POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 8th September, 2016

10.00 am

Darent Room, Sessions House, County Hall, Maidstone

Kent
County
Council
kent.gov.uk

AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 8 September 2016, at 10.00 am
Darent Room, Sessions House, County Hall, Maidstone

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

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

Membership (14)

Conservative (8):   Mr A J King, MBE   (Chairman),   Mr N J D Chard,   Mr J A Davies, Mr R L H Long, TD,   Mr S C Manion,   Mr L B Ridings, MBE, Mrs P A V Stockell, Vacancy and Mr J N Wedgbury (Substitute)

UKIP (3)   Mr M Heale, Mr C P D Hoare and Mr R A Latchford, OBE

Labour (2)   Mr D Smyth and Mr N S Thandi

Liberal Democrat (1):   Mrs T Dean, MBE

Webcasting Notice

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

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

<u>UNRESTRICTED ITEMS</u>
(During these items the meeting is likely to be open to the public)

A - Committee Business

A1   Introduction/Webcast announcement

A2   Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

A3   Declarations of Interest by Members in items on the Agenda

To receive any declarations of interest made by Members in relation to any matter on the agenda.   Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared.

A4   Election of Vice-Chairman

To elect a Vice-Chairman of the Policy and Resources Cabinet Committee

A5   Minutes of the meeting held on 22 July 2016 (Pages 7 - 14)

To consider and approve the minutes as a correct record.

B - Monitoring of Performance

B1   Strategic and Corporate Services Performance Dashboard (Pages 15 - 28)

To receive and note a report that shows progress made against targets for Key Performance Indicators

B2   Financial Monitoring 2016/17 (Pages 29 - 32)

To note the revenue and capital forecast variances from budget for 2016-17 for the Strategic & Corporate Services Directorate based on the July monitoring to Cabinet

B3   Work Programme 2016/17 (Pages 33 - 36)

To consider and agree a work programme for 2016/17

B4   Contract Management (Pages 37 - 40)

To receive a report that sets out the next steps to develop a commercial approach through effective contract management practice

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

C1   Implementing KCC's VCS Policy - Update Report (Pages 41 - 82)

To note and comment on progress

C2   Customer Service Policy (Pages 83 - 88)

To note and endorse the steps being taken to embed the Customer Service Policy across Kent County Council and improve customer service to residents and service users

C3   Consultation Protocol (Responses to Consultations Received) (Pages 89 - 96)

To consider and endorse or make recommendations on the proposed decision of Cabinet to adopt the Consultation Protocol

C4   Business Rate Devolution Consultation (Pages 97 - 104)

To make recommendations on any aspects which should be considered to be included in the formal response to the consultation and call for evidence papers

C5   Welfare Reform Update (Pages 105 - 114)

To note and comment on the Welfare Reform Update report

C6   Corporate Assurance Analysis Bi-annual Report (Pages 115 - 148)

To note the Corporate Assurance analysis bi-annual report

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
03000 416647

Wednesday, 31 August 2016

This page is intentionally left blank

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 22 July 2016

PRESENT: Mr A J King, MBE   (Chairman),   Mr R H Bird,   Mr J A Davies, Mr M J Harrison,   Mr C P D Hoare,   Mr R A Latchford, OBE,   Mr R L H Long, TD, Mr L B Ridings, MBE, Mr D Smyth, Mr A Terry, Mr N S Thandi and Mr J N Wedgbury

ALSO PRESENT: Miss S J Carey and Mr G Cooke

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

226. Apologies and Substitutes
(Item A2)

(1)   Apologies for absence were received from Miss Carey (as a Member of the Committee), Mr Chard, Mrs Dean, Mr Heale, Mr Manion and Mrs Stockell.

(2)   Mr Harrison, Mr Bird, Mr Terry and Mr Wedgbury attended as substitutes for Miss Carey, Mrs Dean, Mr Heale and Mrs Stockell respectively.

(3)   Apologies for absence were also received from Mr Carter (Leader of the Council) and Mr Simmonds (Cabinet Member for Finance and Procurement).

(4)   Miss Carey deputised for Mr Simmonds as well as being in attendance as the Cabinet Member for Commercial and Traded Services.

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

228. Minutes of the meeting held on 24 May 2016
(Item A4)

(1)   Resolved that the minutes of the meeting held on 24 May 2016 be approved as a correct record and signed by the Chairman subject to the deletion of the word "officers" in minute 214(3).

(2)   In response to a request for an update on work underway with the Property Group to identify premises suitable for meetings of Gurkha wives set out in minute 220(4), Mr Cooke (Cabinet Member for Corporate and Democratic Services) said the Gurkha wives had made alternative arrangements without involving KCC. Mr Ridings said he would follow the matter up through the Civilian Military Covenant Board. In addition, Mr Bird said Maidstone Borough Council had identified a suitable site and said he would speak with the Leader of Maidstone Borough Council and provide an update to Mr Latchford.

229. Minutes of the Property Sub-Committee held on 8 July 2016
(Item A5)

Resolved that the minutes of the Property Sub-Committee held on 8 July 2016 be noted.

230. Re-location of KCC Services and Commissioned Services from Dover Gateway
(Item B1)

Rebecca Spore (Director of Infrastructure) and Elizabeth Luxton (Head of Operations) were in attendance for this item

(1)   Miss Carey (Cabinet Member for Commercial and Traded Services) introduced the report which asked the Cabinet Committee to endorse or comment on a proposed decision to relocate KCC services and commissioned services from Dover Gateway to the Dover Discovery Centre.

(2)   Mrs Spore said the footfall for KCC services in the Dover Gateway was relatively small in comparison with the total transactions, the cost per transaction was high and that other KCC services were already delivered from the Dover Gateway.

(3)   In response to questions, she confirmed that the transaction cost for KCC at Dover Gateway was just over £113 per customer visit and the other figures in paragraph 2.2 of the report were industry benchmarking figures and not KCC costs.

(4)   *Post meeting note – The price of a telephone transaction varies depending on the volume of calls in a month and the average handling time. In July 2016 the price per telephone call for Kent County Council was £4.20. The price per call includes all calls handled 24/7 e.g. a call handled at 1am on Sunday morning. Comparing this price to SOCITM's channel benchmarking survey is, therefore, not accurate. The price of a website transaction will also vary depending on what the end user requires but again this will not be comparable to SOCITM's channel benchmarking survey.*

(5)   Mrs Spore said that 37 responses to the consultation had been received with 68% in favour of the re-location. She said concerns relating to access to the building would be addressed during the refurbishment of the Discovery Centre and that the break clause in the contract with the Dover Gateway would need to be exercised in June or July 2017.

(6)   Mr Cooke said that the Discovery Centre was owned by KCC and investigations were underway to determine the work necessary to bring the building up to the required standard to make it fit for purpose and to enable KCC services currently delivered at the Gateway to be located there. He also confirmed that work was required to the Discovery Centre regardless of whether or not additional services were provided from it.

(7) Mr Cooke said the decision, would be taken by him, as Cabinet Member for Corporate and Democratic Services, and not by the Leader of the Council as set out in the report.

(8) Resolved that the proposed decision by the Cabinet Member for Corporate and Democratic Services to relocate KCC services and commissioned services from the Dover Gateway to the Dover Discovery Centre be endorsed.

231. Strategic and Corporate Service Directorate Dashboard
(Item C1)

Richard Fitzgerald (Performance Manager) and Andy Wood (Corporate Director Finance Procurement) were in attendance for this item

(1) Mr Fitzgerald introduced the Performance Dashboard for Strategic and Corporate Services which showed progress made against targets set for Key Performance Indicators. He said this was the first report for the current financial year and that it reflected changes to the Key Performance Indicators as detailed in the Strategic and Corporate Services Business Plan 2016/17.

(2) Mr Wood provided further information relating to FP02 – Retirement Benefits paid within 20 working days of all the paperwork being received. In April, the Department for Communities and Local Government had advised pension managers that factors used in pension calculations were changing with immediate effect and cases were to be put on hold pending clarification the following week. Software providers were not advised at the same time and updated software was not available for three weeks after the announcement. It was now considered unlikely that clarification would be received. Of 493 pension calculations requested 425 were paid within 20 days with the balance provided shortly afterwards.

(3) Mr Wood said that other changes to legislation, including a requirement to provide annual illustrations of pension benefits in the first three months of the year, would put pressure on staff at this time every year. In addition, this year, the triennial actuarial re-evaluation took place requiring additional statistical information, a senior team member had been on long term sick, there were five positions vacant in an establishment of 58 and that training new staff was a long process. The combination of factors meant that the annual target of 98% would not be met.

(4) The Committee endorsed the work being done by Mr Wood and his team and welcomed the explanation provided.

(5) In response to a question about activity indicators, Mr Fitzgerald said that previous years' activity data tended to be used unless there were good reasons not to.

(6) Miss Carey (Cabinet Member for Commercial and Traded Services) said that a reduction in the number of calls answered by the Contact Point freed up resources to respond to residents who were unable or did not wish to conduct their business with the Council using digital technology.

(7)   The inclusion of HR 13, 14 and 15 was welcomed and it was suggested that targets should be included particularly for training in relation to information governance and data protection.

(8)   Resolved that the performance position for Strategic and Corporate Services be noted.

232. New Budget Monitoring Report Format
(Item C2)

Andy Wood (Corporate Director – Finance and Procurement) was in attendance for this item

(1)   Mr Wood introduced the report which set out a proposal for a revised format for the regular budget monitoring reports to Cabinet. He drew particular attention to the anticipated savings and format of the proposed report as well as the fact that it would reduce from 150 pages to fewer than 40 and would be provided about 35 days after the end of the accounting period instead of the current 70 days.

(2)   Miss Carey (Deputy Cabinet Member for Finance and Procurement) drew attention to the format and content of the proposed report and said the new format would focus on key matters.

(3)   In response to comments, Mr Wood said that the risk of creep-back would be avoided by treating any requests, from Cabinet Committees or Cabinet, to investigate a particular issue as a one-off and producing a separate report that would not become part of the standard budget report.

(4)   Resolved that the proposals for a new budget reporting format be endorsed

233. Commercial Services Update
(Item C3)

John Burr (Managing Director of Commercial Services) was in attendance for this item

(1)   Miss Carey (Cabinet Member for Commercial and Traded Services) introduced the report which set out progress within Commercial Services over recent months as well as the future improvements and the direction of travel of the business. She drew particular attention to the fact that KCC had been commercially active for a very long time.

(2)   Mr Burr said Commercial Services had a variety of ambitions over the years with a consistent emphasis on providing a financial return to the Council. Mr Burr drew attention to: paragraph 1.3 which set out the services provided by Commercial Services; to paragraph 1.5 which set out the governance arrangements; and to the financial implications and policy framework set out in paragraphs 2 and 3 respectively.

(3)   In response to questions about transparency and the involvement of Members on the company boards, it was confirmed that Mr Simmonds, Mr Gough and

Miss Carey sat on the shareholder board and that Commercial Services reported regularly to the Trading Activities Sub-Group of the Governance and Audit Committee. It was suggested that the Policy and Resources Cabinet Committee received reports twice yearly from the Cabinet Member for Commercial and Traded Services and that Members were welcome to visit Commercial Services.

(4)   In response to further questions, Mr Burr said the payment of invoices from suppliers was monitored and reported regularly to the Board; most suppliers were currently on 35 day terms and it was intended to change to 30 day terms, however, any reduction in terms had an impact on cash flow. He also said he would welcome information about other successful local authority trading companies in the UK or elsewhere in order to identify learning.

(5)   Resolved that the update report be noted.

234. KCC/Agilisys Partnership
(Item C4)

Amanda Beer (Corporate Director Engagement, Organisation Design and Development) and James Pestell (Interim Head of Kent Communications) were in attendance for this item

(1)   Miss Carey (Cabinet Member for Commercial and Traded Services) introduced Mr Pestell and thanked him for his work in relation to the broadband project and for the work he was now doing in unlocking the value from the contract with Agilisys.

(2)   Mrs Beer introduced the paper which reported on the status and progress of the strategic partnership between Agilisys and KCC. She said the contract had started on 8 December 2015 and covered the direct delivery of the Contact Point and kent.gov.uk as well as the development of the Council's digital channels and the end-to-end delivery of customer contact services.

(3)   In response to comments, Mrs Beer said:
- The difference between calls received by the Contact Centre and calls answered was mostly attributable to abandoned calls
- The issues relating to the out of hours service in being able to respond quickly to peaks in calls, particularly during adverse weather such as Storm Katie, had resulted in the development and agreement of a rectification plan. Agilisys had implemented 80% of the actions agreed and were on target to complete all actions by the end of August
- The implementation of Netcall would not result in major changes for staff or Members but would improve access for residents contacting the council.

(4)   Mrs Beer undertook to provide further information to Mr Harrison, Mr Terry and other Members about emails they had received relating to Netcall.

(5)   Resolved that the report be noted and that the approach to the development, governance and management of the partnership be endorsed.

