations.

C Asset Transition Costs

- 7. For the purpose of this Schedule 5 Asset Transition Costs are the costs incurred when transferring assets from each Council into vehicles managed by the Operator to become Pool Assets. These costs include but are not limited to:
 - 7.1 Transition manager fees
 - 7.2 Duties and taxes
 - 7.3 Buy and sell spreads
 - 7.4 Market and opportunity costs
- 8. Asset Transition Costs will be borne by each Council on its own assets transferred to or removed from the Vehicle or transitioned between managers of sub-Funds in the Vehicle.

Part 2 Sharing of costs relating to withdrawal

- 9. Should any Council give notice to withdraw from this Agreement under Clause 12 hereof then the Former Council will be required to pay all costs which that Council would have had to pay if it had continued to be a member of the Pool until the expiry of the Relevant Period including its share of Pool Establishment Costs, Operators Costs and Other Costs unless the Joint Committee agrees otherwise.

In this clause the "Relevant Period" means the period between the Withdrawal Date for the Council concerned and the first of the following dates which occur on or after the Withdrawal Date:

- (a) The date on which the Operator Contract comes to an end;
- (b) The date on which the Operator Contract would have come to an end but for the fact that it is extended by the Councils.
- 10. All costs of withdrawing assets, including any dilution levies, from the Vehicle shall be borne by each Council in accordance with the terms on which they are invested with the Operator.

11. Payments made by a Former Council shall be made at the same time and in the same manner as if that Former Council had not withdrawn from this agreement.

Part 3 Sharing of costs on termination

12. Should this Agreement be terminated in accordance with Clause 13 of this Agreement the Councils will determine any outstanding amounts due to the Operator and to any other parties in respect of this Agreement.
13. Should this Agreement be terminated prior to appointment of the Operator, all costs shall be shared equally between the Councils.
14. Such costs shall include but are not limited to:
 - 14.1 Contractually committed costs not yet paid
 - 14.2 Liabilities that may be imposed by parties to this Agreement or contractually engaged third parties
15. Should this Agreement be terminated after the appointment of the Operator the following shall apply:
 - 15.1 Costs of withdrawing assets from the Vehicle shall be borne by each Council according to their own assets withdrawn. These may include any dilution levies as defined in the relevant sub-fund prospectuses or similar investment scheme documentation.
 - 15.2 Any other costs which shall include but are not limited to:
 - 15.2.1 Contractually committed costs not yet paid
 - 15.2.2 Liabilities that may be imposed by parties to this Agreement or contractually engaged third parties

shall be shared equally by the Councils and any Former Councils whose Relevant Period ends on or after the date of termination of this Agreement. In this paragraph "Relevant Period" has the same meaning as in paragraph 9.
16. The Joint Committee may agree that the liability of one or more Former Councils under paragraph 15.2 should be reduced, avoided or allocated other than in equal share to the extent that it considers that it would be inequitable to require that Former Council to pay or to pay an equal share.

Part 4 Sharing of cost on addition of another party

17. Should this Agreement be varied in accordance with Clause 5.6 hereof to provide for the addition of a further pension administering authority or authorities then
 - 17.1 that pension administering authority or authorities shall on becoming a party to this Agreement pay a proportionate share of the pool establishment costs calculated in accordance with Part 1 of this Schedule 5 as reflects the number of parties to this Agreement at the moment after the new party joins.
 - 17.2 that share shall be immediately paid to the Councils who were parties to this Agreement immediately prior to the variation in equal shares.
18. The Joint Committee may agree to waive payment of part or all of the pool establishment costs if it considers it to be in the interests of the pool to do so.

Part 5 Sharing of Host Authority and Client Unit Costs

19. Costs incurred in the operation of the Joint Committee (including the costs of officers providing support to the Joint Committee through the Officer Working Group in accordance with this Agreement) will be borne by the Council incurring them.
20. Costs incurred by the Host Authority in providing clerking and other services required of it as Host Authority by the Joint Committee will be shared equally between the Councils and, with respect to any Relevant Period, any Former Councils.
21. Costs incurred by any Council with respect to provision of the Client Unit or undertaking work commissioned from that authority by the Joint Committee will be shared equally between the Councils and, with respect to its Relevant Period, former Councils, with respect to any such services commissioned.

Part 6 Litigation Costs

22. The cost of
 - 22.1 defending a claim brought against one or more Councils or the Joint Committee arising from any activity undertaken by that Council or Councils on behalf of the Joint Committee or undertaken by that Council or Councils in accordance with this Agreement
 - 22.2 bringing any legal proceedings authorised by the Joint committee

including the cost of any award made by any court, tribunal or other body having the jurisdiction to require any payment to be made by any Council or Former Council shall be shared equally unless the Joint Committee agrees that it would be more equitable for the cost to be borne differently and the Councils affected shall make payments to reflect the decision of the Joint Committee.
23. Before making a decision that costs should be borne other than equally under paragraph 22 the Joint Committee must allow any Council which might be adversely affected by that decision the opportunity to make written representations.

Part 7 Payment of shared costs

24. Subject to paragraph 26, no later than 31st December in each and every year the Joint Committee will prepare a budget for the forthcoming financial year (1 April to 31 March) setting out the estimated cost of:
 - 24.1.1 the provision of services to the Joint Committee by the Host Authority
 - 24.1.2 the operation of the Client Unit
 - 24.1.3 the provision of services by advisers appointed by the Joint Committee
 - 24.1.4 any other services provided by a Council or third party which are considered by the Joint Committee to be the shared responsibility of the Councils
 - 24.1.5 any other cost which is to be payable by the Councils equally in accordance with the provisions of this agreement.
25. No later than 1st April in the following year the Host Authority shall invoice each Council and with respect to its Relevant Period Former Council for its estimated share of the costs payable under paragraph 23 and each Council or Former Council as the case may be shall pay such invoice within 28 days from receipt.
26. The Host Authority shall defray any expenditure falling under paragraphs 23.1.1-19.1.5 upon being invoiced for the same by the supplier or by a Council which has incurred or paid any such cost.

27. Within 28 days of the end of each financial year the Joint Committee will determine the actual cost of the services set out in paragraph 23 and the Host Authority shall invoice each Council and with respect to its Relevant Period Former Council for its further share of the costs payable under paragraph 19 and each Council or Former Council as the case may be shall pay such invoice within 28 days from receipt.
28. If any sum payable under this Agreement is not paid on or before the due date for payment the council entitled to payment will be entitled to charge the Council from which payment is due interest on that sum at [INSERT NUMBER]% per annum above the base lending rate from time to time of [INSERT NAME OF BANK] from the due date until the date of payment (whether before or after judgment), such interest to accrue on a daily basis.
29. For the financial year 2017/18 the Joint Committee may prepare estimates but they may be prepared later than 31 December 2016.

DRAFT

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By: John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement
Andy Wood, Corporate Director of Finance and Procurement

To: County Council – 16 March 2017

Subject: **TREASURY MANAGEMENT 6 MONTH REVIEW 2016/17**

Classification: Unrestricted

Summary: To present the Treasury Management 6 Month Review

FOR INFORMATION

INTRODUCTION

1. This report covers Treasury Management activity for the 6 months to 30 September 2016 and developments in the period since up to the date of this report.

BACKGROUND

2. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). This report therefore ensures this council is embracing Best Practice in accordance with CIPFA's recommendations.
3. The Council's Treasury Management Strategy for 2016/17 was approved by full Council on 11 February 2016.
4. The Council has both borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

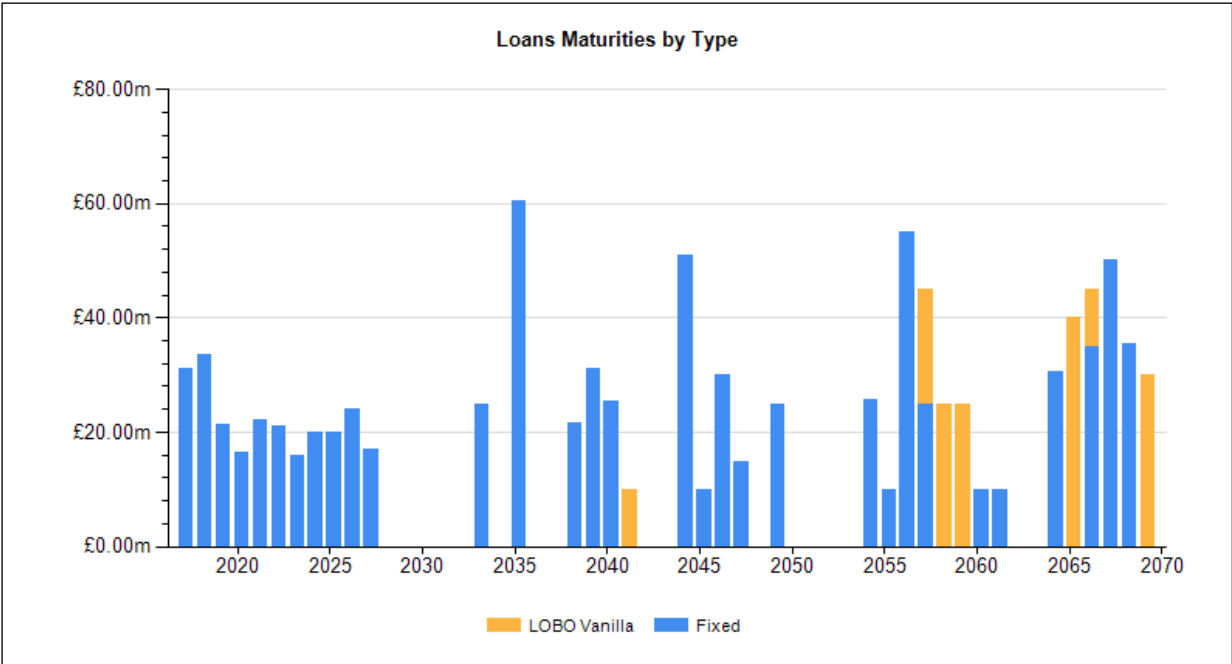
EXTERNAL CONTEXT

5. The main external issues in the first six months of the year were the Bank of England's decision in August to reduce the base rate to 0.25%, to make further gilt and corporate bond purchases (Quantitative Easing), and to provide cheap funding for banks (Term Funding Scheme) in order to maintain the supply of credit to the economy. These post- Brexit vote actions were made to pre-empt a slowdown in the economy but second quarter growth of 0.5% was better than expected. The reduction in the base rate has led to further reductions in the rates offered by banks for deposits and available from money market funds.

- 6. The Council had some exposure to equity markets, through its investment in the Pyrford Fund, which have performed strongly in the first half of the year.
- 7. Inflation has picked up due to a rise in import prices, dampening real wage growth and real investment returns. The Consumer Price Index (CPI) rose to 1.2% in the year to November 2016 and the Bank of England forecasts a rise closer to the Bank's 2% target over the coming year, as previous rises in commodity prices and the sharp depreciation in sterling begin to drive up imported material costs for companies.
- 8. Some of the UK's largest property pooled fund providers closed their funds in the immediate aftermath of the Brexit vote and the CCLA LAMIT Property Fund, which the Council invests in, wrote down capital values by 4%. Since the initial Brexit reaction capital values have reduced marginally and it is already widely forecast that UK Commercial Property returns in the next few years will be driven by income returns. Fidelity are forecasting returns for UK Commercial Property of 6-7% per annum for the next five years.

BORROWING STRATEGY

- 9. At 30 November the Council had long term borrowings of £983.84m, an increase of £4.3m from the balance as at 31 March 2016, with a maturity profile as follows:



- 10. Total external debt managed by KCC includes £37.4m pre-LGR debt managed by KCC on behalf of Medway Council and £0.91m for other bodies.
- 11. The Council's chief objective when borrowing continues to be to consider borrowing at advantageous points in interest rate cycles as well as striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to

renegotiate loans should the Council's long-term plans change being a secondary objective.

12. In June Barclays Bank advised the Council of their decision to cancel all the embedded options within their standard Lender's Option Borrower's Option loans. This converted the Barclays LOBOs, totalling £281.8m, into fixed rate loans and is a highly welcome move by the bank.
13. Since the start of the current financial year the Council has received £6.2m of the funding agreed for the County's street lighting and expects to receive a total of £8.8m in 2016-17. KCC also expects to repay £32m of maturing and EIP PWLB loans by 31 March 2017
14. As a result of the borrowing relating to the street lighting, the average interest rate payable on the Council's debt portfolio reduced to 5.181%.
15. Affordability and the "cost of carry" remain important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates remain lower than long-term rates, the Council has determined it is more cost effective in the short-term to use internal resources instead.
16. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. The Council's Treasury Advisor, Arlingclose, assists it with this 'cost of carry' and breakeven analysis.

INVESTMENT ACTIVITY

Counterparty Update

17. The impact on KCC's counterparties and investments of the uncertain economic environment is being carefully monitored by officers and the Council's treasury advisors. Arlingclose's credit advice remains cautious however duration limits for major UK banks and building societies were unchanged with Standard Chartered remaining suspended from the list.

Investment activity 2016/17

18. The Council holds significant invested funds representing income received in advance of expenditure plus balances and reserves held. Cashflow forecast indicated that during 2016/17 investment balances would range between £285m and £434m.
19. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

20. Security of capital has remained the Council’s main investment objective. Against a background of increasing uncertainty, the continuing risk of bail-in and continued low returns, it is the Council’s aim to further diversify into more secure and/or higher yielding asset classes as set out in its Treasury Management Strategy Statement for 2016-17.
21. As at the end of November the types of investment held were as follows:

| Type of Investment | Total | |
|----------------------------------|---------------|---------------|
| | £m | % |
| Call Account | 11.00 | 3.59 |
| Money Market Fund | 34.85 | 11.39 |
| Notice Account | 25.00 | 8.17 |
| Certificate of Deposit | 5.00 | 1.63 |
| Fixed Deposit | 68.60 | 22.42 |
| Covered Bond | 115.34 | 37.69 |
| ISK held in Escrow | 3.28 | 1.07 |
| Icelandic Recoveries Outstanding | 0.51 | 0.17 |
| Internally managed cash | 263.57 | 86.13 |
| External Investments | 30.31 | 9.90 |
| Cashplus Fund | 10.00 | 3.27 |
| Equity | 2.14 | 0.70 |
| Total | 306.02 | 100.00 |

22. A detailed list of investments can be found in Appendix 1.

FORECAST OUTTURN

23. The average cash balances were £345.7m in the half year. Short-term money market rates have remained at relatively low rates. Following the reduction in the base rate, rates for very short-dated periods (overnight – 1 month) have fallen to between 0.1% and 0.2%. Debt Management Account Deposit Facility (DMADF) rates have fallen to 0.15% for periods up to 3 months and to 0.10% for 4 – 6 month deposits.
24. New internally managed investments over the 6-month period were made at an average rate of 0.78%
25. The forecast anticipates an underspend of £0.487m on the net debt charges budget.

COMPLIANCE WITH PRUDENTIAL INDICATORS

26. The Council can confirm that it has complied with its Prudential Indicators for 2016/17 set as part of the Council’s Treasury management Strategy Statement. Details can be found in Appendix 2.

TREASURY ADVISOR

27. Following a full tendering process for treasury advisory services Arlingclose were reappointed for a 3 year period from 1 August 2016.

RECOMMENDATION

28. Members are asked to consider and comment on the report.

Alison Mings
Treasury and Investments Manager
Ext: 03000 416488

Investments as at 30 November 2016

1. Internally Managed Investments

1.1 Term deposits, Call accounts and Money Market Funds

| Instrument Type | Counterparty | Principal Amount | End Date | Interest Rate |
|---|---|--------------------|------------|-----------------|
| Call Account | Barclays Bank | £1,000,000 | n/a | 0.35% |
| | Total Barclays | £1,000,000 | | |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 21/08/2017 | 1.00% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 29/09/2017 | 1.00% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 24/02/2017 | 0.80% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 24/07/2017 | 1.05% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 08/08/2017 | 1.00% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 09/02/2017 | 0.90% |
| Fixed Deposit | Lloyds Bank | £5,000,000 | 05/09/2017 | 1.00% |
| | Total Lloyds Group | £35,000,000 | | |
| Call Account | Santander UK | £10,000,000 | n/a | 0.15% |
| 180 Day Call Notice Account | Santander UK | £25,000,000 | n/a | 0.90% |
| | Total Santander | £35,000,000 | | |
| Total UK Bank Deposits | | £71,000,000 | | |
| Fixed Deposit | Nationwide Building Society | £3,600,000 | 19/04/2017 | 0.42% |
| Fixed Deposit | Nationwide Building Society | £10,000,000 | 24/04/2017 | 0.43% |
| Total UK Building Society Deposits | | £13,600,000 | | |
| Certificate of Deposit | Toronto-Dominion Bank | £5,000,000 | 10/02/2017 | 0.80% |
| Total Canadian Bank Deposits | | £5,000,000 | | |
| Fixed Deposit | United Overseas Bank | £10,000,000 | 10/02/2017 | 0.73% |
| Fixed Deposit | United Overseas Bank | £5,000,000 | 10/02/2017 | 0.70% |
| Fixed Deposit | Overseas Chinese Banking Corp | £5,000,000 | 10/02/2017 | 0.65% |
| Total Singapore Bank Deposits | | £20,000,000 | | |
| Money Market Fund | Aberdeen Sterling Liquidity Fund | £4,496,679 | n/a | 0.31 (variable) |
| Money Market Fund | Deutsche Managed Sterling Fund | £93,593 | n/a | 0.30 (variable) |
| Money Market Fund | Federated (PR) Short-term GBP Prime Fund | £9,990,000 | n/a | 0.30 (variable) |
| Money Market Fund | HSBC Global Liquidity Fund | £96,302 | n/a | 0.29 (variable) |
| Money Market Fund | Insight Sterling Liquidity Fund | £97,412 | n/a | 0.29 (variable) |
| Money Market Fund | LGIM Liquidity Fund | £9,991,781 | n/a | 0.37 (variable) |
| Money Market Fund | SSgA GBP Liquidity Fund | £94,334 | n/a | 0.26 (variable) |
| Money Market Fund | Standard Life Liquidity Fund | £9,990,000 | n/a | 0.33 (variable) |
| Total Money Market Funds | | £34,850,100 | | |
| Cash Plus Fund | Aberdeen Ultra Short Duration Sterling Fund | £10,002,230 | n/a | 0.30 (variable) |
| Total Cash Plus Funds | | £10,002,230 | | |

1.2 Iceland Deposits

| Instrument Type | Principal Amount |
|---|-------------------|
| Total Icelandic Recoveries outstanding | £506,554 |
| Total ISK held in Escrow (est GBP) | £3,278,427 |
| Icelandic Recoveries outstanding | £3,784,981 |

1.3 Bond Portfolio

| Bond Type | Issuer | Adjusted Principal | Maturity Date | Net Yield |
|----------------------------|----------------------------|--------------------|---------------|-----------|
| Fixed Rate Covered Bond | Coventry Building Society | £3,157,053 | 19/04/2018 | 1.931% |
| Fixed Rate Covered Bond | Coventry Building Society | £5,282,513 | 19/04/2018 | 1.726% |
| Fixed Rate Covered Bond | Coventry Building Society | £2,121,260 | 19/04/2018 | 1.524% |
| Fixed Rate Covered Bond | Leeds Building Society | £2,128,008 | 17/12/2018 | 2.029% |
| Fixed Rate Covered Bond | Leeds Building Society | £1,601,727 | 17/12/2018 | 1.192% |
| Fixed Rate Covered Bond | Yorkshire Building Society | £2,107,752 | 12/04/2018 | 1.976% |
| Fixed Rate Covered Bond | Yorkshire Building Society | £3,187,918 | 12/04/2018 | 1.545% |
| Floating Rate Covered Bond | Abbey National Treasury | £5,752,160 | 20/01/2017 | 0.820% |
| Floating Rate Covered Bond | Abbey National Treasury | £3,001,107 | 20/01/2017 | 0.714% |
| Floating Rate Covered Bond | Abbey National Treasury | £2,417,166 | 05/04/2017 | 0.776% |
| Floating Rate Covered Bond | Abbey National Treasury | £1,365,105 | 05/04/2017 | 0.716% |
| Floating Rate Covered Bond | Abbey National Treasury | £3,002,438 | 29/05/2018 | 0.787% |
| Floating Rate Covered Bond | Barclays Bank | £5,003,059 | 15/09/2017 | 0.693% |
| Floating Rate Covered Bond | Barclays Bank | £3,001,954 | 15/09/2017 | 0.685% |
| Floating Rate Covered Bond | Barclays Bank | £5,001,899 | 12/02/2018 | 0.721% |
| Floating Rate Covered Bond | Barclays Bank | £2,395,754 | 12/02/2018 | 0.781% |
| Floating Rate Covered Bond | Coventry Building Society | £3,007,248 | 17/03/2020 | 0.877% |
| Floating Rate Covered Bond | Leeds Building Society | £2,501,547 | 09/02/2018 | 0.784% |
| Floating Rate Covered Bond | Leeds Building Society | £2,501,572 | 09/02/2018 | 0.784% |
| Floating Rate Covered Bond | Leeds Building Society | £5,000,000 | 01/10/2019 | 0.967% |

Appendix 1

| | | | | |
|----------------------------|-----------------------------|---------------------|------------|--------|
| Floating Rate Covered Bond | Lloyds | £3,001,050 | 14/01/2017 | 0.806% |
| Floating Rate Covered Bond | Lloyds | £3,901,503 | 19/01/2018 | 0.721% |
| Floating Rate Covered Bond | Lloyds | £1,403,781 | 18/07/2019 | 0.758% |
| Floating Rate Covered Bond | Lloyds | £10,004,572 | 16/01/2017 | 0.459% |
| Floating Rate Covered Bond | Nationwide Building Society | £1,899,998 | 17/07/2017 | 0.769% |
| Floating Rate Covered Bond | Nationwide Building Society | £1,000,369 | 17/07/2017 | 0.719% |
| Floating Rate Covered Bond | Nationwide Building Society | £2,100,930 | 17/07/2017 | 0.709% |
| Floating Rate Covered Bond | Nationwide Building Society | £3,429,522 | 27/04/2018 | 0.740% |
| Floating Rate Covered Bond | Nationwide Building Society | £2,147,283 | 27/04/2018 | 0.771% |
| Fixed Rate Covered Bond | National Australia Bank | £3,003,113 | 10/11/2021 | 1.104% |
| Floating Rate Covered Bond | Toronto Dominion | £5,456,592 | 01/02/2019 | 1.016% |
| Fixed Rate Covered Bond | Leeds Building Society | £5,851,747 | 17/12/2018 | 0.623% |
| Fixed Rate Covered Bond | Santander UK PLC | £3,615,957 | 14/04/2021 | 0.649% |
| Fixed Rate Covered Bond | Bank Of Nova Scotia | £4,984,225 | 14/09/2021 | 0.813% |
| Total Bonds | | £115,337,881 | | |

| | |
|---|---------------------|
| Total Internally Managed Investments | £273,575,193 |
|---|---------------------|

2. Externally Managed Investments

| Investment Fund | Book Cost | Market Value as at 31 October 2016 | 12 months return to 31 October 2016 |
|---|-------------|------------------------------------|-------------------------------------|
| CCLA LAMIT Property Fund | £20,000,000 | £24,807,891 | 0.16% |
| Pyrford Fund | £5,000,000 | £5,498,197 | 10.99% |
| Kent PFI (Holdings) Ltd | £2,135,741 | £2,135,741 | |
| Total Externally Managed Investments | | £32,441,828 | |

3. Total Investments

| | |
|--------------------------|---------------------|
| Total Investments | £306,017,020 |
|--------------------------|---------------------|

2016-17 October Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

| | |
|---------------------------|-----------|
| Actuals 2015-16 | £249.121m |
| Original estimate 2016-17 | £299.658m |
| Revised estimate 2016-17 | £291.264m |

2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 |
|--|-----------|-------------------|-------------------------|-------------------------|-------------------------|
| | Actual | Original Estimate | Forecast as at 31-10-16 | Forecast as at 31-10-16 | Forecast as at 31-10-16 |
| | £m | £m | £m | £m | £m |
| Capital Financing requirement | 1,348.259 | 1,335.724 | 1,363.995 | 1,320.627 | 1,272.689 |
| Annual increase/reduction in underlying need to borrow | -34.597 | -17.266 | -15.736 | -43.368 | -47.938 |

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

3. Estimate of ratio of financing costs to net revenue stream

| | |
|---------------------------|--------|
| Actuals 2015-16 | 13.90% |
| Original estimate 2016-17 | 13.71% |
| Revised estimate 2016-17 | 13.89% |

4. Operational Boundary for External Debt

Appendix 2

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2016-17

(a) Operational boundary for debt relating to KCC assets and activities

| | Prudential Indicator | Position as at 31.10.16 |
|-----------------------------|----------------------|-------------------------|
| | £m | £m |
| Borrowing | 975 | 944 |
| Other Long Term Liabilities | 248 | 248 |
| | 1,223 | 1,192 |

(b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

| | Prudential Indicator | Position as at 31.10.16 |
|-----------------------------|----------------------|-------------------------|
| | £m | £m |
| Borrowing | 1,015 | 983 |
| Other Long Term Liabilities | 248 | 248 |
| | 1,263 | 1,231 |

5. Authorised Limit for external debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The revised limits for 2016-17 are:

| | Authorised limit for debt relating to KCC assets and activities | Position as at 31.10.16 | Authorised limit for total debt managed by KCC | Position as at 31.10.16 |
|-----------------------------|---|-------------------------|--|-------------------------|
| | £m | £m | £m | £m |
| Borrowing | 1,015 | 944 | 1,055 | 983 |
| Other long term liabilities | 248 | 248 | 248 | 248 |
| | 1,263 | 1,192 | 1,303 | 1,231 |

6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Services

Appendix 2

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2016-17

| | |
|------------------------------|------|
| Fixed interest rate exposure | 100% |
| Variable rate exposure | 40% |

These limits have been complied with in 2016-17.

8. Upper limits for maturity structure of borrowings

| | Upper limit | Lower limit | As at 31.10.16 |
|--------------------------------|-------------|-------------|----------------|
| | % | % | % |
| Upper 12 months | 10 | 0 | 3.17 |
| 12 months and within 24 months | 10 | 0 | 3.37 |
| 24 months and within 5 years | 15 | 0 | 6.10 |
| 5 years and within 10 years | 15 | 0 | 10.22 |
| 10 years and within 20 years | 20 | 5 | 10.43 |
| 20 years and within 30 years | 20 | 5 | 18.21 |
| 30 years and within 40 years | 25 | 10 | 13.28 |
| 40 years and within 50 years | 30 | 10 | 23.46 |
| 50 years and within 60 years | 30 | 10 | 11.75 |

9. Upper limit for principal sums invested for periods longer than 364 days

| | |
|-----------|---------|
| Indicator | £230m |
| Actual | £178.3m |

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By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
 Amanda Beer – Corporate Director of Engagement, Organisation Design and Development

To: County Council - 16 March 2017

Subject: Pay Policy Statement

Classification: Unrestricted

Summary: This paper addresses the actions the Authority is required to make on pay as part of delivering its responsibilities under the Localism Act 2011.

1. BACKGROUND

- 1.1 An objective of the Localism Act is to increase transparency of local pay. This requires councils to publish the salaries of senior officials, enabling local people to better understand how public money is being spent in their area.
- 1.2 The Act requires a local authority pay policy to be openly approved by democratically elected councilors on an annual basis.

2. PAY POLICY STATEMENTS

- 2.1 The proposed Pay Policy Statement for 2017/18 is attached in Appendix 1. As in previous years, and as agreed by County Council on 29 March 2012, the statement is required to relate to:-
- (a) the level and elements of remuneration for each chief officer
 - (b) remuneration of chief officers on recruitment
 - (c) increases and additions to remuneration for each chief officer
 - (d) the use of performance-related pay (PRP) for chief officers
 - (e) the use of bonuses for chief officers
 - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority
 - (g) the publication of and access to information relating to remuneration of chief officers.

For the purpose of the Localism Act, a Chief Officer in KCC is defined as being at 'Director Level'. This includes the County Council's Corporate Directors and Directors.

- 2.2 The provisions do not apply to the staff of local authority schools.

3. PAY MULTIPLE

- 3.1 A pay multiple is calculated in order to measure the difference in pay between the norm and highest salary. The definition of pay multiple as defined in the 'Code of Recommended Practice for Local Authorities on Data Transparency' document is the ratio between the highest paid salary and the median average salary of the authority's workforce.
- 3.2 KCC's current Pay Multiple figure is 8.0 : 1. This excludes schools.

4. GUIDANCE

- 4.1 The policy is compliant with expectations and guidance in the Code of Recommended Practice along with supplementary updates which have been received.

5. RECOMMENDATION

- 5.1 County Council endorses the attached Pay Policy Statement.

Colin Miller
Reward Manager
Ext 416483

Kent County Council Pay Policy Statement 2017-18

The Authority seeks to be able to recruit and retain staff in a way which is externally competitive and internally fair. The Kent Scheme pay policy applies in a consistent way from the lowest to the highest grade.

- The pay policy is influenced by a number of factors which include local pay bargaining, market information, market forces, economic climate, measures of inflation and budgetary position.
- The policy referred to in this Statement is relevant to Council employees generally. The scope of this Statement does not include all Terms and Conditions as some are set on a national basis. These include Teachers covered by the school teachers pay and conditions in (England and Wales) document, Soulbury Committee, Adult Education, National Joint Council (NJC), Joint National Council (JNC) and the National Health Service (NHS).
- The Kent scheme pay range consists of grades KR2 – KR20; details of which are at the bottom of the page.
- The details of the reward package for all Corporate Directors and Directors are published and updated on the County Council's web site.
- KCC will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.
<https://www.kent.gov.uk/about-the-council/finance-and-budget/spending/senior-staff-salaries>
- The appropriate grade for a job is established through a job evaluation process which takes into account the required level of knowledge, skills and accountability required for the role.
- The lowest point of KCC's grading structure (bottom of grade KR2) is set such that the hourly rate is above the National Minimum Wage.
- Staff who are new to the organisation must be appointed at the minimum of the grade unless there are exceptional reasons to appoint higher. These must be based on a robust business case in relation to the level of knowledge, skills and experience offered by the candidate and consideration is given to the level of salaries of the existing staff to prevent pay inequality. For senior staff any such business case must be approved by the relevant Corporate Director.
- Council signs off the pay structure. The subsequent appointment of individuals, including those receiving salaries in excess of £100k, is in accordance with the pay structure and the principles outlined in the pay policy.
- Staff who are promoted should be appointed to the minimum of the grade.

However their pay increase should equate to at least 2.5%.

- All progression within a grade is subject to performance as assessed through Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level. This applies to all levels in the Authority and there are no additional bonus schemes for senior managers.
- The award for each appraisal rating is set annually following the outcome of the appraisal process.
- People at the top of their grade have the opportunity to receive a pay award which is consistent with others who have the same appraisal rating. This amount will be paid separately and not built into base pay.
- The 'Lowest' paid employees are defined as those employees on the lowest pay point of KCC's lowest grade, KR2. They receive relevant benefits and are remunerated in the same proportionate way as others.
- The entry level will increase to £14,856 which equates to £7.70 per hour.
- In order to establish the pay difference and the relative change in pay levels over time, a pay multiplier can be calculated. This is the base pay level of the highest paid employee shown as a multiple of the median Kent Scheme salary. This multiplier will be published on the County Council's website annually.
- <http://www.kent.gov.uk/about-the-council/information-and-data/data-about-the-council>
- http://www.kent.gov.uk/_data/assets/pdf_file/0006/13578/Pay-Multiplier.pdf
- KCC recognises that managers need to be able to reward performance in a flexible and appropriate way to the particular circumstances.
- Should it be shown that there is specific recruitment and retention difficulties, the Market Premium Policy may be used to address these issues.
- The Council would not expect the re-engagement of an individual who has left the organisation with a redundancy, retirement or severance package.
- Managers have delegated powers to make cash awards and ex-gratia payments when necessary and where not covered by any other provision as defined in the Blue Book Kent Scheme Terms & Conditions.
<http://www.kent.gov.uk/jobs/careers-with-us/working-for-us>
http://www.kent.gov.uk/_data/assets/pdf_file/0019/12574/Kent-Scheme.pdf
- Policies about termination payments and employer discretions under the Local Government Pension Scheme will be reviewed annually and published for all staff. These will be produced with the intention of only making additional payments when in the best interests of the Authority and maintaining consistency through all pay grades.

Kent Scheme Pay Range 2017-18

| £ (Minimum) | Grade | £ (Maximum) |
|--------------------|--------------|--------------------|
| £194,000 | KR 20 | £199,000 |
| £140,865 | KR 19 | £193,000 |
| £118,466 | KR 18 | £140,864 |
| £94,581 | KR 17 | £112,415 |
| £73,719 | KR16 | £93,095 |
| £64,841 | KR 15 | £73,718 |
| £57,276 | KR 14 | £64,840 |
| £51,115 | KR13 | £57,275 |
| £43,642 | KR 12 | £51,114 |
| £37,922 | KR 11 | £43,641 |
| £32,079 | KR 10 | £37,921 |
| £28,048 | KR 9 | £32,078 |
| £24,473 | KR 8 | £28,047 |
| £21,510 | KR 7 | £24,472 |
| £19,609 | KR 6 | £21,509 |
| £17,827 | KR 5 | £19,608 |
| £16,968 | KR 4 | £17,826 |
| £15,253 | KR 3 | £16,967 |
| £14,856 | KR 2 | £15,252 |

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
Ben Watts, General Counsel

To: **County Council – 16th March 2017**

Subject: Constitutional Amendments to reflect recent decisions of the County Council

Classification: **Unrestricted**

Summary:

The purpose of this report is to amend the Constitution to reflect the recent changes to chief officer roles as agreed by the full council.

Recommendation:

That the County Council approve the changes to the Constitution as detailed in paragraph 3 of the report.

1. Introduction

- 1.1 The Constitution has served the Council well since it was first written in 2001. It has gone through a significant number of iterative versions driven by ad-hoc legislative, regulatory changes required of all local authorities and the changes that have been consequential from decisions that are taken by the Council.
- 1.2 The process for making changes to the Constitution is set out in Article 14.2:
- “Changes to the Articles of the Constitution must be approved by the full Council after consideration of the proposal by the Selection & Member Services Committee and appropriate public consultation. Changes to factual references or changes required by a change in the law will be made by the Monitoring Officer. Changes to the Appendices of the Constitution will be published by the Monitoring Officer to reflect decisions duly taken by the Council, Leader, Cabinet, a Committee or Senior Officer.”
- 1.3 This process rightly reserves to Members any changes to the Articles of the Constitution which are the basic rules governing the Council’s business. It requires any amendment to the Articles to be approved by the full Council after consideration of the proposal by Selection and Member Services Committee.
- 1.4 At the County Council meeting on 26 January 2017, members made decisions that affected the management structure of the council and a number of the designated officer posts in Article 11 of the Constitution. This

paper proposes the consequential changes that are required to give constitutional effect to the decision taken by Members in January. At the same time, Article 11 is also amended to reflect changed job titles and responsibilities as a result of previous decisions taken by the County Council.

- 1.5 The paper also provides an update on work that will be undertaken over the course of the next year to review the entire Constitution. It is recognised that, whilst legally sound, the document is long and could benefit from a review to consider what improvements could be made to benefit those who might read it, including elected members, our partners, residents and staff.

2. Financial Implications

- 2.1 There are no financial implications to the constitutional changes as outlined in this report.

3. Proposed Amendments to the Articles of the Constitution

- 3.1 At the County Council meeting on 26 January 2017, Members approved two new Corporate Director posts to deliver the statutory functions of the Director of Adult Social Services and the Director of Children's Services.
- 3.2 The constitutional provisions for these two roles are set out in Articles 11.6 and 11.7 of the Constitution.
- 3.3 Proposed changes to Article 11.6 and 11.7 to reflect the decision are marked in red on Appendix 1 to this report. These include factual changes and some amendments that are consequential to the decision that was taken, which were reflected in the County Council paper and the job descriptions for these new roles.
- 3.4 Article 11.3 also includes proposed changes marked in red on Appendix 1 to this report. These extend the responsibilities placed on the monitoring officer to ensure good governance around the Council's portfolio of companies. Responsibilities are also extended to reflect decisions made by the Council in relation to commissioning activity and the creation of Invicta Law.
- 3.5 Other amendments to Article 11 are proposed to reflect changed job titles and reporting lines as a result of the decisions of the County Council on 26 January 2017 and 11 December 2014 (Facing the Challenge: Commissioning Framework). Again, these changes are marked in red on Appendix 1 to this report.
- 3.6 The Selection and Member Services Committee endorsed the above changes at their meeting on 1st March 2017.
- 3.7 By way of update, given the proposed changes above it is important to apprise members of the interim arrangements that have been put in place to facilitate a managed transition to the new structure. The recruitment process leading to appointment for the two new Corporate Director roles has commenced. Patrick Leeson and Andrew Ireland will continue in their current leadership roles to provide continuity and certainty for staff during the recruitment period. Accordingly, Andrew Ireland will retain the responsibilities

in both Article 11.6 and 11.7 until any appointee is in post. The current Accountability Protocol outlined in Appendix 2 Part 8 of the Constitution will therefore remain in place for the time being.