235. Work Programme 2016/17
(Item C5)

Resolved that the work programme for 2016/17 be noted subject to:

(a) The inclusion of Commercial Services monitoring and monitoring of the Agilisys contract;

(b) Consideration of a paper at the September meeting of the Cabinet Committee setting out the approach to managing contracts including timescales.

236. Kent Environment Strategy Implementation Plan and new 5-year environment targets
(Item D1)

Carolyn McKenzie (Head of Sustainable Business and Communities) and Elizabeth Luxton (Head of Operations) were in attendance for this item

(1)   Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report. He said the targets and ambitions set out in the Kent Environment Strategy had previously been endorsed by the Environment and Transport Cabinet Committee and the Growth Economic Development and Communities Cabinet Committee.

(2)   Ms McKenzie said the Kent Environment Strategy had been adopted by Cabinet in January 2016 and had the potential to realise a range of positive outcomes including:
 • increasing resilience in relation to severe weather events, mitigating the impact of climate change and fluctuating energy prices as well as reducing fuel costs
 • growing the local economy and increasing the council tax base by supporting the green and low carbon sector
 • reducing demand for services through measures such as the Warmhomes initiative which would reduce fuel poverty and enable vulnerable people to stay in their own homes
 • Supporting forest schools which had a positive impact on outcomes for early years, looked after children and unaccompanied asylum seeking children as well as the treatment of childhood trauma.

(3)   She also said that one third of the greenhouse gas target related to KCC's own estate and infrastructure.

(4)   Mrs Luxton outlined some of the work being done to implement the strategy across the Council's estate including asset utilisation to ensure buildings were used efficiently and minimised energy costs as well as working with the facilities management contractors to identify savings in energy and water costs.

(5)   In response to comments and questions, Mr Cooke said that energy costs were constantly monitored and reviewed.

(6)   Resolved that the Kent Environment Strategy new 5-year targets and support required from the Strategic and Corporate Services Directorate in the delivery of the implementation plan be noted.

237. Exclusion of the Press and Public

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

238. Legal Services - Progress Report
(Item E1)

Geoff Wild (Chief Executive (Designate) Invicta Law, Ben Watts (General Counsel (Interim)), Gilli Galloway (Procurement Programme Manager – Legal Services) and Peter Baldock (Financial Analyst) were in attendance for this item

(1)   Mr Wild introduced the report which provided an update on progress with the formation of an Alternative Business Structure to deliver legal services to KCC and the wider market as well as a breakdown of the investment made by KCC.

(2)   Mr Wild answered Members' questions about staff retention, corporate branding and the staff surveys planned for July 2016. He also confirmed that at least one more update on progress would be presented to the Policy and Resources Cabinet Committee before Christmas 2016.

(3)   Resolved that the progress of the initiative be noted.

This page is intentionally left blank

From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
                     John Simmonds, Cabinet Member for Finance and Procurement
                     Susan Carey, Cabinet Member for Commercial and Traded Services
                     David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 8 September 2016

Subject: Strategic and Corporate Services Performance Dashboard

Classification: Unrestricted

Summary:
The Strategic and Corporate Services Performance Dashboard shows progress made against targets set for Key Performance Indicators.

Recommendation(s):
The Policy and Resources Cabinet Committee is asked to NOTE the report.

---

1.   Introduction

1.1. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee.

1.2. To support this role Performance Dashboards are regularly reported to each Cabinet Committee throughout the year.

2.   Performance Dashboard

2.1. The Strategic and Corporate Services Performance Dashboard is attached in Appendix 1.

2.2. This is the second dashboard report for the current financial year and reflects Key Performance Indicators (KPIs) detailed in the Strategic and Corporate Services Directorate Business Plan 2016/17.

2.3. The Dashboard includes twenty-three (23) KPIs.

2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.

2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

2.6. Within the report, of the 23 KPIs included, latest month performance is Green for 16 indicators, Amber for six indicators, and one indicator is Red.

2.7. Direction of Travel for the latest results shows eight KPIs improving, six stable, and nine indicators showing lower results. Of the stable indicators, five have maintained 100% performance.

---

3. Recommendation(s):

The Policy and Resources Cabinet Committee is asked to NOTE the performance position for Strategic and Corporate Services

---

4. Background Documents

The Strategic and Corporate Services Directorate Business Plan

http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/business-plans

5. Contact details

Report Author: Richard Fitzgerald
                      Business Intelligence Manager - Performance
                      Strategic Business Development and Intelligence
                      03000 416091
                      Richard.Fitzgerald@kent.gov.uk

Relevant Director: Vincent Godfrey
                      Director of Strategic Business Development & Intelligence
                      03000 421995
                      Vincent.Godfrey@kent.gov.uk

Strategic and Corporate Services Performance Dashboard

Financial Year 2016/17

Results up to July 2016

Produced by Strategic Business Development and Intelligence

Publication Date: August 2016

Guidance Notes

Key Performance Indicators

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

RAG ratings are based on Targets and Floor Standards set out at the start of the year in the Directorate Business Plans.

RAG Ratings

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

DoT (Direction of Travel) Alerts

⇧	Performance has improved in the latest month
⇩	Performance has fallen in the latest month
⇔	Performance is unchanged this month

Activity Indicators

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

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

Key Performance Indicators Summary

Engagement, Organisation Design and Development	Month RAG	YTD RAG
Percentage of calls to Contact Point answered	GREEN	GREEN
Percentage of calls to Contact Point answered in 40 seconds	AMBER	GREEN
Satisfaction with the response to H&S Advice Line enquiries rated Good or above	GREEN	GREEN
Support and advice given to managers in cases/change activity rated Good or above	GREEN	GREEN
Percentage of training that delivers commissioned learning outcomes	GREEN	GREEN
Satisfaction with KCC induction learning outcomes rated Good or above	AMBER	AMBER

Finance and Procurement	Month RAG	YTD RAG
Pension correspondence processed within 15 working days	GREEN	GREEN
Retirement benefits paid within 20 working days of all paperwork received	AMBER	RED
Invoices received by Accounts Payable within 30 days of KCC received date	GREEN	GREEN
Invoices received on time by Accounts Payable processed within 30 days	GREEN	GREEN
Percentage of sundry debt due to KCC outstanding under 60 days old	GREEN	N/a
Percentage of sundry debt due to KCC outstanding over 6 months old	GREEN	N/a

Governance and Law	Month RAG	YTD RAG
Council and Committee papers published at least five clear days before meetings	GREEN	GREEN
Freedom of Information Act requests completed within 20 working days	GREEN	GREEN
Data Protection Act Subject Access requests completed within 40 calendar days	AMBER	RED

ICT	Month RAG	YTD RAG
Calls to ICT Help Desk resolved at the First point of contact	AMBER	GREEN
Positive feedback rating with the ICT help desk	GREEN	GREEN
Working hours where Kent Public Sector Network is available to staff	GREEN	GREEN
Working hours where ICT Service available to staff	GREEN	GREEN
Working hours where Email are available to staff	GREEN	GREEN

Property	Month RAG	YTD RAG
Percentage of rent due to KCC outstanding at 60 days above	RED	N/a
Percentage of annual net capital receipts target achieved	GREEN	N/a
Percentage of reactive tasks completed in Service Level Agreement standards	AMBER	AMBER

Service Area	Director	Cabinet Member	Delivery by:
Customer Services (EODD)	**Amanda Beer**	**Susan Carey**	**Agilisys**

Agilisys manages Contact Point and Digital Services.

Results up to June 16

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
CS04	Percentage of calls to Contact Point answered	95%	GREEN	⇩	96%	GREEN	95%	80%	98%
CS05	Percentage of calls to Contact Point answered in 40 seconds	75%	AMBER	⇩	80%	GREEN	80%	70%	82%

Activity Indicators

Ref	Indicator description	Year to date	In expected range	Expected Activity Upper	Expected Activity Lower	Prev. yr YTD
CS08	Number of calls answered by Contact Point (000s)	176	**Below**	213	178	188
CS12	Number of visits to the KCC website, kent.gov (000s)	1,312	**Above**	1,300	1,100	1,111

CS08 – Reduced call volumes are a cost saving to KCC and efforts have been successful in achieving this, including improvements to processes to encourage customers to complete transactions online such as Speed Awareness course bookings, a reduction in repeat calls to Adult Social Care and Specialist Children's Services, and improvements in Interactive Voice Response messaging to get calls directed to the right advisor.

Service Area	Director	Cabinet Member	Delivery by:
Human Resources (EODD)	Amanda Beer	Gary Cooke	EODD

Results up to June 16

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR04	Satisfaction with the response to H&S Advice Line enquiries rated Good or above	100%	GREEN	⇔	100%	GREEN	90%	80%	100%
HR08	Support and advice given to managers in cases/change activity rated Good or above	100%	GREEN	⇧	97%	GREEN	80%	75%	n/a

HR08 – Previous year position not available as this is a new indicator

Activity Indicators

Ref	Indicator description	Year to Date	Prev. yr YTD
HR04b	Number of responses received for rating H&S Advice Line	171	129
HR08b	Number of responses received for rating support and advice in cases/change activity	54	n/a
HR12	Number of live change activities being supported	136	n/a
HR16	Number of registered users of Kent Rewards	17,024	n/a

Service Area	Director	Cabinet Member	Delivery by:
Human Resources (EODD)	Amanda Beer	Gary Cooke	Business Service Centre

Results up to June 16

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR09	Percentage of training that delivers commissioned learning outcomes	100%	GREEN	⇔	100%	GREEN	95%	90%	n/a
HR10	Satisfaction with KCC induction learning outcomes rated Good or above	74%	AMBER	⇩	79%	AMBER	80%	60%	n/a

Activity Indicators

Ref	Indicator description	Year to Date	Prev. yr YTD
HR13	Total number of E-learning training programmes completed	17,525	n/a
HR14	Number of people completing mandatory learning events	8,990	n/a

Service Area	Director	Cabinet Member	Delivery by:
Finance and Procurement	**Andy Wood**	**John Simmonds**	**Finance and Procurement**

Key Performance Indicators

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Prev. yr YTD
FP01	Pension correspondence processed within 15 working days	100%	GREEN	⇔	100%	GREEN	98%	95%	98%
FP02	Retirement benefits paid within 20 working days of all paperwork received	97%	AMBER	⇧	89%	RED	98%	95%	94%
FP03	Invoices received by Accounts Payable within 30 days of KCC received date	86%	GREEN	⇩	85%	GREEN	85%	80%	n/a

FP02 - On 29 April DCLG and the Government Actuary Department notified the Pensions Manager that with immediate effect the factors used in many of our pensions calculations were changing. The new factors were to be used for members of the scheme who left from that date onwards as well as those that had left prior to that date but for whom we had not yet paid. We were to put these cases on hold and that we would receive clarity early the following week with regard to how we should deal with these cases. However, 5 weeks later we still had not received this clarity – we have now had to pay these pension benefits and of the 62 cases that fell outside of the target since April, 45 were as a result of this.

FP03 – Indicator definition has been revised from last year so previous year figure is not available.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FP01b	Pension correspondence processed	1,728	1,573
FP02b	Retirement benefits paid	684	635
FP03b	Number of invoices paid by KCC	45,340	48,085

Service Area	Director	Cabinet Member	Delivery by:
Finance and Procurement	**Andy Wood**	**John Simmonds**	**Business Service Centre**

Key Performance Indicators

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Prev. yr YTD
FP04	Invoices received on time by Accounts Payable processed within 30 days	99%	GREEN	⇧	97%	GREEN	95%	90%	n/a
FP05	Percentage of sundry debt due to KCC outstanding under 60 days old	77%	GREEN	⇧	Snapshot data		75%	57%	43%*
FP06	Percentage of sundry debt due to KCC outstanding over 6 months old	11%	GREEN	⇩	Snapshot data		15%	20%	8%*

*Same month previous year

FP04 – Indicator definition has been revised from last year so no previous year figure available.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FP05b	Value of debt due to KCC	£20.3	£11.0m

.

Service Area	Director	Cabinet Member	Delivery by:
Governance and Law	Geoff Wild	Gary Cooke	Governance and Law

Governance and Law provides high quality legal and procedural advice for the authority and are responsible for providing Democratic Services support to 84 elected Members. The Division also ensures KCC meets its requirements on information governance and transparency.

Key Performance Indicators

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
GL01	Council and Committee papers published at least five clear days before meetings	100%	GREEN	⇔	100%	GREEN	100%	96%	100%
GL02	Freedom of Information Act requests completed within 20 working days	93%	GREEN	⇩	94%	GREEN	90%	85%	93%
GL03	Data Protection Act Subject Access requests completed within 40 calendar days	89%	AMBER	⇧	79%	RED	90%	85%	80%

GL03 – Most delays are due to the operational units not providing information and/or quality of information provided is poor. Others are due to queries over consent, legal involvement, and requests not recognised by recipient. The Information, Resilience and Transparency Team are providing Subject Access Request workshops which include advice on the most efficient ways to prepare records to save time and resource. Guidance is also available on KNet and is issued with every referral.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
GL01b	Committee meetings	52	55
GL02b	Freedom of Information requests	692	662
GL03b	Data Protection Act Subject Access requests	108	83

GL03 – There has been a slightly higher number of requests from staff. There also appears to be a link between increases in requests and the broadcast of certain media programmes, such as those where lost relatives are sought, and this is currently the case.

Service Area	Director	Cabinet Member	Delivery by:
ICT (Infrastructure)	Rebecca Spore	Gary Cooke	Business Service Centre

ICT within the Infrastructure Division develops information and technology solutions to support new ways of working, both within KCC and with our partners.

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
ICT01	Calls to ICT Help Desk resolved at the First point of contact	68%	AMBER	⇩	70%	GREEN	70%	65%	71%
ICT02	Positive feedback rating with the ICT help desk	99%	GREEN	⇧	98%	GREEN	95%	90%	98%
ICT03	Working hours where Kent Public Sector Network is available to staff	99.8%	GREEN	⇩	100%	GREEN	99.8%	99%	99.9%
ICT04	Working hours where ICT Service available to staff	99.0%	GREEN	⇧	99.3%	GREEN	99.0%	98.0%	99.1%
ICT05	Working hours where Email are available to staff	100%	GREEN	⇔	99.9%	GREEN	99%	98%	99.7%

ICT01 - Calls to ICT Help Desk resolved at first point of contact, which decreased from 70.4% to 68.3% causing it to change from green to amber. This was due to a higher volume of calls being passed on to second line staff to resolve due to full team meetings on two half days and a subsequent reduced workforce. This will be followed up by the SDA team with the BSC Account manager to obtain assurance that succession planning is in place so that the impact of future team meetings will not affect the service so dramatically.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
ICT01b	Calls to ICT Help Desk	23,094	20,381
ICT02b	Feedback responses provided for ICT Help Desk	3,282	1,783

Service Area	Director	Cabinet Member	Delivery by:
Property (Infrastructure)	Rebecca Spore	Gary Cooke	Property (Infrastructure)

Property within the Infrastructure Division provides strategy Property services, developing assets to support new ways of working, both within KCC and with our partners.

Key Performance Indicators

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
PI01	Percentage of rent due to KCC outstanding at 60 days	25%	RED	⇧	Snapshot data		5%	15%	3%

PI01 - 63% of over 60 day debt (just over £100k) relates to one invoice for service charges to the NHS Swale Clinical Commissioning Group; the disputed elements of the invoice have been resolved and therefore settlement is being sought. This debt therefore is considered low risk for recovery. In addition to this, a tenant mistakenly made rent payments to KCC's agent (£18,000) which is in the process of being transferred. We are confident that once these two issues are rectified the total rent outstanding will be on target.

Annual Performance Indicators

Ref	Indicator	Latest Forecast	RAG	DoT	Previous Forecast	Target	Floor Standard	Previous Year
PI03	Percentage of annual net capital receipts target achieved	100%	GREEN	⇔	100%	100%	90%	78%

Activity Indicator

Ref	Indicator description	Year to date	Prev. yr YTD
PI01b	Total rent outstanding (£'000s)	645	570

Service Area	Director	Cabinet Member	Delivery by:
Property (Infrastructure)	**Rebecca Spore**	**Gary Cooke**	**Kier, Amey, and Skanska**

Key Performance Indicators - Results up to May 16

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
PI04	Percentage of reactive tasks completed within Service Level Agreement standards	80%	AMBER	⇩	89%	AMBER	90%	80%	80%

PI04 - There was a noticeable drop in performance in West Kent and Mid Kent. These are likely a short term aberration due to issues such as staff shortages and we anticipate that service levels will rise back shortly. Frequent and closer monitoring of this performance is being undertaken to address early signs of any future issues.

Activity Indicator - Results up to May 16

Ref	Indicator description	Year to date	Prev. yr YTD
PI01b	Number of maintenance calls responded to	5,000	n/a

Previous year to date figure will be shown from October when TFM2 figures can be included.

From:	**John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement**
	Gary Cooke, Cabinet Member for Corporate & Democratic Services
	Susan Carey, Cabinet Member for Commercial and Traded Services
	David Cockburn, Corporate Director for Strategic & Corporate Services
To:	**Policy & Resources Cabinet Committee – 8 September 2016**
Subject:	**Financial Monitoring 2016-17**
Classification:	**Unrestricted**

Summary:
The Policy & Resources Cabinet Committee is asked to note the July 2016-17 budget monitoring position for the Strategic & Corporate Services Directorate which will be reported to Cabinet on 26 September 2016

Recommendation(s):
The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2016-17 for the Strategic & Corporate Services Directorate based on the July monitoring to Cabinet.

1. **Introduction:**

1.1 Although this is a regular report to this Committee on the forecast outturn, it is the first budget monitoring report for 2016-17 in the new format. In this instance, the timing of this Cabinet Committee has meant that the report only contains a summary of the forecast for the Strategic and Corporate Services Directorate. Future reports will contain a link to the full monitoring report for the whole Council position.

2. **Background:**

2.1 Cabinet recently agreed a revised format for the regular budget monitoring reports. The Policy & Resources Cabinet Committee noted and commented on the revised format at its meeting on the 22 July 2016, endorsing that in future a short commentary report for the Strategic & Corporate Services Directorate would be written and presented in a more timely manner than had previously been possible.

2.2   Table 1

Budget Book Heading	Net Budget	Net Forecast Variance	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Strategic & Corporate Services Directorate						
- Contact Centre, Digital Web Services & Gateways	5,174.0	19.5	0.0	19.5	0.0	19.5
- Local Democracy	5,314.5	-893.1	890.0	-3.1	0.0	-3.1
- Strategic Business Development & Intelligence	1,332.1	-72.0	0.0	-72.0	0.0	-72.0
- Strategy, Policy, Relationships & Corporate Assurance	2,024.1	-235.9	0.0	-235.9	0.0	-235.9
- Democratic & Members	3,699.4	-22.3	0.0	-22.3	0.0	-22.3
- Finance & Procurement	10,830.8	-349.7	0.0	-349.7	0.0	-349.7
- Engagement, Organisation Design & Development (HR,Comms & Engagement)	9,607.9	-251.6	0.0	-251.6	0.0	-251.6
- Legal Services & Information Governance	-2,042.8	49.8	0.0	49.8	0.0	49.8
- S&CS Strategic Management & Directorate Support Budgets	-2,373.5	0.0	0.0	0.0	0.0	0.0
- Infrastructure (Property, ICT & Business Services Centre)	36,830.6	512.6	0.0	512.6	412.0	100.6
Total S&CS	**70,397.1**	**-1,242.7**	**890.0**	**-352.7**	**412.0**	**-764.7**

2.3   The Strategic & Corporate Services figures in Table 1 above contain both the forecast for the Directorate itself and the Corporate aspirational savings target of -£1,038k for the Asset Utilisation programme, held against the Corporate Landlord budgets within the Infrastructure Division. The movement in the forecast variance for the Directorate (excluding the Asset Utilisation target) is a positive move from a break-even position to an underspend of -£865k, following the Corporate Director adjustment set out below. The Asset Utilisation programme was reporting a pressure of +£412k and this has moved by £101k to +£513k. The movement is due to the rejection of a specific Asset Utilisation proposal.

Directorate Variance of -£865k.
Finance & Procurement are reporting an underspend of -£349.7k most of which is coming from unbudgeted income opportunities which have arisen in Procurement from work with the West Kent CCG and Revenue Finance for hosting the Better Care Fund.
Strategy, Policy, Relationships & Corporate Assurance are reporting an underspend of -£235.9k resulting from staff maternity and secondments together with unbudgeted project income from the NHS.
Engagement, Organisation Design & Development are reporting an underspend of -£251.7k primarily due to staffing vacancies.

Asset Utilisation Variance of +£513k.

Property Group manages the Corporate Landlord estate which is occupied by front line services and has a savings target attached to it relating to the exiting of some buildings through the Asset Utilisation programme. It is not within Property's control to exit these operational buildings as these depend on operational service requirements and Member decisions reflecting the complex and challenging nature of this target. However, Property Group is working closely with service directorates and Members to identify potential buildings which could deliver the savings requirement. At present there is circa £513k of savings to be delivered from the closure of buildings, which are yet to be agreed.

Corporate Director Adjustment of +£890k.

This adjustment to the Collaborative Planning forecast relates to Member Grants. As at August 2016, the spend to date and contractually committed spend for the Combined Member Grant scheme is £2.1m. This leaves £890k which is at present uncommitted. The CD adjustment has been made to this forecast following discussions with both Highways & Community Liaison Officers who have reported that conversations with Members indicate that Members, at this stage, fully intend to commit the entire budget by the end of this financial year. Given that there is a Kent County Council decision that there would be no roll forward of this grant in to an election year, there will need to be an early cut-off date, probably January 2017, for remaining commitments to be made.

2.4   The Strategic & Corporate Services capital budget is £20.497m. There are currently no forecast variances to cash limit.

---

3.   Recommendation(s):

The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2016-17 for the Strategic & Corporate Services Directorate based on the July monitoring to Cabinet.

---

4.   Contact details

Report Author

- Jackie Hansen, Strategic & Corporate Services Directorate Finance Business Partner
- Telephone number: 03000 416198
- Email address : jackie.hansen@kent.gov.uk

Relevant Director

- David Cockburn, Corporate Director Strategic & Corporate Services
- Telephone number: 03000 410001
- Email address : david.cockburn@kent.gov.uk

This page is intentionally left blank

From: Peter Sass, Head of Democratic Services

To: Policy and Resources Cabinet Committee –8 September 2016

Subject: **Work Programme 2016/17**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

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

Recommendation: The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2016/17.

---

1.   **Introduction**

1.1   The proposed Work Programme has been compiled from items on the Forthcoming Executive Decision List; from actions arising from previous meetings, and from topics identified at agenda setting meetings, held 6 weeks before each Cabinet Committee meeting in accordance with the Constitution and attended by the Chairman, Vice-Chairman and group spokesmen.

1.2   Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the final selection of items for the agenda, this item gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2.   **Terms of Reference**

2.1   At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Policy and Resources Cabinet Committee "To be responsible for those functions that fall within the Strategic and Corporate Services Directorate".

2.2   Further terms of reference can be found in the Constitution at Appendix 2 Part 4 paragraph 21 and these should also inform the suggestions made by Members for appropriate matters for consideration.

3.   **Work Programme 2016/17**

3.1   An agenda setting meeting was held on 4 August 2016 at which items for this meeting's agenda were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics that they wish to considered for inclusion on the agenda of future meetings.

3.2 The schedule of commissioning activity 2015-16 to 2017-18 that falls within the remit of this Cabinet Committee will be included in the Work Programme and is considered at agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.

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

4. **Conclusion**

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

5. **Recommendation:** The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2016/17.

6. **Background Documents**
None.

7. **Contact details**

Report Author:	Lead Officer:
Ann Hunter	Peter Sass
Principal Democratic Services Officer	Head of Democratic Services
03000 416287	03000 416647
ann.hunter@kent.gov.uk	peter.sass@kent.gov.uk

WORK PROGRAMME –2016/17

Policy and Resources Cabinet Committee

Agenda Section	Items
2 December 2016	
B – Key or Significant Decisions for Recommendation or Endorsement	
C - Performance Monitoring	• **Performance Dashboards** • **Financial Monitoring** • **Business Service Centre** • **Work Programme** •
D - Other Items for comment/ recommendation	• **Business Planning 2017/18** • **Comprehensive spending review** • **Annual Equalities Report** • **Security** • **Legal Services Update**
13 January 2017	
B – Key or Significant Decisions for Recommendation or Endorsement	•
C - Performance Monitoring	• **Performance Dashboards** • **Financial Monitoring** • **Work Programme**
D - Other Items for comment/ recommendation	•
	•
8 March 2017 •	
B – Key or Significant Decisions for Recommendation or Endorsement	•
C - Performance Monitoring	• **Performance Dashboards** • **Financial Monitoring** • **Work Programme** •
D - Other Items for comment/ recommendation	•
	•
Other items	
	• **LATC** • **Update on managed print service** • **Corporate Assurance Report March 2017** • **Gravesham Gateway to be considered by P&R in 2017 as decision as notice needs to be given by November 2017** • **ICT Security Annual Report (May 2017)** • **Armed Forces Covenant Annual Report (May 2017** • **Business Service Centre (bi-annual performance report July and December 2017)** • **Business Disaster Recovery/ Business Continuity**
	•

This page is intentionally left blank

From: Paul Carter, Leader of the Council and Cabinet Member for Business Strategy, Audit and Transformation

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

              David Cockburn, Corporate Director Strategic and Corporate Services and Head of Paid Service

To: Policy and Resources Committee, 8th September 2016

Subject: Contract Management

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Summary: This report sets out next steps to develop our commercial approach through effective contract management practice. This approach is in line with the commissioning cycle principles as set out in the May 2014 County Council paper 'Facing the challenge: Towards a Strategic Commissioning Authority', with a view to providing wider scrutiny of contract management.

Recommendation(s):

The Cabinet Committee is asked to:

(1)   Note plans to strengthen the organisation's approach to contract management through a rolling programme of reviews.