4. Modernising the Constitution

- 4.1 Over the course of the next nine months, the General Counsel and Head of Democratic Services are carrying out a complete review of the Constitution. This work will focus on making the Constitution easier to understand and use for those who might read it. The General Counsel and Head of Democratic Services have been reflecting upon conversations with Members and Officers about the possibility for improvements and changes.
- 4.2 Members have expressed a strong view that they would like to have a constitution that is dynamic and capable of moving better with the organisation's changing needs. This review process is intended respond to that concern and to remove the need for future wholesale contemplation of the constitution and will allow changes to be made more quickly.
- 4.3 Although the requirement to have a Constitution, as well as a significant degree of what should be included in it (e.g. members' allowance scheme, procedure rules etc) is set out through legislation, the Constitution should be more than just an organisational rule book. It should also reflect the character and culture of the council and support the effective operation of Council business. It must be locally driven, and be fit for purpose to support KCC in the delivery of its objectives. As such, it should be, and has been periodically reviewed and updated to ensure it is fit for purpose to meet the Council's requirements, as well as any statutory requirements.
- 4.4 Importantly, the Constitution has not been significantly reviewed and updated since KCC began the process of becoming a Strategic Commissioning Authority. Whilst the move to an operating model that focusses on commissioning does not fundamentally change the formal decision making process, committee procedures or wider statutory requirements set out in the Constitution, it has changed KCC business model in important ways. Similarly, the member role in commissioning has matured significantly. The roles of bodies like the Commissioning Advisory Board have been important in driving forward the member role in commissioning.
- 4.5 The operating environment for the council has changed significantly in recent years. That environment and reducing budgets has led to an increased focus on new operating models and different types of service delivery. Our increasing commercial focus has changed the structure of the council's services, through the creation of trading vehicles like GEN2, Invicta Law and the Business Service Centre (BSC). It has also put in place new accountability structures like Shareholder Boards to ensure there is appropriate democratic oversight of company performance.
- 4.6 The above examples highlight how the operating model has changed at a strategic level. Reviewing the Constitution is necessary to reflect the reality of the operating model of the Council as it is in practice, but also to protect the interests of the Council, its Members and Officers.

- 4.7 The review of the Constitution will include careful consideration of how the document is presented to address specific concerns about the length and usability of the document.
- 4.8 Any amendments to the Articles of the Constitution will continue to be approved by the full Council after consideration of the proposal by the Selection & Member Services Committee. The County Council will also receive regular updates in relation to the progress of the review including a final report in December 2017.

Recommendation:

That the County Council approve the changes to the Constitution as detailed in paragraph 3 of the report.

5. Contact details

Report Author and Relevant Director:

Ben Watts, General Counsel 03000 416814 benjamin.watts@kent.gov.uk

Appendix 1

Proposed changes are marked in red.

Article 11 – Officers

11.1 Management Structure

- (1) **General.** The Council engages those officers it considers necessary to carry out its functions.
- (2) **Structure.** The overall management structure is determined by the Council on the advice of the Head of Paid Service and the Leader. The Head of Paid Service reports to the Cabinet and the Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers. A description of the overall directorate structure of the Council showing the management structure and deployment of officers is set out at Appendix 8.
- (3) **Chief Officers.** The most senior posts in the structure are designated as Chief Officers within the terms of the Local Government Acts; these are set out in Appendix 8. The most senior officer is the Head of Paid Service
- (4) **Appointment of Officers.** The Head of Paid Service is appointed by the full Council on the recommendation of the Personnel Committee. Other Senior Managers (Chief and Deputy Chief Officers in terms of the Local Government Act 1972) are appointed by the Personnel Committee acting on its behalf. Appointment of all other officers is delegated by the Council to Senior Managers. The recruitment, selection and dismissal of officers will comply with the Personnel Management Rules set out in Appendix 2.
- (5) **Head of Paid Service, Monitoring Officer, Chief Finance Officer, Director of Adult Social Services and Director of Children's Services.** The Council will designate officers to act as each of the following:
 - (a) Head of Paid Service (Corporate Director Strategic & Corporate Services)
 - (b) Monitoring Officer (~~General Counsel Director of Governance & Law~~)
 - (c) Chief Finance Officer (Corporate Director of Finance & Procurement)
 - (d) Director of Adult Social Services (~~Corporate Director Adult Social Care and Health Corporate Director Social Care, Health & Wellbeing~~)
 - (e) Director of Children's Services (~~Corporate Director Children, Young People and Education Corporate Director Social Care, Health & Wellbeing~~)

The officers designated are listed in Appendix 8 and will have the functions described in Article 11.2–11.7 below.

11.2 Functions of the Head of Paid Service

- (1) The core roles of the Head of Paid Service are:

- (a) overall corporate management and operational responsibility (including overall management responsibility for all staff **including Chief Officers**)
 - (b) the provision of professional advice to all parties in the decision making process (the executive, overview and scrutiny, full council and other committees)
 - (c) together with the Monitoring Officer, responsibility for a system of record keeping for all the local authority's decisions (executive or otherwise)
 - (d) representing the council on partnership and external bodies (as required by statute or the council)
 - (e) arrangements for internal control and the inclusion of the Annual Governance Statement in the annual accounts.
- (2) The Head of Paid Service will report to the Council on:
- (a) the manner in which the discharge by the authority of its functions is co-ordinated
 - (b) the number and grades of staff required by the authority for the discharge of its functions
 - (c) the organisation of the authority's staff
 - (d) the appointment and proper management of the authority's staff.

11.3 Functions of the Monitoring Officer

The Monitoring Officer will:

- (1) Maintain an up-to-date version of the Constitution and will ensure that it is widely available for inspection by Members, officers and the public.
- (2) After consulting with the Head of Paid Service and the Chief Finance Officer, report to the full Council (or to the Leader or Cabinet in relation to an executive function) if he considers that any proposal, decision or omission would give, is likely to give, or has given, rise to a contravention of any enactment or rule of law, or any maladministration or injustice. Such a report has the effect of stopping the proposal or decision being implemented until the report has been considered.
- (3) Contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee.
- (4) Receive complaints relating to alleged breaches of the adopted Code of Conduct and to process complaints in accordance with the adopted Arrangements for dealing with Code of Conduct Complaints.
- (5) Ensure that records of executive decisions, including the reasons for those decisions and relevant officer reports and background papers, are made publicly available.

- (6) Provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members.
- (7) Ensure appropriate governance for the council in the execution of its role as a shareholder of its portfolio of companies
- (8) Contribute to the corporate management of the Council, in particular through the provision and commissioning of professional legal advice.

11.4 Functions of the Chief Finance Officer

The Chief Finance Officer will:

- (1) After consulting with the Head of Paid Service and the Monitoring Officer, report to the full Council (or to the Leader or Cabinet in relation to an Executive function) and the Council's external auditor if he considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency, or if the Council is about to enter an item of account unlawfully.
- (2) Have responsibility for the administration of the financial affairs of the Council.
- (3) Maintain an adequate and effective internal audit.
- (4) Contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- (5) Provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members and will support and advise Members and officers in their respective roles.
- (6) Provide financial information about the Council to Members of the Council, the media, members of the public and the community.

11.5 Duty to provide sufficient resources to the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer

The Council will provide the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer with such staff, accommodation and other resources as are, in their opinion, sufficient to allow their statutory duties to be performed.

11.6 Functions of the Director of Adult Social Services

- (1) The Director of Adult Social Services is known in Kent as the ~~Corporate Director Adult Social Care and Health~~ ~~Corporate Director Social Care, Health & Wellbeing~~.
- (2) The functions of the Director of Adult Social Services include:
 - (a) Providing accountability for assessing local needs and ensuring availability and delivery of a full range of quality adult social services
 - (b) Providing professional leadership, including workforce planning

- (c) Championing the rights of adults with social care needs and their carers in the wider community, including proactive and person-centred services
- (d) Leading the implementation of standards to drive up the quality of care
- (e) Promoting local access and ownership and driving partnership working to delivering a responsive whole system approach to social care
- (f) Delivering an integrated whole systems approach to supporting communities, in particular by working closely with the Director of Children's Services to support individuals with care needs through the different stages of their lives
- (g) Promoting social inclusion and well-being to deliver a proactive approach to meeting the care needs of adults in culturally sensitive ways
- (h) Discharging all statutory obligations, requirements and responsibilities on behalf of the council regarding the safeguarding and protection of vulnerable adults
- (i) Ensuring that the obligations and responsibilities at (h) above are complied with by the directorate as well as internal and external commissioned providers.
- (j) Immediately notifying the Head of Paid Service and Monitoring Officer in relation to a failure to discharge statutory obligations, requirements and responsibilities by the Corporate Director, the directorate or an internal or external commissioned provider
- (k) Ensuring that appropriate training is in place for all staff within the directorate around discharging statutory obligations and statutory guidance relating to vulnerable adults and that appropriate contractual provisions are in place to apply the same requirement to internal and external commissioned providers.
- (l) Implementing such working arrangements as are necessary with the Corporate Director Children, Young People and Education and Lead Cabinet Members to ensure that statutory compliance is achieved and any overlaps are managed effectively and in compliance with legislation and best practice.

11.7 Functions of the Director of Children's Services

- (1) The Director of Children's Services is known in Kent as the **Corporate Director Children, Young People and Education**. ~~Corporate Director Social Care, Health & Wellbeing~~
- (2) The functions of the Director of Children's Services include:
 - (a) professional responsibility and accountability for the effectiveness, availability and value for money of all local authority children's services;
 - (b) leadership both within the local authority to secure and sustain the necessary changes to culture and practice, and beyond it so that services

improve outcomes for all and are organised around children and young people's needs; and

(c) building effective partnerships with and between those local bodies, including the voluntary and community sectors, who also provide children's services in order to focus resources (financial, human, physical or any other) jointly on improving outcomes for children and young people.

(d) Discharging all statutory obligations, requirements and responsibilities on behalf of the council regarding the safeguarding and protection of vulnerable young people between the ages of 0 and 25.

(e) Ensuring that the obligations and responsibilities at (d) above are complied with by the directorate as well as internal and external commissioned providers.

(f) Immediately notifying the Head of Paid Service and Monitoring Officer in relation to a failure to discharge statutory obligations, requirements and responsibilities by the Corporate Director, the directorate or an internal or external commissioned provider

(g) Ensuring that appropriate training is in place for all staff within the directorate around discharging statutory obligations and statutory guidance relating to vulnerable adults and that appropriate contractual provisions are in place to apply the same requirement to internal and external commissioned providers.

(h) Implementing such working arrangements as are necessary with the Corporate Director Adult Social Care and Health and Lead Cabinet Members to ensure that statutory compliance is achieved and any overlaps are managed effectively and in compliance with legislation and best practice.

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By: Gary Cooke – Cabinet Member for Corporate and Democratic Services
John Lynch – Head of Democratic Services

To: County Council – 16 March 2017

Subject: Select Committee Topic Review Update – May 2013 – March 2017

Classification: Unrestricted

Introduction

1. (1) The Select Committees are widely recognised as one of the successes of the Overview and Scrutiny function.

(2) Both Executive and non-Executive Members have recognised the benefits of the Select Committee process. From a non-Executive point of view it provides the opportunity to look at a topic in depth and the majority of Members have found this process very rewarding as it has enabled them to influence Kent County Council policy. From an Executive Member point of view, Select Committee reports have added strength to portfolios and provided outcome focused recommendations on key issues.

(3) Select Committees are sub-committees of the Scrutiny Committee, comprising non-executive Members who have had a major influence on national and local policy. The quality of Select Committee reports has been recognised within Kent and beyond.

Topic Reviews 2013-2016

2. (1) There have been five Select Committee topic reviews completed during this period. These are:

- (a) Select Committee on Kent's European Relations, which was chaired by Mr A J King, MBE and submitted its report to County Council on 27 March 2014.
- (b) Select Committee on Commissioning, under the Chairmanship of Mr M Angell, which submitted its report to County Council on 15 May 2014.
- (c) Select Committee on Corporate Parenting, which was chaired by Mrs Z Wiltshire, submitted its report to County Council on 10 December 2015.
- (d) Select Committee on Energy Security, under the Chairmanship of Mr J Wedgbury, which submitted its report to County Council in 19 May 2016.
- (e) Select Committee on Grammar Schools and Social Mobility, chaired by Mrs J Whittle, which submitted its report to County Council on 14 July 2016.

Monitoring of Select Committee recommendations

3. (1) Set out in the Constitution is an agreed process for monitoring Select Committee recommendations, which has been developed over the past 13 years with the aim of ensuring that the outcomes from the Select Committee are embedded within the work of the Directorates and Portfolios.

(2) In accordance with the agreed process, each of these Select Committees is due to meet or has met to consider in detail the progress made on their recommendations, approximately one year after each report was considered by County Council.

(3) Attached as **Appendix 1** is the updated overview of progress made at the Kent's European Relations Select Committee's one-year-on review.

(4) Attached at **Appendix 2** progress made on the recommendations made by the Select Committee on Commissioning.

(5) **Appendix 3** shows the progress made on each of the recommendations from the Corporate Parenting Select Committee; this was considered by the Scrutiny Committee in March 2016 and the Corporate Parenting Select Committee met on 23 February 2017 to consider progress one year on from the final report being submitted to County Council.

(6) **Appendix 4** shows the implementation plan following the Energy Security Select Committee which was submitted to the Scrutiny Committee on 9 November 2016.

(7) **Appendix 5** sets out the response to the Select Committee on Grammar Schools and Social Mobility three month update from Fair Access and Improvement.

(8) In all cases it is recommended that consideration is given to ongoing monitoring of these recommendations by the Select Committees, under the oversight of the Scrutiny Committee, on a six monthly or annual basis.

Highlights

4. (1) The County Council should celebrate achievements made through the Select Committee process. Set out below are some highlights from the reviews, which demonstrate their importance and the impact they have had on the policy of the County Council and its partner organisations.

Kent's European Relationship Select Committee

Successful implementation of the Select Committee's recommendations includes the securing to date of some £85 million in EU grant funding for over 25 projects across KCC and Kent (Recommendation 1). Recent project successes include 'CASCADE' (£3.7 million in EU grant) to address dementia care issues in Kent and Medway, and 'Triple A' (KCC grant of £320,000) which is financing domestic energy efficiency measures. A new 'LEADER' rural development programme worth £1.6 million has also been secured for East Kent.

Other achievements include the successful ongoing implementation of three KCC projects worth £800,000 in EU grant to help the county's SMEs with exporting (Recommendation 9), and making KCC's Hardelot Centre financially self-sufficient by reducing expenditure and increasing income (Recommendation 4). European funding for new signalling works at Ashford (Recommendation 10) was secured from the EU's 'Connecting Europe Facility' although this is now to be fully funded through the South East LEP. The project is on schedule to be completed in the 2017-18 financial year.

For full details of progress on the recommendations, see Appendix 1.

Commissioning Select Committee

The recommendations of the Commissioning Select Committee have made an important contribution in the development of the Councils approach to becoming a Strategic Commissioning authority. All of the recommendations have been delivered against however, since the Committee there have been a number of important steps taken to embed a strategic commissioning approach across the Council and progress against the recommendations should be viewed in the context of these.

The Select Committee made particular reference to the contribution of voluntary and community sector (VCS) providers in the delivery of KCC services and potential barriers small and medium sized organisations face when entering the market. Since the Committee, KCC has strengthened its policy framework around the VCS, agreeing the first VCS policy in September 2015. This recognised the evolving relationship with the sector within the context of a commissioning authority, providing clarity in terms of KCC's approach to grant funding and our support to the sector in the future.

In December 2015, the County Council considered and approved a number of proposals in the report *Embedding Strategic Commissioning*. This made a number of recommendations to drive forward strategic commissioning as the new business as usual and in so doing helped to deliver against many of the recommendations of the Select Committee.

More recently, in January 2017 the County Council agreed the proposal to create a single integrated commissioning function and a new post of Strategic Commissioner. The creation of this function will help to further embed much of the progress which has been made over the past few years since the Select Committee report in 2015 and will support the next phase of transition in becoming a Strategic Commissioning Authority.

For full details of progress on the recommendations, see Appendix 2.

Corporate Parenting Select Committee

The Corporate Parenting Select Committee set out 15 recommendations with the overall aim of achieving the following:

- Providing Members with a framework to ensure that they have a comprehensive understanding of their statutory responsibilities to the children within KCC's care.
- Ensuring Members are aware of what they need to do and what questions they need to ask of officers in order to ensure KCC is doing the right things as an organisation to support and provide for its children and young people.
- To make sure KCC has the right systems and structures in place to fulfil its corporate parenting duties in the best and most effective way.
- Making certain that feedback from young people informs everything Kent does, from casework to organisational design and delivery.
- Strengthening the work KCC does with its partner agencies to ensure that the needs of Children in Care and care leavers are prioritised.

Since the completion of the Select Committee report, excellent progress has been made in implementing the recommendations. Some of the highlights include the merging of the Corporate Parenting Panel and Corporate Parenting Group to ensure better partnership communication. This work is now further supported through the provision of quarterly Children in Care performance data. As a result, the updated Panel is now better placed to effectively respond to some of the key recommendations of the Select Committee. In response to the issues identified in relation to housing needs for children in care, the 16+ Accommodations Strategy has been developed alongside a detailed commissioning which seeks to ensure suitable accommodation options for young people that would maintain ongoing flexible support at a sustainable cost to the Council.

Additionally, a letter has been sent to the Children's Minister in relation to ensuring responsible authorities are held to account in maintaining the welfare of children in their care. Similarly, there has been co-ordinated lobbying of Central Government in relation to implementing dispersal schemes for Unaccompanied Asylum Seeking Children (UASC) and a Corporate Parenting Handbook is in development. Importantly, Member Training has been updated to reflect the developing Corporate Parenting landscape, with additional briefings organised, the development of E-Learning packages and a planned emphasis for future Member induction after the 2017 County elections.

Further work remains ongoing in relation to the recommendations and full details of progress may be viewed in Appendix 3 - Corporate Parenting Select Committee: Progress to Date. This Appendix was discussed and noted at the Select Committee reconvened meeting on 23 February 2017.

Grammar Schools and Social Mobility Select Committee

Since the publication of the Select Committee report in July 2016, good progress has been made in respect of the focus of the report, which was to redress the under-representation of children from disadvantaged backgrounds within Kent's grammar schools. The recommendations of the Select Committee seek to change this under-representation and

improve social mobility by enabling more children from low income families to access grammar schools across the county.

The report was well received and secured significant media coverage. What the Committee found was cited in Parliamentary debates and elements of the key recommendations were rehearsed in the DfE's recent Schools that Work for Everyone Green Paper.

All Grammar and Primary schools received a copy of the Select Committee report and were encouraged to implement the recommendations. Sound progress in the nine months since the publication of the report has been made and more will be made in the forthcoming year.