(2)   Consider and endorse the proposal to bring a six monthly update to the Committee to inform their oversight of contract management

---

1.   **Introduction**

1.1   The County Council has set out the ambition to strengthen its' commercial skills and capabilities in support of the journey to become a strategic commissioning authority. In December 2014, it approved the establishment of the Strategic Business Development and Intelligence (SBDI) division to support this.

1.2   The purpose of the Strategic Business Development and Intelligence Division is to:
   - lead a more commercial way of thinking and operating across KCC;
   - lead a more effective approach to commissioning and contract management across the Council, in partnership with directorates and providers; and

- bring together business, customer and market intelligence and use this to support and challenge effective commissioning decisions, and to provide long term emerging trends.

1.3 In December 2015, County Council approved a paper which set out the next phase of activity to embed the strategic commissioning approach as 'business as usual' within the organisation. This paper recognised the critical role of all members in providing oversight and governance around the commissioning cycle.

1.4 The paper noted the key role for Cabinet Committees within this model which has since led to increased responsibilities for each Committee to undertake oversight and assurance of contract management. Contract Management is a key component of the commissioning cycle and enables the effective delivery of our strategic outcomes in line with the County Council's Strategic Statement 'Increasing Opportunities, Improving Outcomes'.

1.5 The Policy and Resource Committee is asked to note the proposals to improve the Council's corporate approach to contract management through an ongoing programme of maturity assessments and to endorse the proposal to report progress on a six monthly basis to the Committee.

2. Embedding Best Practice Contract Management

2.1 SBDI have a key role in embedding a more commercial approach to strategic commissioning across the Council. As part of this role, the division is responsible for the setting the organisation's overall approach to contract management.

2.2 The "do" stage of the commissioning cycle includes the three phases of activity that constitute contract management. The National Audit Office (NAO) good practice contract management framework identifies eight key activities in these phases as follows.

(i) Planning and governance (preparing for contract management and providing oversight)
(ii) People (ensuring the right people are in place to carry out the contract management activities)
(iii) Administration (managing the physical contract and the timetable for making decisions)
(iv) Managing relationships (developing strong internal and external relationships that facilitate delivery)
(v) Managing performance (ensuring the service is provided in line with the contract)
(vi) Payment and incentives (ensuring payments are made to the supplier in line with the contract and that appropriate incentive mechanisms are in place and well managed)
(vii) Risk (understanding and managing contractual and supplier risk)
(viii) Contract development (effective handling of changes to the contract)

2.3 Contract management success and the activities undertaken are strongly influenced by what has happened during the tendering/contract award phase, in terms of both "hard" outputs, such as the terms and conditions that have been agreed, and the type of relationships that have been established during the tendering/contract award phase or even before i.e. during market development and engagement. The tendering/contract award phase and the contract management phase should be seen as a continuum rather than distinct phases, with contract management planned from the start of the procurement process if not before. The NAO framework describes several of the key issues in the tendering/contract award phase that can influence contract management.

2.4 To strengthen the impact of the Council's contract management approach, a continuous programme of reviews has been designed to hold contract managers to account. This will provide the Council with assurance that the right activities are undertaken consistently at the appropriate standard; both across the organisation and throughout the commissioning cycle.

2.5 Through this process, the level of contract management maturity will be determined for each contract, types of contract, and for contract management overall. Maturity will be measured using a consistent set of standards in line with the NAO good practice framework.

2.6 Contract owners will be supported in identifying actions to develop the current maturity of contract management as required. This may be through personal development or through corporate action such as organising an awareness or training programme if the action is a common theme across several contracts for example.

2.7 This activity will be coordinated and overseen by the Budget and Programme Delivery Board, which will prioritise the programme of reviews in line with organisational priorities. The order of contracts brought forward will be determined by value, risk and complexity. Due to the time consuming nature of the task, a sub-committee of BPDB will be set up to undertake the reviews.

2.8 Progress in reviewing contract management and its findings will be reported to PRCC six monthly as a matter of routine, and by exception as required. This reporting should provide valuable assurance that will support members in the strategic oversight of contract management and provider performance.

1.2. In addition, the option to affiliate the Council with an appropriate professional body to support the work on contract management will be considered. Corporate membership of the International Association for Contract and Commercial Management (IACCM) may be appropriate for example. A recommendation to PRCC would be made in due course.

3. **Financial Implications**

3.1 The programme of reviews which are proposed aims to identify opportunities to improve contract management and manage provider performance. This may identify opportunities for savings or securing improved value from existing contracts. The cost of the review programme will be borne from existing

resources.

4. Legal implications

N/A

5. Equalities implications

N/A   =

---

9. Recommendations:

9.1 The Policy and Resources Cabinet Committee is asked to:

(1) **Note** the plans to strengthen the organisation's approach contract management through a rolling programme of reviews

(2) **Consider and endorse** the proposal to bring a six monthly update to the Committee to inform their oversight of contract management practice

---

10. Background Documents

10.1 'Embedding Strategic Commissioning as Business as Usual', County Council, 10th December 2015.

4.2 National Audit Office good practice contract management framework

https://www.nao.org.uk/report/good-practice-contract-management-framework-2-2/

4.3 International Association for Contract and Commercial Management

https://www.iaccm.com/?__hstc=149696361.6b5bce5a4939ad51ef96dfc674acc685.1470932162657.1470932162657.1470932162657.1&__hssc=149696361.3.1470932162657&__hsfp=3147670327

11. Contact details

Vincent Godfrey
Director, Strategic Business Development and Intelligence
03000 419045
Vincent.godfrey@kent.gov.uk

From: Mike Hill- Cabinet Member for Community Services

David Cockburn – Head of Paid Service, Corporate Director of Strategic & Corporate Services

To: **Policy and Resources Cabinet Committee – 8 September 2016**

Subject: **Implementing KCC's VCS Policy- update report**

Classification: **Unrestricted**

Past Pathway of Paper: Cabinet Members and Corporate Management Team

Future Pathway of Paper:

Electoral Division: Countywide- all divisions affected

Summary

KCC's Voluntary and Community Sector (VCS) policy was agreed in September 2015. The policy set out KCC's future relationship with the sector and adopted a new grant framework for the Council.

P&R Cabinet Committee requested an annual update on the progress of the policy and this report outlines the work which has been undertaken over the past year to deliver the policy commitments.

Recommendation(s):

For Policy and Resources Cabinet Committee to:

1) Note the progress of the VCS Policy

2) Comment on the progress to date

---

1. **Background**

1.1 KCC's VCS policy was agreed in September 2015, following a 12 week consultation with the sector. The policy set out KCC's commitment to a future strategic relationship with the sector and recognised the role of the sector both as a provider of services but also the role it plays in keeping communities across Kent resilient. The policy also introduced a new grant framework for the Council.

1.2 Some of the key concerns voiced by the sector during the consultation process were that information regarding grants was not widely available, application processes varied and that short term 12 month grants had destabilised the sector. The perceived lack of transparency and information around grants had led to a belief that grants went to the same organisations year on year and that there were 'insider' and 'outsider' VCS organisations.

1.3   The new grant framework introduced in the policy sought to deal with these issues in a number of ways. Firstly, it introduced standardised grant definitions for the Council and committed to developing a standardised and proportionate grant application form, to ensure there would be consistency in our approach to grants. Secondly, it committed, where possible to awarding grants over a 3 year period rather than 12 months. Finally, the commitment to developing a single grant prospectus for all KCC grants would help to ensure that information about grants was available to a wide range of organisations, providing an overview of the type of grants available within KCC and setting out our standardised approach to grants, which had previously been criticised as fragmented.

1.4   A cross directorate group of commissioners was established shortly after the policy was agreed, to take forward key pieces of work. This includes representatives from Children's (Early Help and Disabled Children), Adult social care, Public Health and various representatives from GET including - Sport, Arts and Culture and Village Hall Grants.

2   Progress September 2015- September 2016

2.1   Developing our intelligence to inform our strategic relationship with the sector

2.1.1 The policy committed to establishing a more strategic relationship with the voluntary sector in Kent; one which placed equal importance on both those organisations KCC has a direct relationship with through funding but also the wider sector across Kent. Whilst the contribution of the VCS was clearly recognised within the policy, the local intelligence held on the sector was found to be lacking. Whilst commissioners had a good understanding and relationship with their local VCS market, there was no comprehensive understanding of the wider sector's contribution, or our collective investment in the sector.

2.1.2 As a result, since the policy was agreed we have been working to develop our local data and build a picture of the sector in Kent. The dataset we have subsequently developed includes data held on the Charity Commission's Register of Charities in England and Wales (for active, registered charities in Kent) combined with our own financial data on KCC spend with the VCS.

2.1.3 The policy introduced a new grant framework for the Council, to offer consistency in our approach to grants and to enable the council to better report and monitor the impact of its grant funding to the VCS. Since 2015, KCC has been required by the local Government Transparency Code, to publish a grants register on its website setting out details of all grants (with no threshold). Previously this has been a manual exercise by Finance to collate the information; however through a consistent approach to both awarding and recording grants, this can now be automated through KCC systems. Furthermore, since May 2016 charity numbers are being used as a unique identifier across our supplier database, which will enable us to report on our collective contribution to both individual organisations and to the sector as a whole. Processes have also been put in place to ensure that all our grant funding is now aligned to our strategic and supporting outcomes and reported

in this way. This work is however in its early stages and whilst it is already providing a much improved dataset, it remains work in progress.

KCC's Grant Funding:

Our grant funding to the VCS from 2014/15 to 2015/16 has remained relatively stable with a slight increase in the last year, £16.4m to £17m respectively. These figures include both Kent, national, regional and international registered charities, however, the majority of KCC grant funding went to charities based mainly in Kent; £14.1m of the total spend. Whilst these figures do show a slight increase in grant funding it must be emphasised that this could be due to improved reporting. Furthermore, whilst the policy sets out very clearly the agreed definition of a grant, we of course need to allow for a transition period and therefore some existing grants may not meet the agreed grant criteria. This enhanced data will however allow us to track progress and monitor our grant funding to ensure future grants are in line with the policy.

KCC's grant funding by strategic and supporting outcome:

KCC Outcomes	Grants 2014-15	Grants 2015-16
Children and young people in Kent get the best start in life	**1,044,917**	**1,243,345**
Achieve potential through education	320,400	310,000
Keep families, children and young people out of crisis and care	12,764	30,186
Resilient families providing strong, safe environments		132,928
Young people are confident and ambitious with access to opportunities	711,753	770,232
Kent communities feel the benefit of economic growth by being in work, healthy and enjoying a good quality of life	**4,270,136**	**5,145,597**
Benefit from economic growth and lower deprivation	110,803	1,037,880
Business growth is supported		25,463
Good quality of personal and community life	4,159,333	4,082,254
Not specified	**1,174,557**	
Not specified	1,174,557	
Older and vulnerable residents are safe and supported with choices to live independently	**9,817,211**	**10,674,479**
Access to advice, information and support for carers and families	2,078,020	2,078,020
Choice & control in health and social care	2,498,393	2,563,052
Mental ill health and dementia early diagnosis and support	689,406	689,406
Older people feel socially included	4,670,849	5,479,450
Grand Total	**16,426,278**	**17,198,869**

2.1.4 More broadly, combining this financial data with the Registered Charities data, gives us a more sophisticated understanding of the VCS as a significant

sector in Kent and its impact on the local economy. This allows us to benchmark the local VCS with national trends and understand the influence of our funding on the sector as a proportion of its total income. In turn this will enable a more informed discussion about both our future commissioning and our strategic relationship with the VCS in Kent.

2.1.5 An initial report on the data has been developed and is provided as *Headline Analysis on the VCS in Kent* in *Appendix 1.* Further analysis will be taking place now   the dataset is in place and annual updates on the VCS in Kent will be available.

2.2   Standardised grant application process

2.2.1 To support a consistent approach to grants, the policy committed to a standardised grant framework and application process. A grants management guide has been developed for all staff to support embedding this and a standardised application form has been developed. Previously there were a range of grant forms in use across the Council, which varied in complexity. These have now been reviewed and consolidated into one standardised online form- this can be requested in additional formats if required. Recognising that each grant will have its own specific requirements the form combines a standardised dataset with the flexibility to meet local requirements, in particular variations between capital and revenue grants.

2.2.2 As most grant schemes have application forms in place and most application processes began in December 2015 for 16-17 grants, it was not possible to transition all grants over to the standardised form for this year. For 16-17 the application form is therefore being used by the Early Help and Preventative Services grant, Dementia Friendly Communities and sports capital grants. However, the intention is that by 17-18 all VCS grants will use this application format.

2.2.3 To ensure that grants are being used consistently and in line with the VCS policy, a revised, standardised grant agreement has also been developed and is starting to be rolled out across the Council.

2.2.4 The policy also committed to developing a KCC grant prospectus outlining all grants available across KCC. A template has now been designed, which each commissioner is required to complete outlining any grant funding they have available for the VCS. A first draft of the Prospectus is now available on the Community Grants page on Kent.gov (*Appendix 2*), which is being developed to host all KCC grants and applications. As this is a live document, new grants will be added as they become available during the year and some grants will close before the document is refreshed at the end of each financial year.

2.2.5 We will continue to monitor compliance as the grant framework is embedded across the Council and are putting measures in place to ensure that we can review progress in terms of a consistent approach to applying, agreeing and reporting grants across the Council.

2.3 Facilitating cross sector engagement and networking

2.3.1 One of the key pieces of feedback from the policy consultation was a request for KCC to have a more equal and less paternalistic relationship with the sector. It was felt that KCC's role should be to provide opportunities for organisations from within the VCS but also across sectors – private and public, to share ideas, exchange information and skill share. Rather than KCC leading the engagement, it should be part of the engagement and should lead the way in bringing partners together.

2.3.2 In response to this a free networking event was held on 9 March at the Gallagher Stadium in Maidstone, supported by KentCan (a Kent based social enterprise) and hosted by Mike Hill (Cabinet Member for Community Services), which brought together organisations from across the VCS, private and public sector. The format of the morning was very informal and provided organisations with the opportunity to meet a range of organisations from across different sectors and service areas. The event sold out within 3 days of advertising and over 100 organisations attended on the day. The feedback was very positive, particularly that the event provided people with a rare opportunity to meet new organisations from different sectors and exchange ideas as equal partners. It was therefore suggested that KCC should look to facilitate these events on a regular basis.

2.3.3 It has now been agreed that these events will be held twice a year and will continue to be focused on collaboration, cross sector partnership and learning from others, it is hoped that through this network we can encourage other cross sector networking opportunities to develop independently. The next event is to be held at the end of September and will include a short presentation from the National Council for Voluntary organisations (NCVO).

2.4 Support to the sector

2.4.1 The policy set out KCC's commitment to providing support to the VCS in the future and the high level principles that would underpin this support. These principles were informed by the feedback from the policy consultation and were clear that the model of support must be reviewed to ensure it was fit for purpose, flexible independent and sustainable. The policy therefore identified two broad areas of support, namely:

- To support the VCS to respond to communities' needs
- To support the VCS as a key partner in delivering services on behalf of KCC

2.4.2 Since the policy was agreed, a cross directorate group led by adult social care, who have historically commissioned infrastructure support to the sector, have been co-designing a new support model alongside a range of representatives from across the sector. This has involved both current providers of infrastructure support funded by KCC and organisations who are not funded by KCC but who independently provide support to the sector.

2.4.3 A proposal for a new model of support went to Adult Social Care and Health Cabinet Committee on 12 July and a new service is now being procured. The contract is called 'Strengthening Community Organisations in Kent' and is an outcome based contract (*Appendix 3*). The contract will be based on alliance contracting principles. The new contract should be in place from January 2017.

2.4.4 Alliance principles are based on each partner being equal, a shared performance framework, aligned objectives, shared risks and a collective accountability to deliver outcomes. Sub-contracting is also encouraged in order to meet outcomes. This particular model will provide a platform for KCC to engage strategically and provide a conduit for exchanging ideas, information and intelligence with the VCS.

3. Next steps

3.1 Whilst much progress has been made over the past 12 months to embed the VCS policy, further work will continue to ensure that the policy is adhered to and the grant framework is embedded across the Council.. As grants come to a natural end and new grants are made available we expect the standardised grant application to be in use across the Council, for all commissioners to be using the standardised grant agreement and grants to be reported appropriately.

3.2 The enhanced reporting of grants data will enable us to monitor more accurately how grants are being used across the authority and therefore our progress against the policy and we will continue to report on compliance. The wider dataset which has now been developed will provide valuable intelligence to inform our commissioning and understand the impact of our funding on the sector. Although perhaps more importantly it will enable us to understand the changes and evolutions which are taking place within this significant sector in Kent and analysis will therefore continue. It is proposed that the data in the Headline report will be refreshed on an annual basis.

5. Recommendations:

For Policy and Resources Cabinet Committee to:

1) Note the progress of the VCS Policy

2) Comment on the progress to date

6. Background Documents

Appendix 1- *Headline Analysis on the VCS in Kent*
Appendix 2- Grant Prospectus
Appendix 3- Infrastructure contract outcomes

## 7.	Contact details

David Whittle
Director of Strategy, Policy, Relationships & Corporate Assurance
Extension: 03000 416833
Email: David.whittle@kent.gov.uk

Lydia Jackson
Policy and Relationships Adviser (VCS)
Ext: 03000 416299
Email: Lydia.jackson@kent.gov.uk

Appendix 3: Infrastructure Contract Outcomes

After recent engagement events, the future contract for support to the voluntary sector will cover a range of outcomes. These align to the high level outcomes identified in the VCS policy, support KCC's strategic aims and reflect the needs of the sector identified in the policy consultation.

The overarching aims are that the contract:

• Supports the VCS to respond to communities' needs

• Supports the VCS as a key partner in delivering services on behalf of KCC

Business Support Outcome: Kent's voluntary sector is supported to grow and develop, enabling local residents to enjoy a good quality of life, and more people to benefit from greater social, cultural and sporting opportunities.

- The sector is supported to develop organisational skills and knowledge and its longer term financial sustainability.
- The voluntary sector has access to a sustainable model of support that meets its needs.
- The voluntary sector is supported to understand and demonstrate their impact and social value.

Volunteering and Social Action Outcome: **Volunteering is regarded as a valuable opportunity for individuals to contribute to their community and is accessible to all regardless of their skills or time capacity.**

- Voluntary organisations are supported to recruit, manage and coordinate their volunteers.
- Voluntary organisations are supported to create opportunities for those who wish to engage in social action which reflects local needs and wants.

Strategic Outcome: Voluntary sector organisations are well informed and understand the priorities of Kent County Council, as set out in the Strategic Statement.

- Kent's voluntary sector is supported to achieve its charitable aims, recognising the role that the sector plays in building community capacity, utilising local assets and developing healthy communities.
- The voluntary sector is supported to recognise and promote healthy lifestyles, public health messages (including for their paid and voluntary workforce) and to support the reduction of health inequalities.
- There are opportunities for networking and collaboration across the VCS and with other (including private) sectors to share best practice, resources and develop initiatives.
- The voluntary sector in Kent is well represented and there is an efficient communication and information channel in place across the sector, and between the sector and public sector organisations.

Headline analysis of the voluntary & community Sector in Kent

Final: August 2016

Executive Summary

KCC's VCS (Voluntary and Community Sector) Policy was launched in September 2015 and set out KCC's strategic relationship with the sector in the future. The policy highlighted the importance of the sector not only as a provider of services but the vital role VCS organisations play within our communities. Since then we have been working to develop our local data to build a picture of the sector in Kent, its size, scope and the health of the sector, which will enable us to benchmark against the national picture and understand the significant role charitable organisations play in Kent. This data has been collated into this first report showing headline analysis of the sector in Kent. The data will continue to be developed and further analysis will take place, to help us to understand how the sector is changing over time; however the initial findings show a positive picture and provide facts and figures to support the anecdotal evidence that a diverse and vibrant sector exists in Kent.

Size and Scope

There are over 3,272 registered charities in Kent with a total income of over £377.6m. The majority of these organisations are micro and small although the majority of income comes from large organisations. Most charities in Kent are providing services, with the most common beneficiaries the general public, followed by children and young people. Charities are distributed unevenly across Kent with concentrations in major urban areas.

Income and growth

A small number of large charities are responsible for almost half of the sectors income in Kent; this is similar to the national picture although there are very few major and no super major charities in Kent, which nationally hold much of the sectors income.

Whilst the last 5 years have been economically difficult for all sectors, registered charities in Kent have seen a real term increase in their income of 6.1 % since 2010, equating to a £41m cash increase. However, this growth has not been felt across all organisations; micro organisations have seen a reduction in their income and major organisations have seen a real term decrease of 2.7%. However, overall the picture is encouraging and shows a diverse sector exists within Kent, further analysis will of course be needed to understand the source and sustainability of this growth.

KCC Funding

KCC spent £78.2m with the VCS (this is broader than 'general charities') in 2015-16 and £17m of this was in grants. KCC's grant spend is distributed across its Strategic outcomes; however the majority of grants go to supporting older and vulnerable residents to live independently and the majority of these grants go to large and medium sized charities. £14.1m of the overall £17m grant spend made by KCC in 2015-16 went to charities mainly based in Kent.

A significant employer

The charitable sectors contribution to the local economy is significant and organisations over 500K alone employ 7,025 employees, making them one of the largest employers in the County with around 12,314 volunteers across major, large and medium organisations.

Next steps….

The data within this first report is a welcome reminder of the significance of the charitable sector in Kent and therefore it is intended that this data will be analysed further and refreshed annually to support our future commissioning and relationship with the sector in Kent.

Produced by:
Business Intelligence,
Strategic Business Development & Intelligence
Kent County Council

Contents

Introduction

Kent figures are based on data from the Charity Commission's Register of Charities in England and Wales from 2014/15. The register recorded 3,272 registered charities active in Kent.

The following analysis based on the Charity Commission data uses the "general charities" definition. This definition takes all registered charities as a base, but excludes certain categories of charity such as independent schools, faith charities, and those controlled by government and others.

This analysis does not include those regional or national charities that are based outside of Kent area but operate services within it. As accurate information on the exact locations of charitable spending is not available, the figures presented here are likely to underestimate total charitable activity in the area. Similarly large national and international charities that are based in the area have been excluded from the definition, as their activities mainly take place outside the area.

Also note that charities may continue to be registered even if there is no current activity. The analysis below looks at those with current activity in any given year.

Size & Scope

This analysis uses the definition "general charities" (see methodology section).

There are

3,272

voluntary organisations in Kent

with a total income of over

£377.6m

The majority of the sector consists of small organisations

Number of organisations

1,368.00	1,315.00	363.00	55.00	3.00

micro   small   medium   large   major
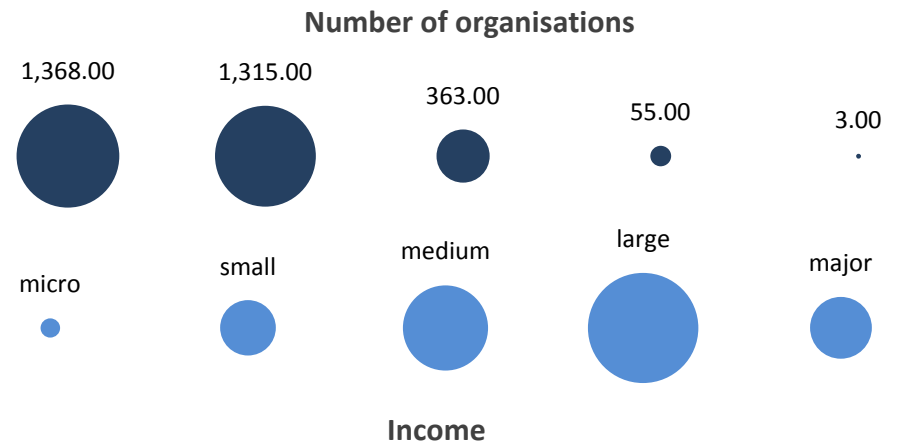
Income

however the majority of income comes from large organisations

50 new charities registered as new organisations in Kent in **2014/15**

5

Beneficiaries

The 204 charities in Kent with income over £250k help a range of clients with a variety of support for a variety of reasons