In terms of increasing fair access to Grammar schools, a significant proportion (more than 50%) of Grammars in the County have now introduced some form of prioritisation within their admission arrangements for disadvantaged pupils in receipt of the Pupil Premium. The Local Authority has drafted a letter which will be sent to the remaining Grammars early in the autumn term, encouraging the remaining schools to follow suit.

In terms of encouraging disadvantaged pupils and parents to apply for a Grammar school place, School Improvement Advisors (SIAs) are monitoring and promoting the engagement of Primary schools to prepare the most academically able children in receipt of the Pupil Premium to take the Kent Test. SIAs are also championing stronger cross-phase links between Primary and Secondary Grammar schools to address any misconceptions they may have and promote the offer Grammar schools can make to disadvantaged children and their parents.

Current and scheduled future progress in respect of the Select Committee's recommendations can be viewed in full at Appendix 5 of this report.

Current Select Committee work programme

5. (1) In June 2016 the Scrutiny Committee agreed its Select Committee work programme. Currently, the Select Committee on Bus Transport and its public subsidy is in its final stages. This Select Committee will present its report to County Council in March 2017.

RECOMMENDATION

6. The County Council is asked to note the report, celebrate the impact and added value that the outcomes of the Select Committee reports provide for Kent residents and agree that further monitoring of the recommendations from these Select Committees be carried out either on a six monthly or annual basis, as considered appropriate by the County Council.

Report Author:

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Relevant Director:

Ben Watts
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Appendices:

Appendix 1 – Kent’s European Relationship Select Committee progress report
Appendix 2 – Commissioning Select Committee progress report
Appendix 3 – Corporate Parenting Select Committee progress report
Appendix 4 – Implementation Plan following Energy Security Select Committee
Appendix 5 – Response to the Select Committee on Grammar Schools and Social Mobility
three month update.

Background Documents

[KCC Select Committee reports](#)

Appendix 1

Kent's European Relationship - Action Plan (Further updated February 2017)

| Select Committee Recommendations | Proposed Actions | Progress to date | Status |
|---|---|--|---|
| <p>R1 That:</p> <ul style="list-style-type: none"> • International Affairs Group (IAG) works to maximise funding, activity and projects from the South East Local Enterprise Partnership's (LEP) European Programme and supports the commissioning process for KCC, Kent and Medway projects through that programme • The LEP delivery architecture includes the involvement of an appropriate rural organisation so that the rural priorities of the county will be pursued as an integral part of Kent and Medway's overall objectives for growth. • KCC lobbies central government to ensure that it accesses appropriate EU national funding streams for rural issues and the EU Solidarity Fund in relation to recent floods | <ul style="list-style-type: none"> • We will work with our LEP partners and government to ensure that governance processes, including commissioning, project selection and partnership arrangements, enable Kent and Medway to maximise their funding from the SELEP programme • IAG to highlight opportunities to KCC Directorates and other organisations • We will develop bespoke 'Opt-in' arrangements with UKTI South East for the delivery of business support services and with other agencies, such as SFA and MAS, where appropriate • We will secure appropriate Kent & Medway rural representation on the SELEP EU Delivery Group, and develop a new EU Rural Development LEADER programme for East Kent • We will seek funding for rural activities from the EAFRD under the SELEP EU programme (KCC also wrote to DCLG in January 2014 | <ul style="list-style-type: none"> • <i>A total of some £58 million in EU grant has now been secured to date for 27 projects across KCC and Kent.</i> • <i>This includes fifteen KCC projects worth £8.3 million e.g. :</i> <ul style="list-style-type: none"> - <i>'Foreign Inward Investment Kent' (£1.7 million) to attract FDI from high value investors;</i> - <i>'LOCASE' (£3.8 million) to promote the commercialisation of low-carbon technologies in the county.</i> • <i>A new EU 'LEADER' rural development programme has now been secured for East Kent worth £1.6 million in 2015-20. This complements follow-on LEADER programmes for Kent Downs & Marshes (£1.9 million) and West Kent (£1.8 million).</i> • <i>Kent has secured the only two EAFRD projects approved to date from the First Call for projects. A SELEP EAFRD event is being held at the Kent Showground on 6 April 2017 to promote projects under the current Second Open Call for proposals (Rural Tourism; Food Processing and support for SMEs).</i> | <p><i>Ongoing - Programmes open for bidding</i></p> <p><i>Ongoing - Programmes open for bidding</i></p> <p><i>Ongoing - Programmes open for bidding</i></p> |

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| | <p>urging the government to explore an application to the EU's Solidarity Fund in respect of flood damage).</p> | <ul style="list-style-type: none"> • KCC wrote to DCLG in January 2014 urging the government to explore an application to the EU's Solidarity Fund in respect of flood damage but this was not pursued by the UK | Complete |
| <p>R2 That:</p> <ul style="list-style-type: none"> • International Affairs Group (IAG) updates KCC's International Strategy: 'Global Reach Local Benefit' in concert with the Local Enterprise Partnership EU Structural Investment Funds Strategy for the South East and the Kent and Medway Local Growth Plan, taking account of and noting the recommendations of this report and that • In addition, IAG produce or commissions EU funding guidance for the 2014-20 funding programme. | <ul style="list-style-type: none"> • We will revise the International Strategy to reflect the recommendations of the Select Committee, as well as incorporate new opportunities from the new programmes Structural Funds 2014-20, business and trade activities, and the refocusing of the Harelol Centre and Kent Brussels Office • A Guide to Key Thematic Programmes has been produced (February 2014). This will be revised to incorporate the other new programmes, such as Interreg, once they are finalised. | <ul style="list-style-type: none"> • An updated European Strategy 2014-20 has been drafted which reflects the recommendation of the Select Committee Report including priorities for: <ul style="list-style-type: none"> – Securing EU Funding – Boosting Kent's Business and Trade – Ensuring International rail connectivity – Maintaining and developing local and European partnerships where these support the development of funding bids or support policy learning and best practice • A Guide to Thematic Programmes has been produced together with internal Fact Sheets and guidance on other programmes such as Interreg | <p>Complete but potentially to be reviewed in the light of 'Brexit'</p> <p>Complete</p> |
| <p>R3 That:</p> <ul style="list-style-type: none"> • International Affairs Group prioritises its partnership development function, increasing its capacity to maintain and develop the relationship with local and European partners; businesses and Members of the European Parliament in the South East to maximise the potential for EU funding. | <ul style="list-style-type: none"> • Staffing of the Harelol Centre (See R4) will be restructured to enable the current Acting Manager to fulfil her core function as IAG's European Partnerships Manager • KCC will sign an MOU with West Flanders as a key partner in the new EU programming period 2014-20 • The Kent Brussels Office will relocate to the offices of Nord-Pas de Calais, our most longstanding European | <ul style="list-style-type: none"> • KCC signed a Memorandum of Understanding with West Flanders in Ypres on 28 March 2014 • The Kent Brussels Office joined with the region of Nord-Pas de Calais in January 2015 This is strategically advantageous to KCC in terms of Joint project development and NPDC is Managing Authority for several of the new EU funding programmes for which Kent is eligible in 2014-20 | <p>Complete</p> <p>Complete</p> |

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| | partner, as part of a strengthened relationship with NPDC (see R5 below) | <ul style="list-style-type: none"> • Meetings took place with our key European partners immediately after the EU referendum result in order to assure them of our continuing commitment to cross-border cooperation and future joint project development under Interreg. | Ongoing |
| <p>R4: That</p> <ul style="list-style-type: none"> • The Hardelot Centre is developed as a flagship link between South East England and Northern France: that solutions are sought for an increase in accommodation to enable a diversification of use (with a focus on language skills, cultural awareness and exchange) to foster Anglo-European partnerships and maximise trading opportunities for Kent businesses in Region Nord-Pas de Calais and further afield. | <ul style="list-style-type: none"> • A Full Options Paper including associated business cases and relevant facts and figures to be prepared. | <ul style="list-style-type: none"> • Developments at Hardelot have reduced expenditure and increased income to make the Centre increasingly financially self-sufficient. • This has been achieved through staff restructuring, re-negotiation of utility contracts, tighter financial management, a reduction in food waste and more effective marketing to increase bookings. • 50% of bookings are currently from Kent schools; any 'gaps' (e.g. due to UK school holidays) are being filled by French groups e.g. summer camps. • This was facilitated by the designation of the Centre in 2015 as an 'Association' under French law. | Actioned and ongoing |
| <p>R5 That:</p> <ul style="list-style-type: none"> • The role of KCC's Brussels Office is strengthened and refocused towards policy, influencing and the provision of guidance to KCC and Kent organisations with a particular emphasis on accessing EU Thematic funding and new Interreg funds for the benefit of Kent and its residents. | <ul style="list-style-type: none"> • The Brussels Office will develop a detailed Work Programme and engage further with Directorates and reflect key corporate priorities in its work programme, in particular those that can be progressed through EU policy or funding activities. • A hub for project development will be created with Nord-Pas de Calais Regional Office in Brussels, focusing | <ul style="list-style-type: none"> • The co-location of the Brussels Office with Nord-Pas de Calais (now part of the new 'Hauts-de-France' region) took place in January 2015. • The Brussels Office is leading our efforts on specific policy fields including efforts to maintain Kent's international rail connectivity (see Recommendation 10 below) and supporting work to assess the impact of 'Brexit' on key Kent sectors, | Actioned Ongoing |

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| | <p>particularly on thematic programmes such as Horizon 2020, Erasmus+ and the Connecting Europe Facility.</p> <ul style="list-style-type: none"> • A programme of seminars in Brussels on Kent's policy objectives will build on key partnerships and opportunities for project development. | <p><i>including the rural economy, business and trade.</i></p> <ul style="list-style-type: none"> • <i>The Office has organised a number of thematic workshops with our key European partners which has led to the development of a number of successful EU-funded projects (see R1).</i> | Ongoing |
| <p>R6 That:</p> <ul style="list-style-type: none"> • KCC ensures it has sufficient staff resources to optimise the development and implementation of EU funded projects (with, as a minimum, a leading role in each of the three new directorates). | <ul style="list-style-type: none"> • An assessment of resource needs will be carried out including the potential for 'call-off' arrangements for bid-writers and the recruitment of a European Project Facilitator within IAG to support KCC Directorates with project development, technical support, bid-writing support and project implementation. | <ul style="list-style-type: none"> • Lead contacts for project development have been identified within GET, SCHW and EYPS <i>and has led to the development of a number of successful EU-funded projects (see R1).</i> • Directorates will also need to build strong project management capacity working closely with IAG and the External Funding and Specific Grants Team. | Ongoing |
| <p>R7 That:</p> <ul style="list-style-type: none"> • KCC ensures International Affairs Group and EU project officers are enabled to take advantage of free/low cost communication options (e.g. Skype) in order to maximise cost effective communication/engagement opportunities with EU partner organisations. | <ul style="list-style-type: none"> • IAG will use such options wherever available and feasible. | <ul style="list-style-type: none"> • KCC ISG has advised that standard Skype is 'an insecure means of communication and that, even where the intention was to use it as a channel for non-sensitive information, use would result in broadcast of infrastructure data classified as 'official' by CESG and the Cabinet Office.' • Teleconference facilities are, however, increasingly being used for partnership and project development meetings as an alternative to travel. Communications options are also being considered as part of actions under Recommendation 8 below. | Not actioned |

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| <p>R8 That International Affairs Group and KCC as a whole:</p> <ul style="list-style-type: none"> • Seek to raise further the profile of Kent’s international work to date and of the future opportunities from EU funding • With local partners, seek creative ways to publicise successful EU funded projects in Kent/within the South East Local Enterprise Partnership area, including through the building in of publicity measures and costs into future funding bids as part of the projects’ communication strategies. | <ul style="list-style-type: none"> • Directorates will be supported to strengthen the publicity element of their projects and Corporate Communications utilised more effectively to publicise EU project success stories. | <ul style="list-style-type: none"> • Discussions have been undertaken with KCC Corporate Communications to develop appropriate internal and external communication strategies including branding and channel development e.g. via social media etc. together with a ‘customer mapping’ exercise. <i>The EU funding pages on Kent.gov have also been revised and are regularly updated.</i> | Ongoing |
| <p>R9 That KCC seeks, through EU project work, partnerships and trade development activities:</p> <ul style="list-style-type: none"> • To maximise export opportunities for Kent businesses, aiming to close the 2% gap between businesses that export in Kent and Nationally • To promote Kent as an attractive location for businesses in Europe and further afield | <ul style="list-style-type: none"> • KCC will continue to play a strategic role in coordinating International Trade support activity through the Kent International Business (KIB) initiative. • IAG will progress ‘Opt-In’ arrangements with UKTI South East which provide value for monthly and are tailored to deliver our local priorities and meet local business needs. • IAG will develop and submit a bid for a follow-up project (‘ISE’ - Innovative Sector Exchange) to the successful “2 Seas Trade” project under the new Interreg programme 2014-20. | <ul style="list-style-type: none"> • Three new KCC EU projects in support of SME business and trade worth a total of around £800,000 in EU grant have been secured from the opening Calls for projects: <ul style="list-style-type: none"> – ‘Innovative Sector Exchange’ (ISE) (Interreg 2-Seas) – ‘Boost4Health’ (B4H) (Interreg 5B NWE) – ‘SME Internationalisation Exchange’ (SIE) (Interreg Europe). These will support exporting by Kent’s SMEs, enabling them to benefit from the Single Market and promote the county as an attractive location for business in Europe. • <i>KCC also secured funding from the GREAT UK Challenge Fund to deliver tailored support to the food and drink sector.</i> • <i>National opt-in arrangements were ultimately not pursued, but KCC is on the steering group for the DIT ‘Get Exporting 2’ project to ensure it reflects Kent’s needs.</i> | <p>Ongoing</p> <p>Complete</p> <p>Ongoing</p> |

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| <p>R10 That:</p> <ul style="list-style-type: none"> • KCC continues to make the case for improved international rail connectivity at both Ashford and Ebbsfleet, supported by the business case for Transmanche Metro which is due to be published later this year. • The Select Committee would like to express strong support for the Ashford Spurs signalling project for which KCC is the lead authority, and which is at an advanced stage of development with most of the funding committed for the planning and design stage, since Ashford must be assured of future international rail connectivity in order to benefit the people of Kent and Kent businesses. | <ul style="list-style-type: none"> • KCC has obtained capital funding from the Local Growth Fund through the SELEP to finance the Ashford Spurs project. • KCC will continue to make the case to Eurostar for the development of new services at both of Kent's International stations once the Ashford Spurs project is completed. This is now expected in Spring 2018. | <ul style="list-style-type: none"> • European funding of £1,900,000 for new signalling works at Ashford was secured from the EU's 'Connecting Europe Facility' (CEF). • <i>However, a subsequent decision to deploy the KVB signalling system, rather than the EU approved ETCS, system means that all the required capital funding for the Ashford Spurs project has now been secured from the Local Growth Fund through the South East LEP. The project is on schedule to be completed in the 2017-18 financial year.</i> | <p>Complete</p> <p><i>Actioned and implementation underway</i></p> |
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Appendix 2: Updated Action Plan

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| Commissioning Landscape | | | | | |
| R1. Support the development of a balanced and mixed economy of potential service providers, balancing cost and maximising where appropriate the use of VCSE and SME organisations with the capacity and skills needed to achieve the outcomes required. | KCC is striving to be an excellent commissioning authority, this means being focused on the delivery of our strategic outcomes, having a strong understanding of the customer needs and that we consider all options in striving to get the best services that are value for money for our residents. By working in this way we will support a mixed economy, with no provider bias. The strengths of the VCS and SMEs will be recognised by having the appropriate intelligence on the services they deliver, their expertise and skills to make informed decisions on service delivery. We will be looking at how we can improve the skill base of our commissioners and | Early 2015 | <ul style="list-style-type: none"> Transformation Team Procurement Commissioning | KCC's Strategic statement has now been adopted and focuses on ensuring that every pound spent in Kent is delivering better outcomes for Kent's residents, communities and businesses. This provides the mandate for commissioners and providers across the private and voluntary sectors to innovate and radically redesign what we do and how we do it, to meet the outcomes for Kent. Who delivers the services to improve outcomes will depend on who is best placed to achieve them across the public, private and voluntary sector. We have recognised that there is an ongoing development need to | Completed |

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| | the commissioning support specialisms needed to support them. We will also ensure that commissioners are supported to robustly appraise all delivery options available to them during the early commissioning stages. | | | improve the pre-market engagement stage of the commissioning cycle and to ensure that all our commissioners are able to robustly appraise all delivery options. | |
| KCC as an excellent commissioner | | | | | |
| R 2. Clarify KCC Commissioning objectives and approach, and develop a KCC Commissioning Strategy. | As referenced in the Facing the Challenge reports to County Council in May, KCC is developing a new Strategic Outcomes Framework and Commissioning framework. These will define what it means for KCC to be a strategic commissioning authority including the functions and capabilities needed and will also set out the strategic outcomes for the authority. The framework will provide clear guidance to commissioners, providers and partners | April 2015 | <ul style="list-style-type: none"> Policy with Commissioning and Procurement | Policy has delivered the new KCC Strategic Statement, which sets out our strategic outcomes and has been agreed by County Council. The Commissioning framework has been agreed by County Council and an online toolkit was developed to provide guidance and tools to staff in support of the Commissioning authority model. | Completed |

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| | about what good commissioning will look like for KCC. | | | | |
| R3. Define roles, responsibilities and relationships in commissioning cycle, agree who is best placed to carry out the different tasks, and decide when and how legal advice should be considered in the procurement cycle. | <p>The analysis of roles and responsibilities within the report is welcomed and should be used as a basis to review the procurement and commissioning function in the Phase 2 reviews and to inform the development of our commissioning support. It is recognised that we need to define clearly our Commissioning and procurement functions and make a distinction between commissioning and the role of service managers.</p> <p>The development of a Commissioning Framework for the authority will provide clarity on the process KCC uses for commissioning, setting out the key steps, good practice and defining roles</p> | Early 2015 | <ul style="list-style-type: none"> • Policy • Commissioning • Transformation Team • Procurement | KCC's commissioning toolkit defined the different roles and responsibilities throughout the commissioning cycle including the roles of commissioning and procurement functions. | Completed |

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| | and responsibilities at each stage of the cycle. It will also illustrate the resources available to commissioners to draw upon. | | | | |
| R4. Develop the culture of commissioning and contract management, with an ethos of collaborative relationships. | Whilst it is the responsibility of operational commissioners to work with potential providers to explore and encourage where appropriate opportunities for greater collaboration, it should not be the role of the County Council to dictate how the sector/potential providers should operate. It is however the responsibility of KCC to help shape the market in Kent and make it aware of our commissioning intentions. Whilst sub-contracting can be a useful and effective way of commissioning services we recognise that we must put mechanisms in | Ongoing | <ul style="list-style-type: none"> • Commissioning • Procurement | An e-learning module on commissioning and contract management has been developed and is now available for all staff, which highlights the importance of effective relationships between KCC and its providers. In addition an in-depth contract management training programme has been developed by Procurement for all contract managers, to develop skills in commercial acumen, developing effective relationships, and managing contracts effectively and has been delivered to 83 managers with more courses to follow. | Completed |