In Kent the most common activity of voluntary organisations is to provide services

other charities and organisations 4

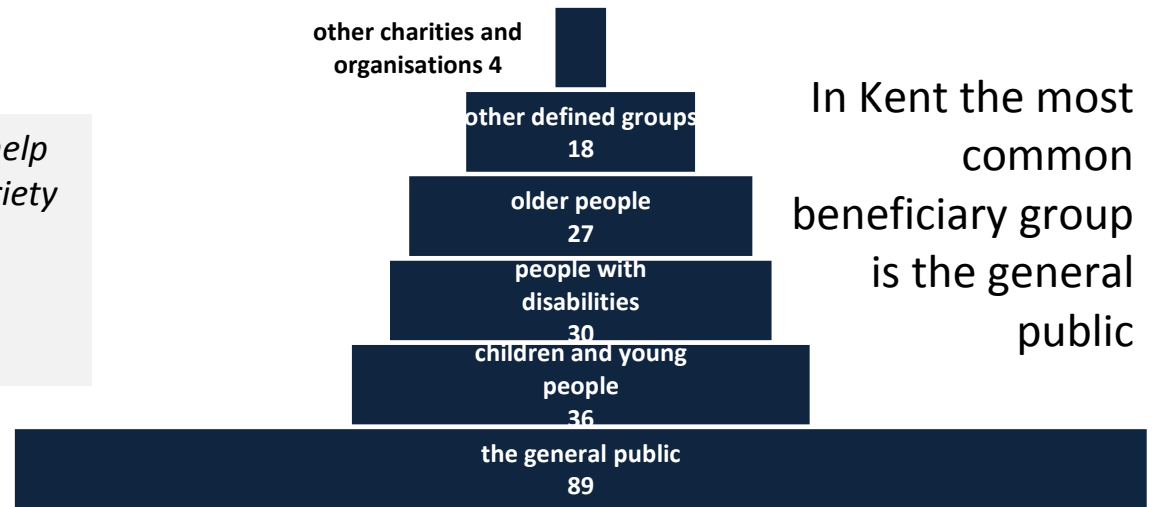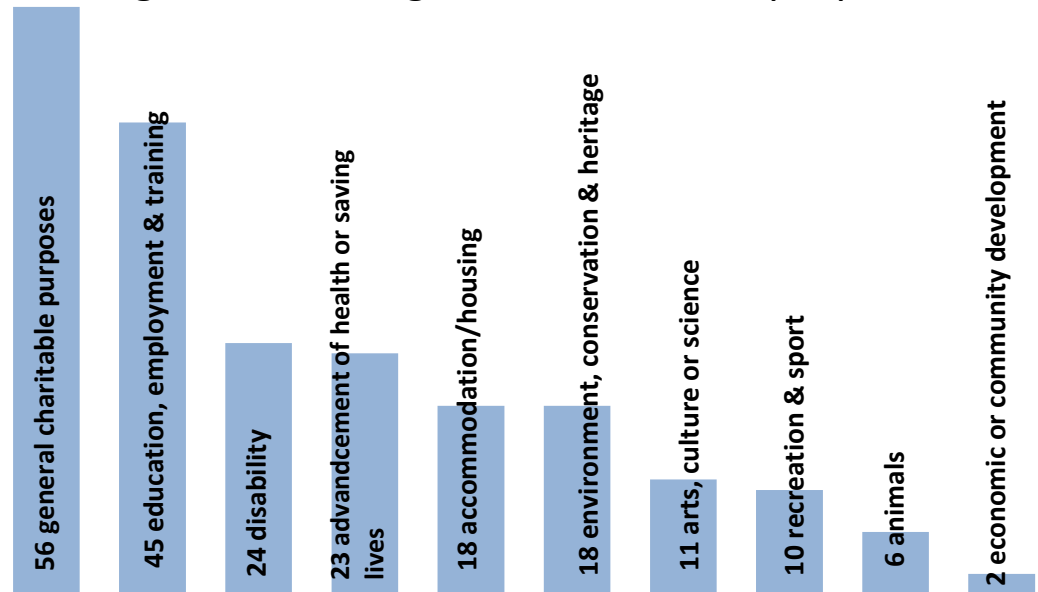other defined groups 18

older people 27

people with disabilities 30

children and young people 36

the general public 89

In Kent the most common beneficiary group is the general public

- 2 sponsor or undertakes research
- 6 umbrella resource
- 7 other charitable activities
- 10 provides grants
- 13 provides advice, advocacy, information
- 50 provides facilities, buildings, open space
- 116 provides services

The most common purpose of voluntary organisations is general charitable purposes

- 56 general charitable purposes
- 45 education, employment & training
- 24 disability
- 23 advancement of health or saving lives
- 18 accommodation/housing
- 18 environment, conservation & heritage
- 11 arts, culture or science
- 10 recreation & sport
- 6 animals
- 2 economic or community development

6

Geography

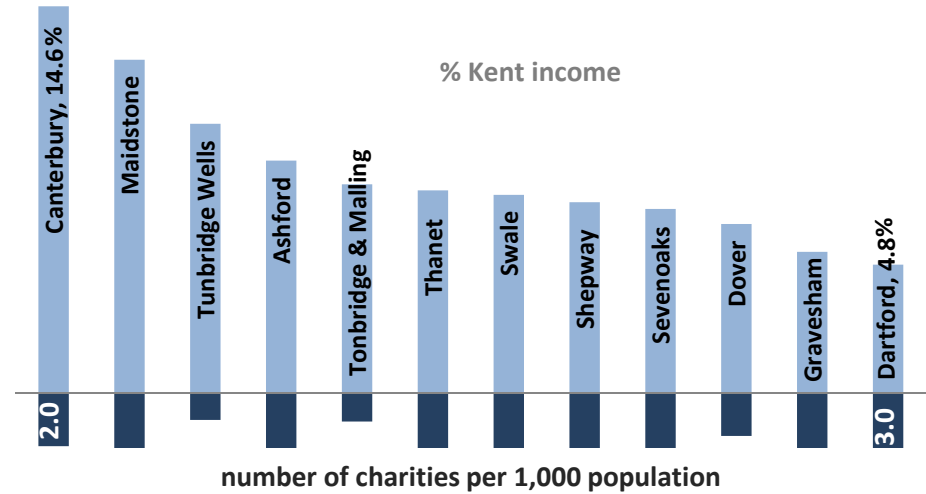Charities are distributed unevenly across Kent with concentrations in major urban areas
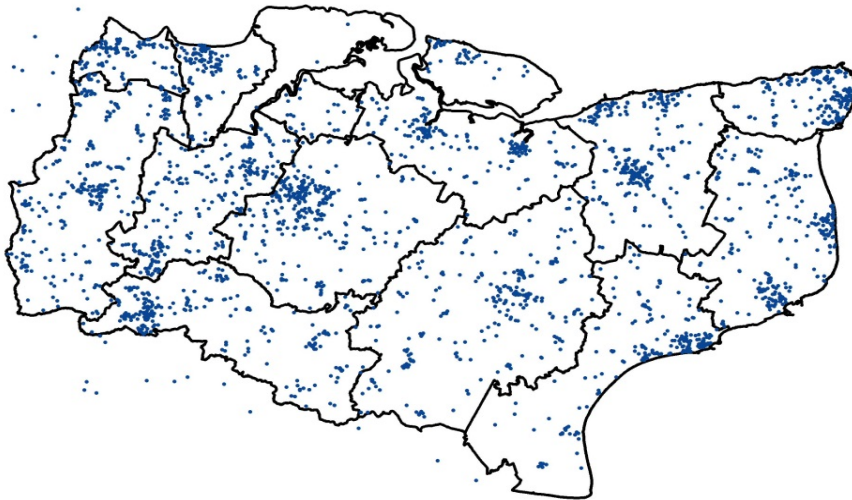
However the location of the charities reflects where they are registered and not neccessarily where their main activity is

Excluding those organisations with income of £2m+ Canterbury accounts for the highest % of Kent's voluntary sector income

% Kent income

- Canterbury, 14.6%
- Maidstone
- Tunbridge Wells
- Ashford
- Tonbridge & Malling
- Thanet
- Swale
- Shepway
- Sevenoaks
- Dover
- Gravesham
- Dartford, 4.8%

2.0

3.0

number of charities per 1,000 population

14.6 %

of Kent's total voluntary sector income is received in Canterbury

Dartford has the highest number of registered charities with

3.0

for every 1,000 residents

7

Income

A small number of large charities are responsible for almost half the voluntary sector income in Kent

Legend: Charities, Income, UK

- Major: UK 31.9%, 14.3%, £54.1m
- Large: 45.6%, £172.2m
- Medium: 27.1%, £102.3m
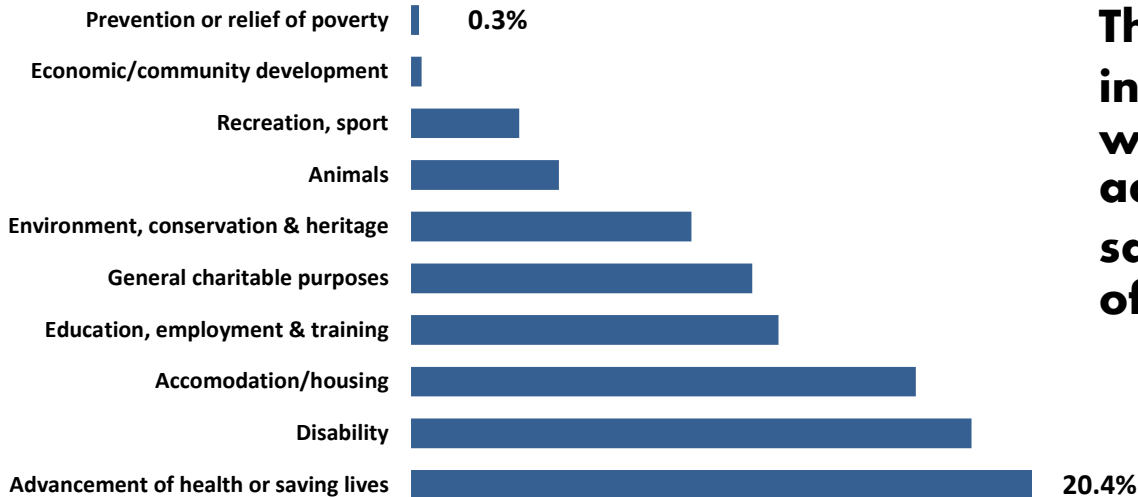- Small: 11.6%, £43.6m
- Micro: 1.4%, £5.3m
- Super-major
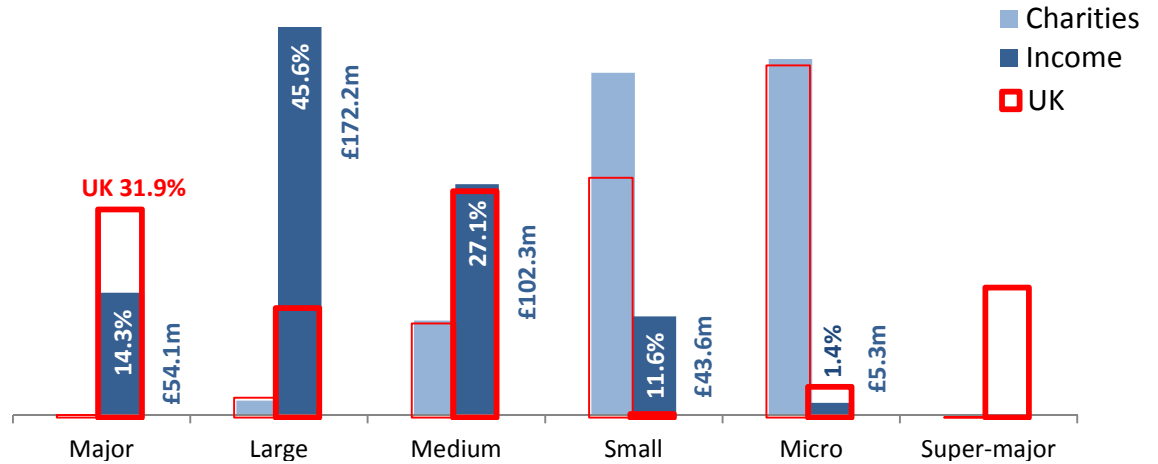
The top 3 organisations in Kent with highest income 2014/15:

Avante Care & Support   Pilgrims Hospices in East Kent   **Howletts Wild Animal Trust**

These are categorised as major sized organisations

Those organisations with income of £250k and above whose purpose is the advancement of health or saving lives account for 20.4% of the sector income in Kent

- Prevention or relief of poverty — 0.3%
- Economic/community development
- Recreation, sport
- Animals
- Environment, conservation & heritage
- General charitable purposes
- Education, employment & training
- Accomodation/housing
- Disability
- Advancement of health or saving lives — 20.4%

8

Income Growth

This section shows the **nomina**l and the **real** income growth within the sector.
The percentage growth shows the **rea**l growth once an adjustment has been made to reflect inflation. The cash growth reflects the **nominal** cash growth with no adjustment made.

## In real terms the Kent voluntary sector saw an income increase of 6.1% since 2010

Cash increase +£41m

While major organisations saw a cash increase since 2010, in real terms this results in an overall 2.7% reduction in income

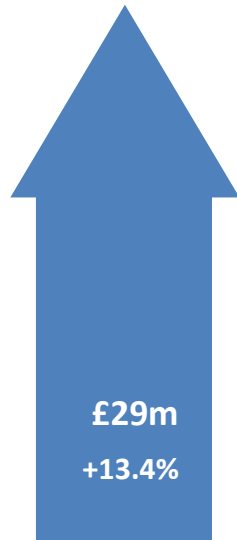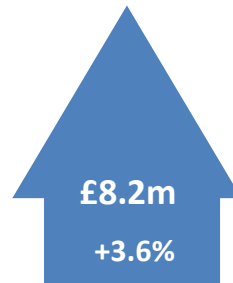This measure only counts those organisations which have been registered for the full 5 years
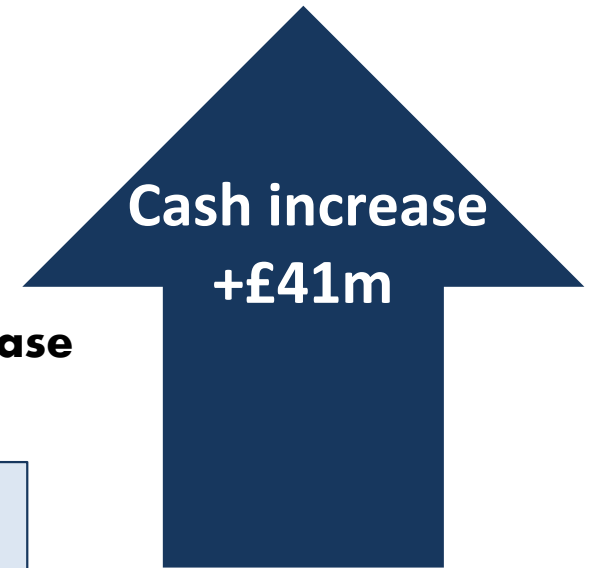
The smallest organisations saw an overall cash reduction of £0.9m over the last 5 years, in real terms this represents a reduction of 20.8%

£2.1m
-2.7%

£29m
+13.4%

£8.2m
+3.6%

£2.6m
+0.6%

Micro
(<£10k)

-£0.9m
-20.8%
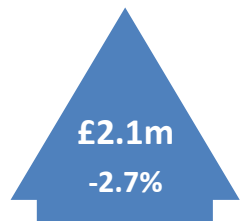
Major
(£10m-£100m)

Large
(£1m-£10m)

Medium
(£100k-£1m)
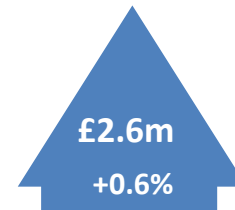
Small
(£10k-£100k)
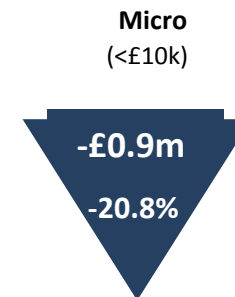
KCC Funding

In 2015/16 KCC's total grant spend to the VCS increased by 4.7% since the previous year

£1.7m — **Highest award - charity providing advice, advocacy or information to people with disabilities**

£500 — **Lowest award - Arts/culture/ science charity**

2014/15 £16.4m

2015/16 £17m

£14.1m — **was made by KCC in grants to charities based mainly in Kent in 2015/16**

£7.2m to large charities

£6.3 to medium sized charities

£0.5m to micro and small charities
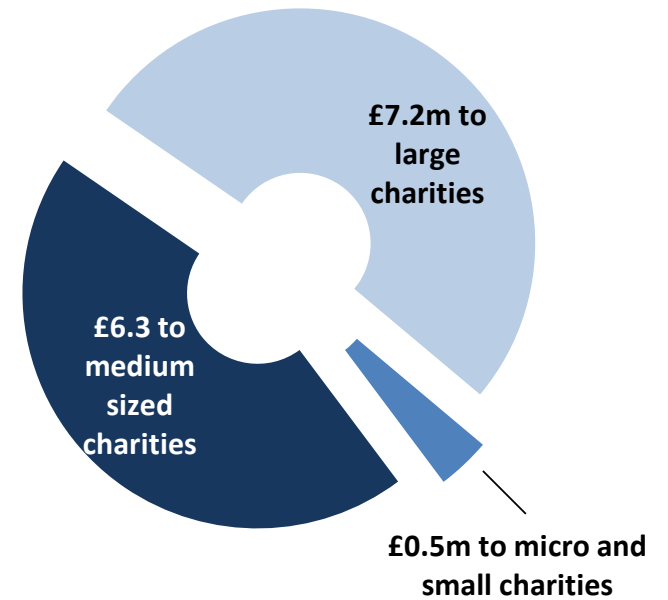
KCC Funding

KCC grants 2015/16

Children & young people in Kent get the best start in life **£1.2m**	• Achieve potential through education • Keep families, children & young people out of crisis & care • Resilient families providing strong, safe environments • Young people are confident & ambitious with access to opportunities
Kent communities feel the benefit of economic growth by being in work, healthy & enjoting a good quality of life **£5.1m**	• Benefit from economic growth & lower deprivation • Business growth is supported • Good quality of personal & community life
Older & vulnerable residents are safe & supported with choices to live independently **£10.8m**	• Access to advice, information & support for carers & families • Choice & control in health & social care • mental ill health & dementia early diagnosis & support • older people feel socially included

40% of KCC grants in 2015/16 went to general charitable purposes

Category	Amount
Environment, conservation & heritage	£21,000
Prevention of relief of poverty	£44,595
Economic or community development	£137,856
Accommodation/housing	£211,807
Education, employment & training	£492,068
Arts, culture or science	£1,225,900
Advandcement of health or saving lives	£2,226,725
Disability	£3,151,443
General charitable purposes	£5,114,569
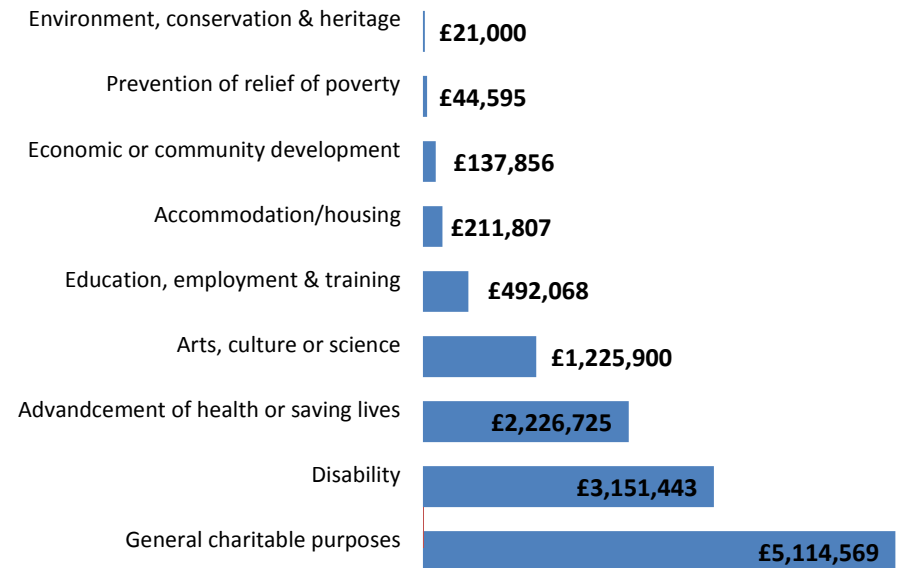
KCC overall spend (grants and contracts) with Kent based VCS 2015/16 £78.2m

Funds

In 2014/15 102 charities in Kent with income of £500k and above had 2.9 months income held in cash. This means they could be considered prudent and better able to meet current obligations using liquid assets

102 charities in Kent that had an annual income of £500k and above, held a combined cash amount of £65m

Average cash funds for 2.9 months

28.4% had more than 6 months income held in cash

In 2014/15 two thirds of charities in Kent with income of £500k and above had at least 2 months income held in cash

34 charities	27 charities	41 charities
Less than 2 months	2 to 4 months	More than 4 months

These organisations held:

Fixed Assets	• £313.9m
Current Assets	• £95.7m
Creditors	• -£32.9m short term • -£31.9m long term
Pension liability	• -£16.4m
Total Net Assets	• £328.3m • of which £64.7m is cash

12

Workforce

Community Life Survey - National Figures

2.7% **of the UK workforce were employed in the voluntary sector in 2015**

65%
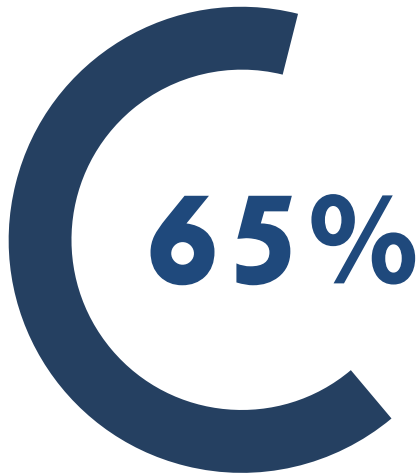
In the UK two thirds of the sector workforce are female

Kent organisations employ

7,025

employees

62% of volunteers in Kent are within large charitable organisations

12,314 volunteers

7,691 • **Large organisations**

1,672 • **Major organisations**

2,951 • **Medium organisations**

13

Methodology

Voluntary sector definition

This analysis uses the Charity Commission "general charities" definition. This definition takes all registered charities as a base, but excludes certain categories of charity such as independent schools, faith charities, and those controlled by government and others.
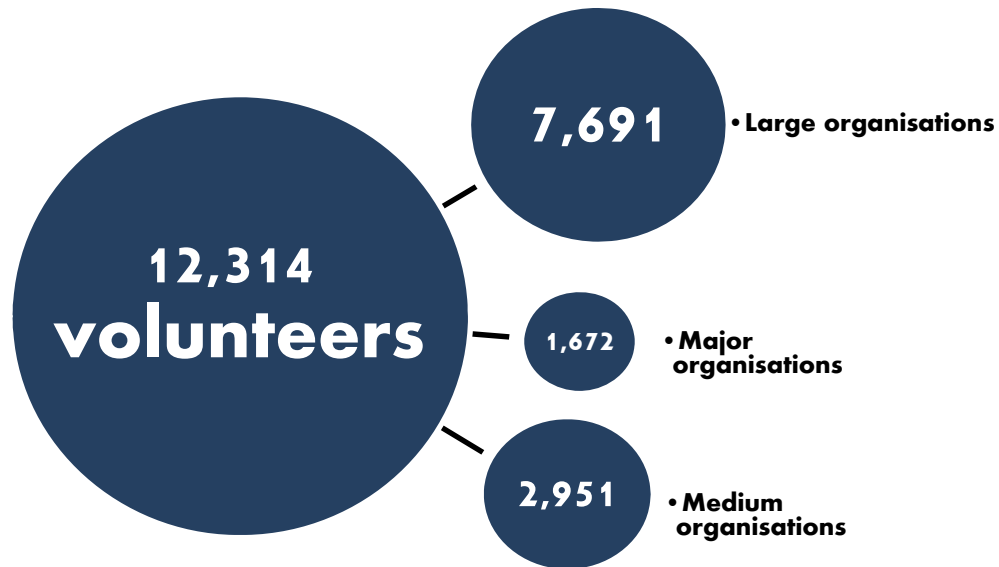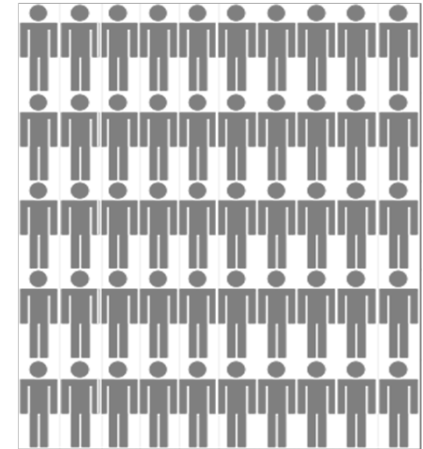
Charity income sizebands are defined as:

Micro - Less than £10,000
Small - £10,000 to £100,000
Medium - £100,000 to £1m
Large - £1m to £10m
Major - £10m to £100m
Super major - more than £100m

Voluntary sector methodology

All data has been cleaned manually to exclude records where the registered location of the charity falls outside the Kent County Council area. Charities based outside Kent may still be included within the count of organisations if their area of operation is mainly within Kent.

Workforce

Employment figures are based on Labourforce Survey/Annual population Survey data.

KCC Funding

The definition of the VCS supported by Kent County Council is much broader than that used elsewhere in this summary.
This definition may include faith charities and charities linked to schools. It may also include social enterprises.

Data sources

Register of Charities, Charities Commission
Community Life Survey, The Cabinet Office
Annual Population Survey, Office for National Statistics
Kent County Council

Produced by:
Research & Evaluation
Strategic Business Development & Intelligence,
Kent County Council
03000 417444

Email: research@kent.gov.uk
Web: www.kent.gov.uk/research

kent.gov.uk

Kent County Council

KCC VCS Grant Prospectus

2016-17
Published May 2016
Version 1

kent.gov.uk

This document is available in a range of formats and can be explained in other languages. To ask for an alternative version, please email alternativeformats@kent.gov.uk

Kent County Council Equality and Diversity Team, phone with Type Talk:18001 03000 421553

Or write to: *Kent County Council, Diversity & Equality Team Room 2.70, Sessions House, County Hall, Maidstone, Kent, ME14 1XQ*

Contents

3

Overview

Kent County Council (KCC) launched its [Voluntary and Community Sector Policy](#) in September 2015. Within this we set out a new grant framework for the local authority, adopting standardised definitions and committing to a standardised and proportionate process for awarding grants.

However, during our consultation with the sector we received extensive feedback that we needed to provide more accessible and comprehensive information about grants and it was suggested that we develop a grant prospectus across KCC. We committed to developing this in the policy and we are pleased to introduce this first edition.

This is a live document and therefore it will be updated as new grants become available during the year. The whole document will be reviewed annually and re- published at the end of March each year. Timescales are given for each individual grant however as this is a live document some grants may be closed at the time of publication. However, we hope that the information provided will give organisations an overview of our grant activity and priorities during the financial year.

The prospectus is divided into Strategic and Innovation grants in line with our VCS policy.

Please note that this prospectus provides an overview of grants, full details and guidance will be provided on application.