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| | <p>place to manage the supply chain and ensure that all providers are equally treated and that smaller VCSE entities can benefit from sub-contracting arrangements. Our new commissioning framework will make clear how we will support the VCSE to effectively engage in KCC procurement exercises and what we expect of all providers both internal and external which are commissioned by KCC, this will include looking at how we can support sub-contracting and consortia arrangements.</p> | | | <p>We have also supported the development of collaborative relationships with providers, for example by developing a commissioning toolkit specifically for local arts and culture organisations to help them engage effectively in commissioning activities.</p> <p>Through KCC's consultation on its Strategic Statement a provider feedback survey has been agreed and will be a key mechanism for understanding whether we are successful in making progress against this recommendation.</p> <p>A key part of the VCS policy was to review how we provide infrastructure support to the sector and how this can help to build</p> | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | | | | collaborative relationships in the future. A new contract for this support was let in January 2017. | |
| R 5. Extend the Kent Compact or similar agreement to include private sector providers working with the VCSE organisations. | Whilst we are sympathetic to the points raised in relation to sub-contracting we do not believe that the Compact is the right mechanism for managing how the private sector works with the VCSE in potential sub-contracting arrangements. This should be achieved through the development of good contracts and through the management of the supply chain, ensuring that all providers are treated fairly and equally, as stated in R4. | Ongoing | <ul style="list-style-type: none"> Commissioning Procurement | N/A see R4 | |
| R 6. Invest time defining the desired outcomes and measures (quantitative and qualitative), ensuring these are user and communities focused and evaluate impacts (not | We absolutely agree that defining outcomes is critical for specifying and securing the right services. This should be based on a blend of quantitative and | On going | <ul style="list-style-type: none"> Commissioning Policy | The outcomes defined in KCC's new Strategic Statement were informed by both public and staff consultation and reflect the priorities of the residents of Kent. They | Completed |

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| <p>outputs), using Co-production of outcomes and measures where appropriate.</p> | <p>qualitative measures and we recognise the need to improve our evaluation with regards to qualitative analysis. We also support that wherever possible outcome measures should be co-produced.</p> <p>The development of a Strategic outcomes framework will provide the foundation for aligning commissioning objectives of clients and services to the strategic outcomes KCC wants to achieve as a county at a population level.</p> <p>The strategic outcomes framework will be informed by public consultation. The new commissioning framework will also set out how we will ensure that each contract established by KCC links directly to the new outcomes framework.</p> | | | <p>provide a 'golden thread' which will run through all our plans and strategies including our commissioning activity. This has enabled us to report annually on our progress and the impact our activity is having on the lives of our residents and our communities. We recognise that moving to an outcome based approach requires us to have a stronger focus on evaluation.</p> <p>Our strategic statement has been informed by consultation with residents and staff and significant changes were made to the document in response to this engagement. The document has been widely welcomed in its simplicity and that this approach enables greater accountability.</p> | |

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| | | | | <p>We are already starting to see that our strategic outcomes are referenced within our commissioning with the document being opened 4500 times by staff on our website. There has also been direct engagement with commissioners to explore how we can embed these outcomes in our commissioning activity.</p> | |
| <p>R 7. Improve how we join up commissioning across the authority. There is a need for better collaboration and partnership building across silos and with providers.</p> | <p>The strategic commissioning plan and outcomes framework will span client groups and define outcomes which will drive commissioning and service activity, encouraging collaboration across the council. The county wide commissioning framework will ensure that there is consistency in the way we commission and will set out how we will</p> | <p>April 2015 and ongoing</p> | <ul style="list-style-type: none"> • Policy • Commissioning | <p>The commissioning framework has been delivered and set out our strategic outcomes for the authority which we believe will help us to look for opportunities for collaboration, we recognise that it will take some time to embed practice across the local authority; however the new Strategic Commissioner post will help to achieve this.</p> | <p>Completed</p> |

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| | <p>commission with partners. We recognise that better engagement with partners provides opportunities to identify innovative models of service delivery and we are moving towards closer joint commissioning arrangements with colleagues in Health in this way. We also expect commissioners to engage with providers who very often have innovative ideas about how to deliver services which are not focused on organisational boundaries.</p> | | | | |
| Engagement and Communication | | | | | |
| <p>R 8. Provide more opportunities to co-design and co-produce services where appropriate, to capture the value of what organisations are already doing, and ideas to innovate.</p> | <p>The development of a KCC commissioning framework will set out the principles underpinning our commissioning including our commitment to involving residents in the co-production of services and monitoring the effectiveness of commissioned services.</p> | | <ul style="list-style-type: none"> Commissioning | <p>The commissioning framework sets out our commitment to community engagement and co-production within all our commissioning, although the best way of achieving this should be the decision of the commissioning manager or officer. Our</p> | <p>Completed</p> |

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| | There will be an expectation that operational commissioners will work alongside customers and organisations to ensure that we are clear on the outcomes we are seeking to effect through our services and that we build upon best practice. | | | commissioning toolkit also provides examples of best practice and guidance on how to engage our customers. . | |
| R 9. Need to ensure that specifications are 'fit for purpose' and reflect market engagement, identify level of need and desired outcomes, allow innovation and flexibility, leading to better contracts. | We agree that service specifications are a critical product to driving effective commissioning. We acknowledge that we must get better at designing them and at how we arrive at our specifications, engaging providers and service users. However our specifications must also be proportionate and flexible to ensure that we do not limit the innovation of providers. Our commissioning framework will recognise this balance | Autumn 2014 | <ul style="list-style-type: none"> Commissioning | The commissioning toolkit provides best practice examples and templates for service specifications and our commissioning framework clearly sets out our core standards. Market engagement activity has continued to improve. | Completed |

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| | but there will always need to be an element of judgement made by the commissioner to ensure that we get the right specifications and better contracts as a result. | | | | |
| R 10. Actively consider how service users and stakeholders can have greater input and influence in the specification, and service users in the evaluation of tenders. | There are already examples where KCC has successfully involved service users and stakeholders in the development of specifications and we strongly support this approach wherever possible. Our commissioning framework will place great importance on the analyse and review stages of the commissioning cycle and our approach to commissioning will be underpinned by the principles of co-production and service user engagement throughout the cycle. It will be the responsibility of | On going | <ul style="list-style-type: none"> Commissioning | As set out under R8 service user and stakeholder engagement is a core part of our commissioning framework and there are good examples across the authority where this is being embedded. | Completed |

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| | operational commissioners to ensure that there are opportunities for input and influence in the specification wherever appropriate and this should be built into the commissioning timetable. There will be an expectation that commissioner will be able to evidence service users and customer input into the design of the commissioning specification wherever appropriate. | | | | |
| R 11. Ensure appropriate and timely communication throughout the market engagement and tendering processes – about timeliness, communicating reasons for changes, levels of awareness. | We strongly support the principle of engaging early with the VCSE and private sector to inform our commissioning plans and specifications. This will enable commissioners to understand what the sector can provide and will ensure that they are well informed of our commissioning intention. | On going | <ul style="list-style-type: none"> • Commissioning • Procurement | KCC's commissioning framework commits to timely engagement with the market however in practice we believe we can build on the already existing good practice of all major and many minor procurements involving early market engagement as required in the Public contracts | Completed |

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| | This is vital to the delivery of innovative services based on quality specifications. | | | regulations. | |
| R 12. Promote contracting opportunities to VCSE and SMEs and Better or enhanced promotion of the Kent Business Portal to increase awareness (including with small and micro enterprises), and for the Portal to be more easily navigable. | The effectiveness of the portal should be considered within the phase review of procurement to ensure that the portal is responsive and easily accessible. | Starting Summer 2014 | <ul style="list-style-type: none"> Transformation Team Procurement | The Kent Business Portal is promoted by both KCC and the other Kent partners . KCC Procurement have attended a range of events to present to VCS organisations to help develop awareness. | Completed |
| R 13. Extend the use of the portal to enable other local Authorities to promote contract and subcontracting opportunities, broadening potential access for VCSE and SMEs. | Procurement will explore the possibility for the portal to be used by other local authorities outside of the County. | Ongoing | <ul style="list-style-type: none"> Procurement | As stated by Procurement the portal is Kent focused and therefore we do not intend to expand the portal out of the County. The Portal is now actively being used by 9 District Councils, Medway, Fire and Rescue, some schools and some Parish Councils. We are also having sub-contract opportunities posted and we now have | Completed |

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| | | | | suppliers seeking partners through the portal (mainly VCS). | |
| Procurement process | | | | | |
| R14. Strengthen our processes to access and utilize knowledge of Commissioners and potential providers – KCC should consider within the current Tendering process and complying with procurement law how KCC can strengthen our understanding of the local knowledge and experience of organisations, for example by incorporating: - visits to existing services of potential providers - reflecting knowledge of past performance/experience of working with a provider, both good and not so good. | KCC's commissioning framework will set out our required standards and principles throughout the commissioning cycle and will place equal importance on the review element of the cycle. Commissioners will be expected to review the performance and effectiveness of commissioned services and use this intelligence to inform re-commissioning of services and future service specifications. This should also include using the experience of other local authorities where providers have already undertaken similar services on their behalf. | Ongoing from Autumn 14 | <ul style="list-style-type: none"> • Procurement • Commissioning | KCC's commissioning framework sets out our required standards and principles throughout each stage of the commissioning cycle and we continue to review progress. There are examples of good practice where pre-market engagement is being used to understand the impact of potential commissioning choices. Spending the Councils Money (the rules that must be followed when purchasing goods and services for The Council) have been simplified and re-published. | Completed |
| R 15. Simplify and standardise procurement | We agree with the principles set out and will | Ongoing from summer 14 | <ul style="list-style-type: none"> • Procurement • Transformation | Under EU regulations the PQQ stage has been | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| <p>processes further to remove or minimise procurement process barriers by:</p> <ul style="list-style-type: none"> - introducing reduced and less onerous requirements for low value contracts (e.g. financial evidence – self certification/documentation for low risk/low value followed by a more detailed analysis if proceed to award stage, proportionate pre papers or discontinuing PQQ where appropriate) - simplifying and standardising the core and online PQQ, retaining the flexibility to add additional questions for more complex service areas - better co-ordination of Commissioning and co-ordinating the diary of tenders across KCC where possible and introducing a plan of tenders | <p>look at how these issues will be addressed and the viability within the Phase 2 review of procurement.</p> | | <p>Team</p> | <p>abolished for all contracts below the EU threshold. However KCC have already adopted a risk based approach to procurement, only requiring appropriate financial evidence if at all subject to risk. We have been leaders in local government in using the Dynamic Purchasing System (DPS) and the new</p> <p>The EU regulations allow for a much more light touch regime for previously Part B services with a higher threshold of EUR 750,000. Furthermore there is also scope to reserve contracts for services under the light touch regime (social services) to mutual and social enterprises including</p> | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| - giving earlier notice of intention to put contract out to tender and more time for the completion and submission of tenders. | | | | some VCS organisations. | |
| R 16. Promote opportunities to VCSE and SMEs through publication of lower value contracts (i.e. £5K) and greater transparency regarding low value contracts that are available. | Whilst we understand the principle and reason for lower value contracts, Spending the Councils Money already allows officers to purchase or contract services under £8k without 3 quotes and without the need for a disproportionately resource intensive process. However we agree that this should be done in a transparent manner; procurement should ensure that they hold the intelligence on a range of VCSE and SME provider and can offer advice on who can provide these lower value services. They should also ensure that lower value contracts over £5k | On going | <ul style="list-style-type: none"> • Procurement | As stated officers already have the ability to purchase or contract services under £8K without 3 quotes and procurement have provided updated guidance since the introduction of the new public contracts regulations. Contracts are recorded on the Kent Business portal. | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | are reported. | | | | |
| R 17. Reflect Social Value sufficiently in our procurement decisions – need to actively consider how much of each procurement decision should be assigned to Social Value, and not only between price and quality. | KCC is committed to considering social value within our commissioning however there are limitations to the Social Value Act which must be acknowledged. The Act only applies to public services above the relevant monetary thresholds in the Public Contracts Regulations (2006) whether they fall under Part A or B of those regulations, this is £173,934. However we will ensure that social value is considered in all commissioning exercises where it is relevant to the service being commissioned, irrelevant of contract value, to ensure that community benefits are maximised. It is therefore for operational commissioners to determine how they will | Ongoing | <ul style="list-style-type: none"> • Commissioning • Procurement | We have made much progress on social value embedding it within our commissioning framework and consistently across our strategies and policies such as our Strategic Statement and VCS policy. The measurement of social value and return of investment is being developed nationally and we will continue to develop our approach locally, although this must be done through our commissioners on a case by case basis and alongside the VCS in particular. More recently work has been undertaken through Adult Social Care, Skillnet Group and the Cabinet office to develop a Social Value Toolkit for social care. | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | <p>recognise social value where appropriate and evidence it on a case by case basis during the pre-procurement process. We will expect all commissioning specifications, where appropriate to evidence how social value has been considered and what is being recommended in the specification with regards to social value. This must be relevant to what is proposed to be procured.</p> <p>A social value toolkit is being developed by operational commissioners which will offer guidance to commissioners about how social value can be considered and evidenced within the procurement process. This will need to be clear and transparent so that all potential</p> | | | | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | providers, regardless of the sector can demonstrate their added value. | | | | |
| Support to develop the market and build capacity | | | | | |
| R 18. Actively consider how best to support the development of the market and build capacity, particularly how best to provide support to VCSE and to SMEs. | KCC is committed to supporting the growth of SME's and the VCS and values the vital role they play in Kent. However we also recognise that the local authority must act within procurement law. Adult social care's recent purchase of a short term (18 month) market development service to support the VCS is welcomed. However it is important that we consider the support needs right across the VCS, therefore we will be reviewing our support to the sector as part of the development of our VCS Policy. This will require us to review the existing infrastructure support which is funded through KCC and how this | Winter 2014 | <ul style="list-style-type: none"> • Policy • Commissioning | KCC consulted with the VCS on its Voluntary and Community Sector Policy, agreed in September 2015 which includes setting out our future relationship and engagement with the sector and a review of support provided to the sector. This is defined both in terms of support to the wider VCS and those parts of the sector that deliver services on behalf of KCC and in this sense KCC's role in developing the market. Adult social care and public health funded an 18 month programme of market development support to the VCS sector which is intended to support the sector | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | can best meet the future needs of the VCS sector. | | | within a commissioning authority model and to effectively engage in procurement. The evaluation of this programme and the VCS policy consultation has been used to re-commission support to the sector and the new contract was let in January 2017. | |
| Contracts and grants | | | | | |
| R 19. Break down larger contracts into smaller lots, wherever practical. | Whilst it is right that commissioners consider the most appropriate process for securing the best outcomes and best value for residents it will not always be appropriate or cost effective to break contracts down into smaller lots. In some cases a grant arrangement may be more appropriate for small scale niche services and the development of our VCS Policy will help to set | Autumn 2014 | <ul style="list-style-type: none"> • Policy • Procurement | The new Public Contracts Regulations does encourage contracting authorities to break contracts into lots to facilitate SME participation. However, whilst the flexibility of breaking contracts down into lots is welcomed and KCC has been actively doing this where appropriate, our approach to lots needs to be without bias and carefully considered on a | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | standards around the use of grants and contracts with the VCS. | | | <p>case by case basis so as to avoid perverse consequences for example destabilising geographical coverage of services.</p> <p>In recognition that in some cases a grant arrangement may be more suitable, the VCS policy sets out a new grant framework which underpins all our future grant funding. This is providing consistency in our approach and helping to ensure our grant funding is transparent.</p> | |
| R 20. Requirement for prompt payment terms all the way down our procurement supply chain continues to be built into contracts; and improve monitoring of this requirement to ensure | KCC now has a target for paying contractors in 14 days which has been delivered within 90% of contracts. We recognise that there is always room for improvement and the importance of prompt | On going | <ul style="list-style-type: none"> Procurement | Prompt payment of sub-contractors is being incorporated into all of our new contracts and is a requirement of The Public Contracts Regulations 2015. Good contract | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| compliance. | payment in particular for SME's and VCS organisations who have limited access to credit. We will therefore, through our procurement department put in place plans to ensure that delivery upon this target continues to improve. | | | management is required to ensure that the agreement is complied with. | |
| R 21. Recognise there is a clear role for 'smart' grants that are innovative, and outcome based. Need to ensure that their use is transparent and are time and task specific, and monitored /evaluated for success. | KCC recognises the value of grant funding in supporting the vital role of the VCS in Kent. We are developing a VCS policy which will set out principles and standards around our engagement with the sector, including setting out standards around the appropriate use of grants and contracts. By having a standardised approach to grants and a transparent process in place we will be able to monitor the impact of our funding and provide clarity to the sector about the use of | Autumn 14 | <ul style="list-style-type: none"> • Policy • Commissioning | As set out under R19 KCC's VCS policy sets out our commitment to grants and establishes a grant funding framework and criteria for all future grants. This is enabling a consistent approach to grants and helping to ensure that all grant funding is transparent. An annual assurance report is being delivered by Corporate Policy to ensure that all our grant funding awarded by Commissioners, is linked to our strategic outcomes and upholds the principles within the | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | grants. It will be for commissioners to ensure that they are operating in accordance to these principles and that we are using the most effective and appropriate funding mechanism for each of our services. | | | policy. | |
| R 22. Improve the capabilities to performance manage contracts; and ensure the capacity to monitor and evaluate performance and support improvement when appropriate. | The management of contracts is integral to the success of a commissioning authority and we already have examples of good practice within the local authority, for example Highways. However we recognise that this is an area where we need to strengthen our skill se. It is essential that the contracts put in place are of a high quality and enable the authority to act when standards are not being met or to improve performance when needed through the close monitoring of contract delivery. | On going | <ul style="list-style-type: none"> • Commissioning • Procurement | An e-learning module on commissioning and contract management has been developed and is now available for all staff, which highlights the importance of effective relationships between KCC and its providers. In addition an in-depth contract management training programme has been developed for all contract managers, to develop skills in commercial acumen, developing effective relationships, and managing contracts effectively. | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| R 23. Stipulate that all contracts have clearly scheduled performance reviews and evaluate outcomes/outcome evaluations – for instance ensure contracts have schedule of reviews. | KCC agrees that the review function is vital; effective commissioning authorities use their data analysis information and expertise to test and question the effectiveness of services at regular intervals. This can lead to ‘fine tuning’ or even major changes to specifications before re-commissioning, to learn from what has worked and not worked. It is also recognised that we need to focus our contract management and evaluation on outcomes rather than outputs and this is something we will take forward. | On going | <ul style="list-style-type: none"> Commissioning | Procurement have developed a Contract Management Guide and an Operations Manual Template which should be jointly completed by the Procurement Lead and the Contract Manager with the details of review meetings and methodology for ensuring compliance to contracts. | Completed |
| R 24. Complete the Contracts register to include all contracts over 50k – and include details of the named contract manager, and Lead Director | We agree with this recommendation and will take this forward as a matter of urgency. The Local Authorities (Data Transparency code) will become mandated when regulations under section 3 of the Local | Early 2015 | <ul style="list-style-type: none"> Procurement | KCC has a list of all contracts over £50k on the Contract Register, moving forward suppliers when registering on the portal will be able to confirm whether they are an SME or a VCS organisation, currently | Completed |

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| | <p>Government, Planning and Land Act 1980 come into force. This will require the local authority to publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. This will need to include a range of information including details of the goods or services being provided and the department responsible and whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation. Procurement will be putting in place plans to ensure that this information is collected and made available.</p> | | | <p>we report SME and VCS spend by analysing our spend data on an annual basis. Given the size and scale of KCC business, assessment of the cost-benefit of compliance under the Transparency code in relation to contracts (spending) over £5K is underway.</p> | |
| R 25. Manage internally provided Services with as | As set out in our Whole Council Transformation | On going | <ul style="list-style-type: none"> • Commissioning • Performance and | The County Council approved | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| much rigour for outcomes, and performance management as other providers. | paper in 2013, KCC as a commissioning authority must have a strong understanding of the outcomes it wants to achieve and the capability of providers including in-house to deliver these. In-house providers will therefore have to compete to deliver contract specifications with external suppliers, with no differentiation in the way our contracts are managed between internal and external providers. | | Risk | Commissioning Framework makes clear that we expect internal services to be managed with as much rigour as external services. | |
| Member role | | | | | |
| R 26. Further work is undertaken to the member role and what mechanism would best strengthen member oversight of commissioning, procurement and contract management; and member involvement earlier in the process and pre market engagement; | The May 2014 County Council paper accepted that further work on the role of the Member in a commissioning authority was urgently needed, and to that end the Leader has established a cross party Member Working Group on Commissioning, chaired by Eric Hotson, | December 2014 | <ul style="list-style-type: none"> Policy | Following the Select Committee a cross party working group was established and considered the role of Members in a strategic commissioning authority. This met four times through July to October 2014. This group reported to County | Completed |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| <p>and members are supported through training.</p> | <p>which will examine the key issues raised in this recommendation, and which will report back through Selection and Member Services Committee to County Council. The Group will also consider the appropriate training required for Members in a commissioning authority. It is expected to report its final recommendations before the end of the year.</p> | | | <p>Council in October and concluded that Cabinet Committees were not sufficiently developed to be able to undertake an extensive role in commissioning, and therefore recommended that a Commissioning Advisory Board (CAB) be established to undertake this role. Its focus is on allowing non-executive members the opportunity to scrutinise commissioning decisions in depth as early as possible in the commissioning cycle, with Cabinet Committees focusing on examining contract and performance of contracts. In a relatively short life span CAB has considered a number of transformation and commissioning issues including Property</p> | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | | | | <p>LATCO proposal/business case, proposal for a Library Trust and the business case for the back office procurement exercise, to name but a few. However one of the main aims of the group has been to build a stronger and direct working relationship with commissioning officers.</p> <p>A number of bespoke training events and briefings on aspects of the commissioning process have been arranged and will continue to be organised and repeated to support elected Members. In Autumn 2015 over 60 members attended a sessions delivered by INLOGOV on what it could mean for an elected member as the Council moved towards a</p> | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | | | | <p>Commissioning Authority. Other sessions have also been held on procurement, the various models of service delivery and shortly some sessions on performance management of contracts will be provided. The cross party Member Development Steering Group had dialogue with officers in Organisation and Development and Democratic Services to determine those skills or aspects of member development an elected Member will need for discharging this role. One of the modules of the Workforce Development Plan for developing a commission ready workforce is a workshop for all Members and Corporate Directors to enable a</p> | |

| Select Committee Recommendation | Proposed Actions | Timescales | Responsible owner | Progress to date | Status |
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| | | | | joint understanding of our ambition to become a strategic commissioning authority. | |
| Social Value | | | | | |
| R 27. To maximise and give greater recognition to Social Value, incorporate consideration of social value questions in tender evaluation criteria and procurement decisions where possible, and develop a Social Value Charter. | <i>Refer to action under recommendation 17.</i> | Autumn 2014 | <ul style="list-style-type: none"> Commissioning | See update to R17 | |

Appendix 1 - Progress to Date – February 2017

Recommendation 1: KCC should adopt a simply-worded and practical corporate parenting guide (handbook) for all Members that clearly sets out what we need to know, including information about the fundamental areas crucial to running an effective children's services in fulfilment of our corporate parenting responsibilities. The handbook must include contact details of key officers within each division.

Progress to Date: A Members' Corporate Parenting guide is in production based on an existing Local Government Association (LGA) handbook which will be contextualised for use in Kent. A draft will go to Corporate Parenting Panel in May to be available for the new Member intake.

Recommendation 2: KCC should make available information about the fundamental areas of children's services such as education and health outcomes, placement stability and support for care leavers for all Members on a regular schedule starting from March 2016.

Progress to Date: A monthly children in care scorecard is produced by the Management Information Unit (MIU). This scorecard captures performance activity against a broad range of key indicators, including health and education outcomes.

The scorecard is presented to Corporate Parenting Panel on a regular basis. There is detailed scrutiny of specific areas at each Corporate Parenting Panel. Members have been provided with further information to understand the management information; this has included reports in relation to placement stability, the adoption service and issues in relation to the number of looked after children and also Unaccompanied Asylum Seeking Children (UASC). There have also been reports on the fostering service and also from health; the Virtual School provided its annual report in January 2017.

This performance management information is available in the Members area of Knet.

Recommendation 3: KCC should introduce a refreshed training programme for all KCC Members as part of their induction after every county council election or upon their appointment. In the event of significant changes to corporate parenting, KCC Members should be updated through additional training. All Members are strongly advised to take advantage of this training offer. Consideration should be given to the best option for overseeing and reporting on training attendance.

Progress to Date: Officers are working with Democratic Member Services and a comprehensive training plan is being developed. There will be a general induction for new Members following the local elections in May 2017 and this includes the relevant Corporate Director and the Director for Specialist Children's Services, both of whom will highlight the role and remit of Members in being corporate parents. Corporate parenting forms part of the half day induction training for new Members in July 2017 and a handbook will also be available for them to support understanding their role. An e-learning package is also being developed with a section on corporate parenting. Significant changes to corporate parenting responsibilities will be addressed through additional training and guidance.

The Members' section of Knet will also ensure that these documents and training dates with materials are available for Members to review with regular updates.

Democratic Services are working towards ensuring there is an accreditation for Members when they undertake training.

Recommendation 4: KCC should write to the Children's Minister to ask that a review of compliance to the new Regulations 2010 and the sufficiency duty should be carried out to ensure that responsible authorities are held to account in maintaining the welfare of the children in their care.

Progress to Date: A letter to the Children's Minister Edward Timpson was written in March 2016 and a response was received in April 2016. The issue has been raised with the Department for Education and the Lead Member for Specialist Children's Services also wrote to the Children's Commissioner in September 2016. In the letter to the Commissioner, Kent provided information on the numbers of children and the local authorities who have placed children in Kent, and also provided a case study to reflect the lack of compliance by local authorities with updated Care Planning Regulations 2015 when placing in Kent. The Association of Directors of Children's Services have also been made aware that local authorities should not be considering Kent as an area to place their looked after children and have been provided with an outline of the accompanying risks.

The impact of this work has not resulted in a reduction in the numbers of looked after children placed in Kent by other local authorities. In April 2016 there were 1,254 placed by other local authorities and in October 2016 this had increased to 1,294; this is a 12 month high. The placements are being monitored and challenged for appropriateness on a case by case basis. Where necessary, individual cases are raised by the Director of Specialist Children's Services with the Director in the placing authority.

Recommendation 5: KCC should adhere to the 'simplification' principle and merge the Corporate Parenting Panel and the Corporate Parenting Group to strengthen the focus on corporate parenting for a more powerful and streamlined oversight. This is to be backed by the development of a memorandum of governance between the new group and relevant existing groups to reduce any avoidable overlap and/or duplication.

Progress to Date: The officer led Corporate Parenting Group and Member led Corporate Parenting Panel were combined in April 2016 with a revised terms of reference and membership. The new format was reviewed in January 2017 and has been a positive change.

Recommendation 6: All KCC Members should commit to actively championing and engaging with divisional and countywide participation events (e.g. Virtual School Kent activities, Achievement Award ceremonies and organised foster carer events) to hear about the achievements of our children and young people as well as finding out about those emerging issues that concern those in our care. It must always be made the responsibility of the relevant service managers to extend an invitation to all Members to events and meetings and ensure that this automatically happens and that relevant information is included in the Member Bulletin (or the Members'

Calendar) to give all Members adequate notice and opportunity to attend.

Progress to Date: Calendar dates are made available for Members and to ensure these are available to all Members, Democratic Services will ensure the calendar of events is available on the Members' intranet area of Knet.

A number of events have been held which Members have attended along with the Director of Specialist Children's Services and the Assistant Director Corporate Parenting, including the summer participation activity with looked after children and care leavers, the summer awards ceremony with Virtual School Kent (VSK) and the autumn celebration event which acknowledges the achievements of looked after children.

These events have been excellent and the VSK young people undertaking apprenticeships have been key to delivering them.

There are a number of new dates available.



Participation - Events
2017.docx

Recommendation 7: KCC should identify a lead participation officer to coordinate how the views of children, young people and their carers are taken into account at the service level and for such information to be made available to Members annually.

Progress to Date: There is a full time participation officer in place who is working across the county to engage with all social workers to ensure that the views of children and young people are incorporated into all the work being undertaken. There are reports produced by fostering teams to ensure that the feedback from carers is available and incorporated into service development.

VSK report into the Corporate Parenting Panel and the key achievements are noted below:-

- Since the VSK Participation Team's conception in September 2012, VSK has supported 14 apprenticeships, 12 were in care who undertook or are undertaking a Level 2 or 3 qualification in Business & Administration and also studied Functional Skills Level 1 or 2 in Maths, English and ICT. A further four care leavers have recently been appointed and will be joining the team shortly.
- VSK has developed and is supporting forums for children and young people in care and care leavers Children in Care Councils, split into three age brackets. In 2016, 86 young people have attended.
- VSK organise Participation Activity Days with 23 events held in 2016 with 332 children and young people attending bespoke VSK activities with a further 250+ attending countywide children in Care events.
- Through consultation with Kent Corporate Parenting Group and children in care, the VSK Participation Team developed the concept of 'Challenge Cards'. These cards allow children in care and care leavers to challenge their Corporate Parents around issues facing them in care.
- The 'Kent Cares Town' website is a resource for children in care to access a wealth of information around being in care. A large part of the content for this site has been written and designed by the VSK participation apprentices.

- VSK apprentices create a junior and a senior newsletter 3 times a year which is distributed to children in care and colleagues and have also developed a newsletter for young people aged 16 and over.
- VSK Participation Team has developed a 'Recruit Crew' which supports children in care and care leavers' involvement in recruitment panels or inclusion on a professionals' panel. In 2016 this has resulted in 33 young people in care or care leavers being involved in supporting 53 interview panels and 16 Skills to Foster panels. We also offer Laser Accredited Training for Service User Involvement in Recruitment & Selection to the young people who become part of our Recruit Crew. This equips our young people with the skills to participate meaningfully in the recruitment of staff and also awards them credits that they can include on their CV's.
- Kent Pledge Cards have been developed in two age categories that take the essence of the Kent Pledge and delivers this in a pack of eight cards which have been designed with children and young people in mind.
- VSK participation team has led on the creation of a 'Coming into Care' pack so that essential information can be given by social workers both to children coming in to care and, in some cases, to those who are already in care.
- VSK Participation Team work hard to ensure children and young people have their voices heard by ensuring they have the opportunity to complete surveys relating to being in care or just being a young person.
- VSK Participation Team facilitate focus groups to ensure that Members, teams within KCC and partner agencies are hearing the views and opinions of children in care and care leavers and have recently supported the review of the Care Leavers' Pathway Plans.
- VSK work in conjunction with the Independent Reviewing Officer (IRO) service on the development of young people chairing their own reviews and increasing meaningful participation. They will also be involved in designing a transition programme for children who are in care and need to develop independence skills.
- In conjunction with the fostering service and a Practice Development Officer, VSK Participation and Engagement Care Leaver Apprentices are involved in the design and delivery of workshops focusing on improving Participation & Engagement, with 18 delivered up to June 2016 and more planned for the coming year.
- Formal and informal forums for children in care and care leavers to meet and inform commissioning, service design and delivery.
- VSK Participation & Engagement Team represent KCC at a variety of regional and national initiatives and recently, the Children's Commissioner acknowledged VSK in their 'A Guide to Good Practice CiCC'.
- The Participation Co-ordinator has completed and evaluated the trial of the Mind of My Own App (MOMO) in response to young people asking for a technology-based facility to prepare for meetings, voice concerns or to make a complaint. The findings were presented to DivMT December 2016 and the decision was made to roll this out in the financial year 2017/18.

Recommendation 8: KCC should continue to strengthen work with our district partners (through council leaders and Joint Kent Chief Executives) to prioritise the needs of care leavers in gaining access to social housing and support. This partnership work should consider district partners supporting corporate parenting

responsibilities in relation to the accommodation needs of care leavers through mechanisms such as the Kent Housing Strategy and the Joint Housing Protocol.

Progress to Date: This work remains ongoing as part of the 16-25 Accommodation Programme. Housing options for care leavers remain a priority for the 18plus service and for Commissioning.

Social Housing in Kent: Social housing is managed by Kent's 12 district and borough councils. Demand for social housing outstrips supply and social or 'affordable' housing is allocated as it becomes available.

All Kent district/borough councils use a similar but not the same 'banding' system to define who will have priority over the large number of people who apply for social housing. The district councils have recognised care leavers as having complex needs but this does not automatically mean that district councils will have sufficient accommodation of the right type available. There remains no agreement to prioritise care leavers. There is a work programme within KCC to ensure that there is increased joint working with the district councils to ensure ongoing sufficiency for care leavers.

Supported Housing: Options are being re-contracted to ensure that statutory responsibilities are met for all eligible groups across the county. Supported housing options are negotiated with the district councils who supply the housing to vulnerable groups; this includes care leavers as well as other vulnerable adults (offenders and adults with mental health issues). Kent is working to facilitate agreement with district councils that care leavers are treated as a priority group. Supported housing eligibility is being negotiated with district council housing departments and funding is being reviewed to ensure that care leavers' needs are met within the financial envelope available.

Kent County Council is also engaged with a number of private and charitable organisations who offer accommodation to care leavers. These organisations often offer a level of support as well as accommodation. These tenancies can also ensure smooth transition for young people achieving suitable long term accommodation. Whilst limited in the numbers of care leavers they can assist, they are a valuable contribution to meeting care leavers accommodation needs. Examples of this type of accommodation are the Trinity Foyer Project in Maidstone and the YMCA in Tunbridge Wells. KCC are also working very closely with Ashford Borough Council to develop The Limes Project (Belgic Court). This will provide eight purpose-built flats with support; four of the units will be dedicated to care leavers and there is matching for young people in progress.

Supported Accommodation in a Family Environment: (formerly Supported Lodgings). There is currently a contract with Catch 22 who provide supported accommodation for young people aged 16 years plus, both UASC and citizen young people. Through assessment and planning by their social worker or personal advisor some young people will be identified as appropriate for this type of accommodation. Catch 22 provide supported accommodation which ensures that a young person receives up to 14-30 hours of direct personalised support a week. They are helped to develop the life skills to live independently.

Staying Put Arrangement: Young people can stay in foster care beyond 18 years under 'staying put' arrangements. There is an expectation as noted in Ofsted reports that staying put is promoted and supported where the young person and the foster

carer wish to continue with the care arrangement.

Shared Accommodation: A significant number of UASC arrived in Kent in recent years and many are now either turning 18 or are already over that age and under the support of the 18+ Service. The Accommodation Team work in partnership with three contracted Property Providers to ensure that these young people are housed in safe and suitable shared accommodation, which gives them access to where they may be studying. There is agreement to extend current commissioning arrangements until 28 February 2018. Discussions and review are underway to consider if this commissioned service can be delivered by Gen² Property Limited at a reduced cost. This option is being reported to the Strategic Commissioning Board.

Recommendation 9: KCC should review the independent living skills support arrangements for care leavers (including the training provision and who care leavers should contact for support at whatever time).

Progress to Date: The new pathway planning process which has been in piloted in East Kent has been extended to all teams in the 18plus service. The new pathway plans will be available on Liberi from March 2017. This supports a focus on care leavers developing the skills necessary for independent living. Young people have provided their feedback on the pathway plans and they believe it will engage and prepare young people in their transition into adulthood and independence. There is a comprehensive training programme which is being delivered to social workers to implement the completion of the new pathway plans. This has been delivered to the 18plus service and personal advisors. This has reflected an improvement in the completion and engagement of young people in their care planning as well as relevant information recorded.

There is work in progress to ensure that there is a co-ordinated plan to support transition for young people aged 16 years plus across fostering, Access to Resources Team (ART), 18 plus and IRO service. This will ensure there is a response to the feedback from young people and foster carers who would like increased information about next steps as a young person progresses through their adolescences and into adulthood.

There is a need to focus on partnership working required between adults and Specialist Children's Services (SCS) to ensure that there is ownership of the corporate parenting responsibilities as care leavers with high needs progress into adulthood. A transition policy is being reviewed.

The Team Manager Accommodation 18plus is developing an outline of the housing options that are available for young people. This will support social workers whilst completing the pathway plans to discuss the housing that is available for young people that will best suit their needs.

Recommendation 10: KCC should conduct a review of the fostering service with the objective of improving the matching process and reducing the number of placement breakdowns. The review should take place six months after the county council has endorsed this Select Committee Report and report back to the Corporate Parenting Panel.

Progress to Date: The Assistant Director for Corporate Parenting has commissioned an independent review of the fostering service. The review was comprehensive and noted some areas of good practice as well as areas of practice that needed to improve; there is also a detailed RAG rated business plan which is delivering improvements. The review and the business plan were considered at Corporate Parenting Panel in September 2016.

Recommendation 11: KCC and its commissioning partners produce regular progress reports to the Health Overview and Scrutiny Committee regarding the provision of Child and Adolescent Mental Health Services (CAMHS), including evidence of the impact in relation to children in care – particularly the support offered to care leavers, disabled children and UASC and adopted children. Updates are to include key performance information, including waiting times and any geographical variances in access to services.

Progress to Date: 0-25 Health & Wellbeing Board (HWB) has been advised that the lead for partnership needs assessment is being progressed. This presentation was delivered by lead officer at the September 0-25HWB on the proposal for a partnership needs assessment and what it could be used for.

The current CAMHS contract is for children and young people up to their 18th birthday. (The service is not contracted to support care leavers over that age.) Disabled children with a mental health need can access the mainstream service. The average waiting time for assessment in the mainstream service is 8.6 weeks (Sept 2016) and for the dedicated children in care team the average waiting time is 5 weeks. In September 2016, 69% of assessments were carried out within 4 weeks, although a few children and young people were waiting longer for specialist assessments. The procurement of the new children and young people mental health service is being led by the NHS. It is on track with the new contract due to commence on 1 September 2017.

In addition to reporting arrangements that are in place for the monitoring of CAMHS services by HOSC, regular reports are made available to Corporate Parenting Panel in respect of services provided to children in care.

Recommendation 12: KCC should investigate what further measures can be adopted as part of the Not in Education, Employment or Training (NEET) strategy development to address the high numbers of care leavers not in education, training or employment and to improve the life skills 'offer' for the post 18s. Measures should be defined and implemented to address any areas in need of improvement. A report on progress should be brought to the Corporate Parenting Panel by June 2016.

Progress to Date: There has been significant work undertaken to ensure that there is a good partnership between the VSK and the Education & Young People's Service (EYPS). The extended remit of VSK up to the age of 18 is now having an impact upon outcomes and a specific focus is being placed on options for UASC who will increasingly form the majority of care leavers. A new policy is in place and a focus on the young people who are NEET has paid dividends with a reduction in the number of young people who are NEET in the last 12 months. There has also been a focus on ensuring there is a September offer for all young people so that young people and their next steps are planned. There is a transition education worker for

18plus who is assisting young people to move from NEET to in Education, Training or Employment (ETE). 27 care leavers were in apprenticeships in the year 2015/16 for those aged between 16 and 22 years. The progress with ETE was addressed in the VSK Annual Report which was considered at the Corporate Parenting Panel in January 2017.

Recommendation 13: KCC and our partner agencies should explore the viability of developing opportunities for care leavers to have apprenticeship positions with KCC and/or partners, thus increasing the range and access to further education and employment opportunities for young people in care who are in the NEET position.

There is a new apprenticeship policy which is supporting all care leavers to have access to apprenticeships across the Council as well as in local Kent businesses. Those care leavers who are NEET are prioritised with a new 18+ Employment, Training and Education officer in the care leaving team. There has been a focus on partnership panels which review young people and match them to work and traineeship opportunities. This is improving the overall reduction in NEET for over 18year olds.

Recommendation 14: KCC should ensure that work is undertaken to improve the information we collect regarding our children in care and care leavers and their health needs. The result of this work should be fully reflected in the revised Joint Strategic Needs Assessment and future commissioning arrangements.

Progress to Date: There are now two working groups in place with health partners to oversee both the strategic and operational aspects of the health needs of children in care. The work of these groups will serve to monitor service provision and inform future commissioning priorities. This will be further reinforced by the active participation of senior health representatives in the augmented Corporate Parenting Panel. A stronger link has not yet been built with Public Health in relation to intelligence gathering, needs analysis and service delivery to meet the holistic health needs of children in care but this will be progressed throughout 2017.

Recommendation 15: Processes need to be established to ensure all Members take an active role in getting to know our frontline staff and their concerns, informally as well as via formal consultation exercises. We should also ensure that feedback from our social workers is informing the development of activities and planning at all levels of the organisation. Protocols must be established to clarify this process.

Progress to Date: Members are involved in quarterly meetings which are led by the Assistant Directors. This provides an update on the key developments in SCS and an opportunity for Members to visit offices and meet staff.

As part of the Munro Report, SCS have completed a social work health check which has allowed social workers to report on their experiences of working in Kent. This report is available in the Members' area of Knet. An action plan is also in place to address the issues that have been raised by social workers and reviewed quarterly.

This is repeated annually.

From: Matthew Balfour, Cabinet Member Environment and Transport
Barbara Cooper, Corporate Director Growth, Environment and Transport

To: Scrutiny Committee – 9th November 2016

Subject: **ENERGY SECURITY SELECT COMMITTEE REPORT –
Action Plan and 3 Month Update**

Classification: Unrestricted

Past Pathway:

Future Pathway: N/A

Electoral Division: All

Summary: Kent County Council (KCC) Energy Security Select Committee conducted a review of issues and opportunities relating to Energy Security in Kent and Medway, concluding with 15 recommendations that will contribute toward delivery of a sustainable affordable and secure energy supply. This paper provides a summary of the work undertaken so far and the work now underway to address those recommendations.

Recommendations: The Committee is asked to review and note the report and the attached annex.

1. Introduction

- 1.1 The KCC Energy Security Select Committee (the Select Committee) was established in November 2015 to identify the current local and national position with regard to energy security, the challenges we face, the actions we are already taking and to outline a number of recommendations which would contribute to promoting energy security in a sustainable, reliable and affordable manner, both at national and county-wide level. The aim was to provide an informative and objective review to further develop a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy (KES), led by KCC's Sustainable Business and Communities team.
- 1.3. The report and recommendations were reported to the Cabinet on 25 April 2016 and were endorsed by the County Council on the 19 May 2016. As required by the Council's constitution, the Scrutiny Committee needs to be informed within three months of what action is being undertaken to deliver the recommendations. Due to the links between the Energy Security Select Committee update and the Growth and Infrastructure Framework update this item was postponed to the 9th November 2016 to enable both items to be heard at the same meeting.

2. Key Findings and Recommendations

- 2.1 The Select Committee report discusses and documents a number of key energy topics and issues that have significant impact on environment, economy, health and wellbeing of residents, business and public sector in Kent and Medway, covering:

- State of play in terms of UK and Kent's energy consumption and

- generation, infrastructure, policy and current and future pressures;
- UK and overseas best practice for ensuring a sustainable, affordable and resilient supply of energy;
- Diversification opportunities for supply of energy from alternative, new and emerging technologies, and localized and community approaches to energy supply.

Recommendations made by the Select Committee are to be delivered by elected Members where stated, or otherwise by officers working in partnership with public, private and community sector partners.

- 2.2 Due to the strong links and strategic fit between the recommendations and the KES, the findings and recommendations of the Select Committee have been used to inform priorities within the Kent Environment Strategy (KES) and to develop specific actions within the implementation plan **Annex 1** provides an overview of the recommendations, their alignment to KES priorities and a summary of progress for the first three months since the report was finalised.

3. Conclusion

- 3.1 The issue and recommendations raised by the Energy Security Select Committee require members and officers to work together along with partner agencies to ensure actions are being delivered. This Committee's scrutiny is an important part of ensuring our obligations are being met.
- 3.2 Following the Scrutiny Committee's consideration, the next formal step will be to reconvene the Energy Security Select Committee to review progress after 12 months following the publication of their report.

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| <p>4. Recommendations: Scrutiny Committee is asked review and note the report and the attached appendix.</p> |
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5. Report Author

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6. **Annex:** Recommendations alignment with KES and Implementation Plan, and progress of delivery of recommendations to date, November 2016

7. Background Documents

Energy Security Select Committee Report, May 2016

Annex 1: A summary of the KCC Energy Security Select Committee recommendations, their alignment with the Kent Environment Strategy and its Implementation Plan, and progress to date in their delivery

| Energy Security Select Committee Recommendations | Alignment of recommendations with Kent Environment Strategy and Implementation Plan | Progress |
|--|---|---|
| <p>Recommendations 1 to 6: The Cabinet Member for Environment and Transport writes to the Secretary of State for Energy and Climate Change, to highlight key issues of concern for national and local energy security, such as:</p> <ol style="list-style-type: none"> 1. The importance of further new nuclear both nationally and for Kent (see Section 5.1, p.81) 2. The need for the introduction of stronger national building standards, requiring both increased energy efficiency and generation measures in new developments (Section 5.1, p.84) 3. The need for additional financial support and incentives for community energy projects following the reduction of the FiT (Section 4.2, p.76) 4. The need for local authority control and management of any future energy efficiency schemes that replace ECO (Section 5.3, p.103) 5. The need for energy utilities to produce and implement 25 year management plans, akin to those held by water utilities (Section 6.1, p.120) 6. The need to ensure that the South-East CORE is adequately resourced and supported so as to facilitate the continued uptake of renewable (wind) energy within Kent (Section 4.2, p.74). | <p>Theme 1 Priority 2.2: Use our evidence bases to influence local, national and EU strategy and policy as appropriate</p> <p>Implementation Plan: Action BF2.2: Develop targeted policy briefings based on evidence'</p> <p>This action is being amended to reflect the need for Cabinet Members/key partners e.g. the Chair of the Kent and Medway Sustainable Energy Partnership to write to the Secretary of State for Business Energy and Industrial Strategy on issues of key concern or opportunity.</p> | <ul style="list-style-type: none"> • The Recommendation is reflected in the Kent Environment Strategy and has been incorporated into the Kent Environment Strategy Implementation Plan • The Chairman of the Kent and Medway Sustainable Energy Partnership (KMSEP) has written two letters to the Secretary of State for Energy and Climate Change regarding fuel poverty and the need for consistent funding schemes. • Progress to date has been a little bit delayed due to a change in Prime Minister and changes to Government Departments. • Contacts are now being established with the Department for Business, Energy and Industrial Strategy (BEIS), and a review of key energy issues is underway as a result of the Growth and Infrastructure Framework (GIF) and also to reflect the new Government's Priorities and influence of BREXIT. • KCC also Chair the Association of the Directors of Environment, Planning and Transport (ADEPT) Energy Sub Group which is used as a means to influence Government. • Submissions have been made to the Growth and Infrastructure consultations with regard energy infrastructure, as well as the Governments Industrial Strategy. KCC are chairing the national ADEPT board on energy. • The KMSEP recently held a roundtable session on the future of energy in Kent and received a number of priorities from stakeholders looking at a wide range of energy related policies and issues. These included looking at building standards, new technology like batteries and DSR, as well as Electric Vehicle charging points and the growth of electric vehicles and their place in the Kent transport infrastructure. |
| <p>7: That KCC, working in partnership with relevant organisations, builds on the work of the Select Committee in identifying key opportunities and risks</p> | <p>Theme 1 Priority 1.4: Improve our understanding of risks and opportunities related to specific resource constraints such as water, energy and land</p> | <p>The detailed review of the GIF in 2017 will include reviewing the energy sections making clearer reference to the potential for renewable energy and</p> |

| Energy Security Select Committee Recommendations | Alignment of recommendations with Kent Environment Strategy and Implementation Plan | Progress |
|--|--|--|
| to Kent's energy infrastructure, ensuring the evidence base underpinning our energy security is up-to-date and robust (Section 2.4, p.35) | <p>Theme 3 Priority 8: Influence Sustainable Growth Across the County</p> <p>Implementation Plan: Action SF8.2: Identify energy needs for growth and how these can be met sustainably and ensuring that these are incorporated into the Growth and Infrastructure Framework (GIF) (e.g. district heating and community energy).</p> | <p>heat networks, and the need for data in terms of understanding how much we consume and generate energy (energy balance)</p> <p>Work is already underway to consolidate what information Kent already has and where the gaps are as part of the process for developing an evidence hub to inform future growth and establish Kent's energy balance.</p> <p>The remit of the Kent and Medway Sustainable Energy Partnership (KMSEP) is being broadened to incorporate energy security and identify key areas for collaboration.</p> |
| <p>8: That KCC leads by example through driving further energy saving and energy generation measures across its estate - in accordance with KCC's Carbon Management Plan - and in partnership with Kent social housing providers and districts (Section 4.1, p.67)</p> <p style="text-align: center;">Page 198</p> | <p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1:</p> <ul style="list-style-type: none"> • Update and widely communicate public commitments for energy, waste and water use reduction across local authorities • Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate | <p>This activity is ongoing. To date approx £3million has been invested with more than £12million+ in energy savings.</p> <p>Additional SALIX SEELS funding has been granted to support schools with LED lighting. £250,000 of schools LED lighting projects have now been completed through the SEELS scheme.</p> |
| 9: That KCC creates a communications strategy strengthening its engagement with businesses and local communities to help them understand the benefit of reducing energy use and generating their own energy (Section 4.2, p.76) | <p>Theme 1 Priority 3.3: Develop an environmental communications and engagement strategy, improving awareness of priorities and supporting behaviour change</p> <p>Implementation Plan: Action BF3.3: Develop a targeted environmental communications and engagement strategy and plan</p> | <p>Communications Strategy currently being developed , launch for 2017 .</p> <p>There are currently three energy related campaigns which are KCC and Kent wide:</p> <ul style="list-style-type: none"> • Integration of energy issues into New Ways of Working; • Kent Warm Homes – residential energy efficiency and fuel poverty; and • Low Carbon Kent – specific work with business to improved energy efficiency. |
| 10: That KCC investigates the feasibility of creating investment measures to develop local, low-carbon energy generation and diversification projects (Section 5.2, p.101) | <p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1: Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate</p> | <p>In light of BREXIT we are investigating the impact on energy investments and exploring future avenues of non EU funding including crowd funding and share funds and what our future strategy should be.</p> <p>Investigating potential for utilising SALIX funding for community groups as well as for KCC and schools</p> <p>Also working with utilities and renewable energy generators to maximise the potential for accessing</p> |

| Energy Security Select Committee Recommendations | Alignment of recommendations with Kent Environment Strategy and Implementation Plan | Progress |
|--|--|---|
| | | <p>community benefit funds to finance local initiatives e.g. Horsebridge Centre Whitstable and Friendship House in Minister</p> <p>Cyclopark has been fitted with solar PV panels, providing an income of £100,000 to KCC over next 20 years.</p> |
| <p>11: That KCC works with partners and local authorities to influence the design and planning process for developments from the start, so as to ensure that they are as energy efficient as possible (Section 5.3, p.106)</p> | <p>Theme 3 Priority 8.3: Develop guidance and support to enable sustainable growth protecting the county of Kent's environmental and historic assets, and supporting healthy, prosperous communities</p> <p>Implementation Plan: Action SF8.3: Provide support and guidance e.g. Kent Design to achieve sustainable growth through incorporating KES priorities</p> | <p>Kent Design in its original form no longer exists, but has evolved into the Design South East Programme, providing targeted training events KCC are working with District Partners, developers and other public sector bodies to identify the most effective way of influencing planning with regards to key issues such as energy, water, air quality etc.</p> |
| <p>12: That KCC works with educational institutions within Kent to ensure that students and apprentices are given the necessary skillsets and expertise required for working across the energy sector (Section 5.4, p.111)</p> | <p>Theme 1 Priority 3.1: Develop knowledge networks, sharing best practice and training to build capacity for informed decision making</p> <p>Implementation Plan: Action BF3.1: Identify training and development needs in relation to delivery of Kent Environment Strategy priorities and establish recommendations for skills and knowledge development</p> | <p>Reviewing in partnership with Economic Development. This activity is in its early stages, and an action plan will be agreed late 2016.</p> |
| <p>13: That KCC continues to strengthen its ability to work in partnership with local authorities, relevant agencies, businesses, community groups and the education and training sector to make sure that a comprehensive approach is taken in ensuring energy security for Kent (Section 6.1, p.116)</p> | <p>This recommendation links to Theme 1 as a whole:</p> <p>Theme One: Building the Foundations for Delivery. The Theme establishes priorities that provide an evidenced understanding of risks and opportunities from environmental change, and the relationship to our communities, health and wellbeing, and economy. It also includes priorities that establish how we can develop actions, as a partnership, to respond to those changes now and into the future.</p> | <p>Recommendations have informed priorities and actions within the Strategy and Implementation Plan. A Kent wide governance group has been established to deliver the strategy and actions through strategic and operational level groups, and a steering group. An internal KCC governance structure has also been developed with the Environment Board (operational), Corporate Management Team (executive) and E&T Cabinet and Cabinet Committees (political). Check and challenge groups have also been established with a KCC Informal Members Group and a Kent wide champions group.</p> <p>Other significant partnerships include the Kent and Medway Sustainable Energy Partnership specifically focusing on energy initiatives</p> |
| <p>14: That LASER and Sustainable Business and Communities investigate the feasibility of KCC establishing itself as an energy supplier to the local community (Section 6.1, p.118)</p> | <p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1: Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate</p> | <p>Currently at early stages with this activity looking at other similar initiatives across the UK e.g. Nottingham. The recommendation fits under MR6.1 as this is also broadly about energy generation and security</p> |

| Energy Security Select Committee Recommendations | Alignment of recommendations with Kent Environment Strategy and Implementation Plan | Progress |
|--|---|---|
| | | The activity will be amended to reflect this. |
| 15: That KCC works in partnership with UKPN and relevant energy generation companies within Kent to better understand the risks to Kent's energy systems and how these can be mitigated (Section 6.1, p.120) | <p>Theme 3 Priority 8.1: Ensure that key environmental risks such as flooding, water scarcity and heat are informing policy decisions and development</p> <p>Implementation Plan: Action SF8.1: Ensure outputs of the Kent Climate Change Risk Assessment are integrated into policy and planning</p> <p>SF8.2 Identify energy needs for growth and how these can be met sustainably and ensuring that these are incorporated into the Growth and Infrastructure Framework (GIF) (e.g. district heating and community energy).</p> | Work with energy utilities, OFGEM and National Grid initiated to address energy issues such as fuel poverty and energy security across Kent. Relationships now established and work programmes being developed. |

Response to Select Committee on Grammar Schools and Social Mobility Three Month Update from Fair Access and School Improvement (March 2017)

Removing financial barriers to Grammar schools

Recommendation 12: *KCC to extend the existing entitlement for children on Free School Meals to free school transport to their nearest appropriate school to all children in receipt of Pupil Premium.*

Update:

A review of existing transport policy is in the final stages of deliberation in preparation for a formal consultation. The proposed transport policy would extend eligibility to children in receipt of Pupil Premium. Once initiated, the consultation will follow KCC's best practice principles to ensure it reaches a broad audience. Following a formal consultation process and determination, policy guidance will be updated across all formats to ensure parents are aware of the new provision. It is anticipated that the consultation will be ready for distribution in June.

Recommendation 13: *KCC should raise the low income threshold to £21k to enable pupils from low income families but not entitled to Free School Meals to access free transport to their nearest appropriate secondary school*

Update:

As this will require revisions to the current Kent transport policy before it can be implemented, it will be incorporated in the proposals being prepared for consultation in June. Logistical and financial concerns relating to its implementation remain and officers continue to explore the best way of identifying families with a household income of up to £21k. Findings to date would suggest where families are in receipt of Child Tax Credit, form TC602, issued by HMRC, may indicate household income, but it is no longer issued for each tax year. The alternative form, TC603, should hold sufficient information to confirm that a family's financial circumstances remain unchanged, so evidence from the two forms combined could perhaps provide a mechanism for confirming family income. The size of this group is not known, as no centralised Government dataset appears to exist. Work is therefore still needed to ensure this does not open the LA to unexpected consequential costs which exceed any identified budget. Efforts are underway to engage HMRC to establish if the proposed approach to establishing financial standing will be achievable at which time practical procedures can be put in place to formulate the operational arrangements.

Recommendation 14: *KCC to create a schools focused supplementary transport bursary, that would enable grammar schools and other types of schools where appropriate, to provide bespoke transport solutions especially for children from rural areas without bus services to enable better access to grammar schools*

Update:

Several discussions have taken place to identify an appropriate framework to facilitate this proposal. In broad terms decisions about access to KCC funding will consider the following factors: Identified demand for transport/ Availability of existing transport provisions/ Match funding proposals and overall scheme costs / Localised parental support /School engagement, including use of vehicles and facilities where appropriate.

The more challenging aspect relates to finding additional funding to pump prime a bursary of this nature. Unforeseen and unprecedented rises in transport costs mean that SEN transport budgets have overspent in the region of £2.8 million during the course of 2016/17 financial year. While significant efforts have been undertaken to stem these rising costs, the budget build for 2017/18 and

2018/19 has been particularly challenging. Until such time as a firm source of funding can be identified for such a bursary, there are limited prospects of delivering this recommendation in the current financial climate.

In the absence of additional funding, where schools, individually or as a collective, can present a transport initiative that will demonstrate savings potential, then officers will consider identifying support from within existing budgets. Schools would need to present a concise business case, identifying clear scope for benefit both to their students and the LA, which could then be presented to members of the Transport Regulation Committee for final approval. This opportunity is available to schools now and is set out in the attached letter (Appendix D) which will be distributed in May.

Viewing grammar school as a potential option

Recommendation 1: *As the champion of pupils, parents and families, KCC will work with all primary school Headteachers to identify those most academically able pupils and discuss with parents the opportunity to put their child forward for the Kent Test.*

Update:

School Improvement Advisers will check use of performance data by schools to ensure that the most academically able are identified.

Removing financial barriers to grammar schools

Recommendation 2: *Grammar schools should engage fully with parents and families to address misconceptions and promote the offer grammar schools can make to all students irrespective of background.*

Update:

As part of their work in supporting schools to develop their effectiveness in diminishing differences by engaging with parents, School Improvement Advisers are able to signpost where there is good practice in relation to understanding the community well enough to address barriers to the achievement of underperforming groups.

Securing a grammar school place

Recommendation 3: *KCC should target all children eligible for Pupil Premium and children from areas of low registration for the Kent Test, providing detailed information on the Kent Test process and their transport entitlements.*

Update:

Information for all parents about the Kent Test is sent to schools for distribution every year, before test registration opens. The 2017 issue of the "Instructions for Procedure for Entrance to Secondary Education" - advice on the Kent Test sent to all participating Kent schools - will also support this recommendation. In addition, a draft letter has been produced (Appendix A) to highlight to Primary and Junior schools the importance of providing targeted cohorts with full information. As well as the leaflets setting out the testing arrangements schools will receive a letter (Appendix B) targeted at low income families with academically able children who may hesitate to register for the test because of concerns about the possible costs associated with attending a grammar school. This will give specific information about transport concessions and admission criteria and signpost assistance available through the grammar schools, and primary schools will be asked to ensure that it is distributed to the target group.

School Improvement Advisers have developed a pupil premium toolkit to support schools in tackling the barriers to the achievement of disadvantaged pupils. This gives advice and information about strategies to help schools tackle the underperformance of disadvantaged groups. In addition, training and development sessions are available for schools.

Recommendation 4: *All grammar schools should provide more outreach to primary schools including after school classes in English and mathematics, mentoring and preparation for the Kent Test for primary aged pupils in Years 4-6 including those most academically able children in receipt of the Pupil Premium.*

Update:

A draft letter has been produced (Appendix C) highlighting to grammar schools the importance of working with neighbouring Primary and Junior schools in advance of Secondary School transfer to build community links, and inviting them to consider this recommendation that they should take a more active role in fostering the development of academically able pupils in the primary phase. The letter is expected to be sent to grammar schools in early May, before registration opens for the 2017 tests.

School Improvement Advisers, in their contact with schools, will check on and promote the engagement of schools with this process and champion stronger cross-phase links between primary and secondary.

Recommendation 5: *Urge all Primary Headteachers to utilise Headteacher Assessment Panels within the Kent Test process to advocate for those most academically able children supported by the Pupil Premium.*

Update:

Following the publication of the Select Committee report Primary Schools were encouraged to have particular regard to the interests of this group when referring cases to the local Headteacher Assessment Panels. Panel Chairs were reminded of the focus of the Select Committee in advance of their meetings. There appears to have been a small increase in Pupil Premium children taking part and in the proportion of these finally assessed suitable for grammar school. 253 cases were referred to HTA panels for pupil premium candidates and 136 of these were successful. Primary and Junior Schools are also reminded of recommendation 5 in the letter attached at Appendix A.

Headteachers from schools with high proportions of pupils entitled to Pupil Premium funding will be encouraged to attend Local Headteacher Assessment Panels.

Recommendation 10: *If not already in place, schools should follow best practice and nominate a lead governor for the Pupil Premium and how children in receipt of this are being supported to apply for the school most appropriate for them.*

Update:

School Improvement Advisers and governor services are promoting the use of pupil premium reviews and governance reviews to identify how these aspects of leadership can be improved. Wherever these have taken place there has been impact.

Recommendation 11: *Urge all grammar schools to use multiple uniform providers to minimise costs and subsidise/cover the costs of schools trips and other expenses for pupils from low income families to ensure these are not prohibitive factors to children applying for or securing a grammar school place.*

Update:

As above, the letter to Grammar schools (Appendix C) makes reference to both of these recommendations and encourages grammar schools do more to facilitate this. This will be distributed in early May one month ahead of test registration opening.

Increasing fair access to grammar schools

Recommendation 15: *To invite grammar schools to fully consider the disadvantaged children eligible for Pupil Premium support face and take action within their oversubscription admissions criteria. Where this fails to happen we will expect KCC to challenge the determined admissions arrangements.*

Update:

Significant work has already been undertaken in this area with 17 out of 32 Kent Grammar schools ensuring there is provision for Pupil Premium or FSM eligible children within their admission arrangements. 10 Kent Grammar schools already include priority for these groups, with a further 10 consulting this year for its inclusion in 2018 admission arrangements.

The letter at Appendix C highlights the LA's intention to the remaining Grammar schools. Should these schools be minded to add provision for Pupil Premium or FSM eligible children, the next opportunity for consultation is from 1 October 2017, with determination in 2018 to affect the September 2019 intake. Where schools decide not to take action, Officers will challenge them as appropriate. Should the LA be so minded, these arrangements can be referred to the Office of Schools Adjudicator from 28 February 2018 onwards.

The following schools include provision for Pupil Premium or FSM eligible children:

Borden Grammar School
Cranbrook
Dartford Grammar School for Girls
Dover Grammar School for Girls (Added for 2018 intake)
Gravesend Grammar School
Highsted Grammar School
Invicta Grammar School
Judd School (Added for 2018 intake)
Queen Elizabeth's Grammar School
Simon Langton Girls' Grammar School (Added for 2018 intake)
Sir Roger Manwood's School (Added for 2018 intake)
Skinners' School
Tonbridge Grammar School (Added for 2018 intake)
Tunbridge Wells Girls' Grammar School (Added for 2018 intake)
Tunbridge Wells Grammar School for Boys
Weald of Kent Grammar School (Added for 2018 intake)
Wilmington Grammar School for Girls

The following schools do not currently include provision for Pupil Premium or FSM eligible children:

Barton Court Grammar School

Chatham & Clarendon Grammar School
Dane Court Grammar School
Dartford Grammar School
Dover Grammar School for Boys
Folkestone School for Girls
Harvey Grammar School
Highworth Grammar School for Girls
Maidstone Grammar School
Maidstone Grammar School for Girls
Mayfield Grammar School for Girls
Norton Knatchbull School
Oakwood Park Grammar School
Simon Langton Grammar School for Boys
Wilmington Grammar School for Boys

Recommendation 16: *Urge all “super selective” grammar schools to allocate a number of places for pupils registered in that academic year for Pupil Premium support and who achieve an appropriate combined test score in the Kent Test. We would also invite these schools to review the impact of “super selection” on social mobility in their areas.*

Update:

The only truly “superselective” Kent grammar school (one which prioritises applicants for admission by ranked aggregate test score) is the Skinners’ School, which has already adopted a criterion offering up to 5 of its 150 places to applicants registered for Free School Meals and is consulting on increasing this number for 2018. In the event of oversubscription applicants for these places will be ranked by score.

Four of the schools that do not currently offer prioritisation of Pupil Premium or FSM eligible children take into account an element of the child’s score when ranking:

Dartford Grammar School – Defines an inner priority zone by address, offering up to 90 places. The remaining places are offered to pupils from outside the zone. Children within, then outside the zone are ranked by score rather than distance.

Maidstone Grammar School – Gives first priority to grammar-assessed pupils who have scored above a given level, taking account within this group first of LACs, then of siblings, then of distance from home to school. After this, if spaces remain, it applies the same criteria to grammar-assessed applicants who have scored below the given level.

Mayfield Grammar School for Girls – Takes account (in order) of LACs, siblings, applicants living within an inner postcode area, applicants living within an outer postcode area , then applicants living outside these areas. In the event of oversubscription within any category pupils are ranked by aggregate score.

Simon Langton Grammar School for Boys – Gives first priority to grammar-assessed pupils who have scored above a given level, taking account within this group first of LACs, then health and special access reasons, then siblings, then proximity of home to school (those living within a 9-mile radius). After this, if spaces remain, it admits grammar-assessed applicants who have scored below the given level, using the same categories .

These schools will be reminded of this recommendation by way of the letter (Appendix C).

Appendix A - Letter for Primary School Heads

Dear Colleague

Grammar Schools and Social Mobility

Many of you will already have read and discussed the Council's all-party Select Committee Report on Grammar Schools and Social Mobility which was published in June 2016 and is available on our website, www.kent.gov.uk. The publication of the report followed several months collecting and scrutinising data and personal evidence, prompted in part by recent national studies, notably the Sutton Trust report "Poor Grammar" (2011).

There is evidence locally and nationally that there is lower take up of grammar school places among academically able pupils in receipt of Pupil Premium than among other academically able pupils. At the same time, it is apparent that children from this group who do go on to grammar school generally maintain a good level of progress, with less of an attainment gap seen between them and their classmates. The Select Committee was therefore keen that efforts should be made to encourage academically able pupils in receipt of FSM / PP to consider grammar school among their options for Year 7.

With this in mind, the members of the Committee produced a series of recommendations aimed at breaking down any barriers which may discourage parents of such pupils from listing grammar schools among their preferences. Grammar schools, for example, are being asked to consider what they can do to build connections with the local Primary school community and to limit the cost of uniforms, equipment and trips which might deter applications from those on lower incomes.

The Select Committee's recommendations were published during the Kent Test registration period last year, and while there was limited opportunity to implement them then, Primary and Secondary Heads responded positively to an invitation to give particular attention to the situation of able children from less advantaged backgrounds at the local Head Teacher Assessment Panel stage. Grammar schools are also looking at whether to make specific reference to the interest of FSM / Pupil Premium candidates in their oversubscription criteria.

Before registration for the next round of testing opens in June, I wanted to draw your attention to the following recommendations from the report.

I recognise that schools will already have given considerable thought to the best ways of supporting the overall progress and development of children in receipt of Pupil Premium or from families where low income may restrict their access to a range of opportunities. If you would like to let me know of any action you have taken or propose to take in the context of the Select Committee report I would be very interested to hear from you and happy to feed that back to the Committee members and the wider Council.

Appendix B - Letter to Parents of Pupil Premium Children attending Kent Primary schools

Dear Parent,

About Grammar Schools

Recently a group of Councillors met as a Select Committee to look at how we run the 11+ in Kent and who goes to grammar schools.

They talked to the Headteachers of some primary and grammar schools, and to some parents. They noticed that there were some children who were doing well in primary school but who did not take the Kent Test, some who took it but didn't score highly, some who decided not to apply for grammar school and some who applied but didn't get places at the schools they most wanted. While there could be all sorts of reasons for this, they have asked schools and the Council's School Admissions team to look at ways of making sure that everyone who might do well in a grammar school knows about their options and has the best chance of taking up a place.

They are encouraging grammar schools to work in the local community to share their teaching skills with primary schools and open up access. They are encouraging primary schools to discuss with the families of children in Year 5 what type of secondary school might suit them best, and they have asked the School Admissions team to make sure that people know how to apply for testing, and that anyone who might be worried about the cost of transport to grammar school knows what help is available.

The Kent Test (11+)

Registration to take the Kent Test opens on 1 June and closes on 3 July 2017. The tests will take place in September 2017, just as your child starts Year 6. You can find out more from the Council's website, www.kent.gov.uk - look for "Kent Test". If you aren't sure about grammar schools, find out more about all the local schools and speak with your child's teachers to help you decide whether to apply.

Travel from Home to School:

The Council arranges most home to school transport. As well as subsidising the Young Person's Travel Pass, it provides some free travel passes.

Children in the care of Kent County Council and children from low income families who are entitled to receive free school meals can get free school transport to the nearest grammar school if:

- they have met the admissions criteria of the school
- they have been offered a place at the school
- it's the nearest school to their home
- the distance from their home and the school is between 2 and 15 miles.

Support at Secondary School

Pupil Premium is a sum of money which goes from the Government to a school to support the education of children from some families whose income is low, and the school must be able to explain what they do with it. Sometimes it is used to support teaching and learning, sometimes to

help with the costs of uniform, materials, clubs and trips. Most schools already publish this information on their website.

Admission Criteria

Some grammar schools have adjusted their admission criteria so that (if the school can't offer a place to everyone who wants one) children who have passed the Kent Test and receive Free School Meals can be given priority for admission.

I hope this information is helpful to you. If you can't find out everything you want to through your child's teachers and the information online, you are welcome to contact the Council's Secondary Admissions Team by ringing 03000 412121 or emailing kent.admissions@kent.gov.uk.

Appendix C - Letter for Grammar School Heads

Dear Colleague

Grammar Schools and Social Mobility

Many of you will already have read and discussed the Council's all-party Select Committee Report on Grammar Schools and Social Mobility which was published in June 2016. The publication of the report followed several months collecting and scrutinising data and personal evidence, prompted in part by recent national studies, notably the Sutton Trust report "Poor Grammar" (2011).

The Select Committee made a number of recommendations for action to reduce the likelihood that poorer children would fail to benefit from the availability of selective education in Kent. I am writing to you to highlight those recommendations which particularly reference the action grammar schools are best placed to take to help achieve the Select Committee's aim. The full report is available on the Council's website, www.kent.gov.uk.

In common with earlier studies, the Select Committee noted that some grammar schools were already taking steps to strengthen their links with their local Primary schools. It also recognised that, as Kent County Council is no longer the admission authority for the majority of the county's grammar schools, its role would be to urge and encourage these schools to take note of the recommendations it reached in the light of its researches. The recommendations which reference action on the part of grammar schools are set out below.

Recommendation 2: Grammar schools should engage fully with parents and families to address misconceptions and promote the offer grammar schools can make to all students irrespective of background.

Recommendation 4: All grammar schools should provide more outreach to Primary schools including after school classes in English and mathematics, mentoring and preparation for the Kent Test for Primary aged pupils in Yrs 4-6 including those most academically able children in receipt of the Pupil Premium.

Recommendation 11: Urge all grammar schools to use multiple uniform providers to minimise costs and subsidise/cover the costs of schools trips and other expenses for pupils from low income families to ensure these are not prohibitive factors to children applying for or securing a grammar school place.

Recommendation 15: To invite grammar schools to fully consider the disadvantage that children eligible for Pupil Premium face and take action within their oversubscription admissions criteria. Where this fails to happen we will expect KCC to challenge the determined admissions arrangements.

Recommendation 16: Urge all "super selective" grammar schools to allocate a number of places for pupils registered in that academic year for Pupil Premium support and who achieve an appropriate combined test score in the Kent Test. We would also invite these schools to review the impact of "super selection" on social mobility in their areas.

I am sure that you will find these recommendations interesting, and that they will initiate some stimulating discussion and comment among the staff, senior managers and governing body. Should you require more contextual information relating to the pattern of your own admissions we will try to provide data on request. Several of you, of course, have already taken action to ensure that children from disadvantaged backgrounds have good access to your school, and may have contributed to the Select Committee's evidence. In some cases a very small adjustment to the presentation of information on your school website may serve to signpost parents to the support already in place for pupils from families with a low income. If you want to outline what you are doing already, or if you would like to feed back to the Select Committee members action you propose to take in the light of the report, I would be glad to hear from you.

Appendix D – Letter to Schools re Transport Support Proposals

Dear Headteacher,

KCC has long sought to provide the best educational opportunities for Kent's learners and the County offers one of the richest and most diverse ranges of school options available anywhere in the country.

The drive to extend parent choice when considering secondary education has long been the ambition of government and access to transport assistance is a known barrier to that choice in some circumstances.

In an effort to ensure transport is not a barrier to choice the Council has historically invested in the Young Persons Travel Card, the 16+ Travel Card and offered access to vacant seats on hired transport for those children not eligible to receive transport assistance.

In a bid to provide even greater choice to children from low income backgrounds, KCC is seeking to introduce a transport-related bursary fund available to schools able to demonstrate a clear need and commitment to set up some form of localised transport arrangements.

Due to the rural nature of much of Kent it is anticipated that some children from poorer backgrounds may feel they are unable to access grammar schools or other types of schools with specialisms they may be well suited to due to the limited availability of public transport operating at the right times.

In an effort to combat this, schools are invited to make a business case to provide transport support where they have identified groups of learners who would have access to their schools were transport provided in an affordable way. It is expected that some schools might propose using their own vehicles for such endeavours and KCC would then (for the right schemes) be willing to match fund any proposed transport assistance they may wish to put in place.

To attract financial assistance for such schemes, a school will need to demonstrate a clear demand for the service, public support for its introduction, ability to match fund the operating costs and that it would enhance existing local transport provision without materially impacting on the normal intake of other schools .

KCC would work closely with schools to help develop feasible proposals with the final funding decision made by the Transport Regulation Committee Appeals Panel. Bids with a value cap of £50,000 may be made, and each will be considered on its relative merits, the numbers likely to benefit and the broader impact of its introduction.

If this is something you are interested in exploring, in the first instance contact; Scott Bagshaw, Head of Fair Access, Kent County Council.

Yours sincerely

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