KCC's Grant Framework

All KCC grants are awarded against our strategic and supporting outcomes

Strategic		Innovation

Principles underpinning all grant funding

Clarity	Accountability	Transparency	Sustainability

We have adopted a set of principles from which commissioners across KCC will award grants, to ensure that there is consistency and equity in our grant funding and to ensure that we are not funding the same need twice.

Grant definitions:

Our VCS policy sets out our new grant definitions -all our grants will therefore need to meet the criteria set out below. *(This does not include Combined Member Grants):*

 i. **Innovation grants:**

   a. payment for innovations/pilots

   b. payment to help develop new organisations and approaches which will contribute to the Council's strategic outcomes.

 ii. **Strategic grants:**

   a. payments to organisations of strategic importance given under the local authorities general powers (Localism Act 2011) to help the authority to achieve its strategic and supporting outcomes.

5

Both Strategic and Innovation grants will be awarded over the three year MTFP period and where possible and appropriate will be awarded on a multi-year basis with payments made annually. KCC reserves the right to refuse multiyear agreements where necessary.

It is not proposed that either Innovation or Strategic grants should have a financial limit but would not normally be over Official Journal of the European Union (OJEU) limits

State Aid: *When awarding grants, officers must consider state aid rules and seek advice where necessary.*

Awarding grants:

All KCC grants to the VCS can be applied for via our Community grants page on kent.gov and a standardised template application form will be used by commissioners. This will be flexible so that it is proportionate and meets both the specific requirements of services whilst offering a consistent approach.
All the information you need to apply for our grants will be available on the relevant grant page on our website and an overview contained within this prospectus.

KCC Member grants are not advertised in this grant prospectus as you must have an initial discussion with the relevant member. All the information is available on line here.

Sustainability and risk when awarding grants:

KCC has a duty of care to the sector to ensure that it is not financially dependent on one source of funding, to the extent that the sector becomes de-stabilised. Grants should not be considered an ongoing funding stream beyond the agreed period. Arrangements should therefore be put in place when awarding a grant to manage the closure or alternative funding of the project/service once the grant funding has ceased.

When applying for grants, organisations may be asked (at the discretion of the commissioning officer) to outline their risk mitigation in the event that KCC's funding is withdrawn.

Any grant funding which exceeds 25% of an organisation's annualised income may trigger a risk assessment on financial sustainability, to be carried out by the commissioning officer. This does not mean that funding will be automatically withdrawn in this situation but that risks are managed; it will be down to the commissioning manager to discuss these risks with the grant recipient.

Publishing awards:

Under *The Local Authorities Data Transparency Code,* KCC is required to publish annually (from February 2015) the details of all its grants. Ensuring we have robust internal processes in place is therefore even more important to enable us to track our investment. Our grant register is published on our website and can be found here.

Evaluation of grants:

Whilst our evaluation of grants should be proportionate, grants are not gifts; there will be some expectations or pre-conditions on what the money should be spent on. However, grants should not be monitored in the same way that we manage contracts; instead we will ask for a simple and proportionate evaluation.

What do we mean by evaluation?

By 'evaluation' we mean a process of thinking back, on what has worked and why. KCC funds many different projects and activities through our grant funding and through our application process we ask applicants to explain:

- How the need for this project was first identified
- The aim of the project and the approach and how it will help us to meet our strategic outcomes
- Who will benefit from the project
- What our grant will pay for- what activities will take place
- How the project will be managed
- How they will know it was successful and capture what worked well or less well

Structuring our application in this way makes it easier to build a story of a project, which can be revisited after the project to see how things went. It also enables us to capture the lessons we learnt, which can inform future funds and projects.
The evaluation at the end of the grant should therefore revisit these questions.

Whilst there needs to be consistency in our approach to evaluation, commissioners may want to collect specific data relating to their grants and the self-evaluation report template may vary according to this.

All successful applicants will be required to provide a final evaluation by the end of the financial year in which their grant was awarded. If your project is not due to complete by the end of the financial year, we will ask you for an interim report.

7

Overview of Grants:

Strategic	
Grant name	**KCC outcomes this grant supports**
Village and Community Halls Grant scheme (page 9)	Children and young people in Kent get the best start in life Older and vulnerable residents are safe and supported with choices to live independently Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life
Capital Grant Scheme for Sports (page 11)	Children and young people in Kent get the best start in life Older and vulnerable residents are safe and supported with choices to live independently Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life
Disabled Children, Learning Disability and Mental Health (page13-14)	Children and young people in Kent get the best start in life We keep vulnerable families out of crisis and more children and young people out of KCC care
Innovation	
Arts and Culture- The Arts Investment Fund (page 15)	Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life
The Early Help and Prevention Grant (page 17)	Children and young people in Kent get the best start in life
Dementia Friendly Communities (page 18)	Older and vulnerable residents are safe and supported with choices to live independently

8

Strategic Grants

Kent County Council Village and Community Halls Grant scheme

These grants are available to enable communities to improve existing facilities or build a new facility that meets an identified need in the community.

What KCC outcomes does the grant support?

The grant is aimed at improving outcomes for the whole community and supports all three of the council's strategic outcomes as set out in our Strategic Statement.

1) **Children and young people in Kent get the best start in life**
   - By ensuring Kent's communities are resilient and provide strong and safe environments to successfully raise children and young people
2) **'Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life**
   - By ensuring Kent residents enjoy a good quality of life, and more people benefit from greater social, cultural and sporting opportunities
3) **Older and vulnerable residents are safe and supported with choices to live independently'**
   - By ensuring older and vulnerable residents feel socially included

What we expect successful projects to achieve:

The fund will be used for capital projects which enable a community organisation to improve an existing facility or build a new facility that meets an identified need in the community. Projects that may be supported include:
- Building an extension
- Building a new hall
- Upgrade of toilets and/or kitchens
- Replacement windows and heating systems
- Improved insulation

Funding available:

Grants of up to **£50,000** are available.

A grant from this scheme is conditional upon match funding. KCC can offer a pound for every pound raised, up to 50% of eligible project costs to a maximum of £50,000. For example, if the total project costs £50,000, the maximum the applicant can apply for is £25,000 and the remaining £25,000 must come from the applicant or other sources.

9

Timescales:

All applications must be submitted by **31st December** each year.

Applicants are notified of the decision **3 months after the deadline date (before 1st April)**

Successful applicants are required to start the project within the financial year that the award is made. The main outcome of the grant should be an improved hall, but grantees are required to submit a progress report one year after the improvements have been completed, which would include information on whether there has been an increased usage of hall.

Grants are "one-off" although further applications from the same organisation for new projects can be considered. However, only one grant will be provided to any organisation in any financial year.

To apply:

Applicants are required to complete the application form available through our website and submit it by the stated deadline.

Officers will review applications for completeness and eligibility, so applicants should answer every question. After an initial review and clarification exercise, a panel of officers from KCC and Action with Communities in Rural Kent will meet to prioritise applications and make final recommendations to the appropriate KCC Senior Manager, who will then make a decision in consultation with the KCC Cabinet Member for Community Services.

Capital Grant Scheme for Sports

This scheme aims to encourage the development of sports in the county by offering grants to sports organisations to improve facilities and widen participation.

What KCC outcomes does the grant support?

Applicants are required to demonstrate in their application how they will meet at least one of the following six outcomes which are set out in the County Council's Strategic Outcomes Framework:

A. **Children and young people in Kent get the best start in life**
  - ➢ Children and young people have better physical and mental health;
  - ➢ All children and young people are engaged, thrive and achieve their potential
  - ➢ To increase participation in sporting activities in the 11-25 age range

B. **Kent communities feel the benefit of economic growth, by being in work, healthy and enjoying a high quality of life**
  - ➢ Physical and mental health is improved by supporting people to take more responsibility for their own health and wellbeing;
  - ➢ Kent residents enjoy a good quality of life and more people benefit from greater social, cultural and sporting opportunities.

C. **Older and vulnerable residents are safe, and supported with choices to live well and independently.**
  - ➢ Older and vulnerable residents feel socially included

What we expect successful projects to achieve:

The Capital Grant Scheme is intended to support the following purposes:

- Provision of facilities for the community of Kent, including specialist facilities, training centres and centres of excellence and performance
- Purchase of new community equipment (not personal equipment or 'road' vehicles)
- Improvements to existing buildings and sites (including education sites), or conversion of redundant buildings (applicants for these projects need to prove how the improvements or conversions will increase participation)
- Levering funding from other organisations into key schemes in Kent, and demonstrating partnership
- Increasing participation in sporting activities

Funding available:

Individual Grants will be up to a maximum of £10,000, (a maximum is only granted to exceptional projects and where the project is of a county-wide significance) any grant must be spent within the financial year (by the end of March) in which it is offered.

11

Timescales:

Applications will only be accepted in May, August and November each year.

All applications must be submitted by 16.00 hours on the last day of those three months.

To apply:

Applicants are required to complete the online application form.
Please note: This form is available to view outside of the submission dates but will not be able to be submitted outside of these timescales.

Applications will be assessed and considered by KCC's Culture and Sport Group in consultation with the Cabinet Member for Community Services. A decision is usually communicated to the applicant by the end of the following month (ie June, September and December).

Disabled Children, Learning Disability and Mental Health (DCLDMH)

This grant scheme is for children with a range of complex, profound and severe needs aged 0-18th birthday.

What KCC outcomes does the grant support?

> **Children and young people in Kent get the best start in life**
> > o We keep vulnerable families out of crisis and more children and young people out of KCC care

Service outcomes delivered through this grant award:

> Disabled children are supported to optimise their physical and emotional wellbeing by having fun, whilst being safe; and trying new things they have not tried before; or doing things that they like doing but do not get the chance to do very often.
> Parents and Families are empowered to develop coping strategies to enable them to continue to care for their disabled child in the home as part of their family and local community, ensuring the family does not go into crisis and the disabled child does not come into Local Authority Care; and care for their disabled child more effectively

What we expect successful projects to achieve:

All projects under this grant pot will deliver a range of short breaks activities for disabled children with a range of need from complex to profound severe and complex needs.

There are a range of grants categories which sit underneath this grant programme:

> Category A-for children with severe and complex needs in Key Stage 1 (typically aged 4 and 1/2 to 7 years)
> Category B-for young people with severe and complex needs aged 16 plus
> Category C- for children and young people with less complex needs aged 8-15 years but who have an EHC Plan
> Category D-for children and young people with a sensory disability or who have a physical disability aged 0-17 years
> Category E-for children and young people with life limiting or life threatening conditions aged 0-18th birthday.

Funding available:
> Category A- £10,000.00 per annum per district/ borough council area within KCC's area of operation
> Category B- £13,500.00 per annum per district/ borough council area within KCC's area of operation
> Category C- £7,500.00 per annum for each district/ borough council area within KCC's area of operation

13

- Category D- £2,500.00 per area (north, south, east and west Kent) per sub category, per annum.
- Category E-. £5,000.00 with no district/borough or area delivery restriction provided the project delivered is within KCC's areas of operation and caters for children and young people whose family home is also within KCC's areas of operation.

Timescales:

This Grant Programme is currently **closed** and will not reopen until early 2018

To apply:

This Grant Programme is currently closed and will not reopen until early 2018

Innovation Grants

Culture and Creative Economy- the Arts Investment Fund

Kent County Council (KCC) works through the Kent Cultural Strategy to grow the Kent economy develop skills and contribute to an enhanced quality of life. Excellence and collaboration is at the heart of what we do, because we understand that this will build Kent's cultural and creative reputation, encourage more people to take part and enable positive and lasting change.

The Arts Investment Fund is managed by the Kent Arts and Cultural Service who work with the Kent Cultural Transformation Board to grow creative industries across the county.

The Arts Investment Fund aims to challenge creative practitioners and arts organisations to make new work, develop initiatives that increase home-grown production and routes to market and reach new audiences.

The fund supports high quality projects by creative practitioners and arts organisations working in Kent that will engage audiences, attract further investment and contribute to the region's creative infrastructure by working in collaboration with others.

What KCC outcomes does the grant support?

1) **Kent communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life**

> ➢ Kent residents enjoy a good quality of life and more people benefit from greater social, cultural and sporting opportunities.

What we expect successful projects to achieve:

Your application will need to demonstrate how it:

1) **Contributes to the county's strategic cultural priorities** The strategic priorities for the sector are set out in detail in **Unlocking Kent's Cultural Potential – A cultural strategy for Kent 2010 to 2015**. You can find a copy <u>here</u>.
2) Contributes to **Artistic and creative excellence in Kent**
3) Contributes to **collaboration and partnership** working to catalyse growth
4) Ensures **quality** arts activities are **accessible** to as wide a range of people as possible.
5) Offers **value for money** –supporting innovation and distinctive projects

Funding available:

Funding is for one financial year and is not a guarantee of future KCC support. You will need to raise a minimum of 50% cash in your budget from other funding sources. In the current financial

climate, the amount of money we have available for distribution is very modest and we are not in a position to give large grants.

We have not specified maximum or minimum levels of funding. The size of grants awarded is assessed on need, their own merits and our criteria and priorities as well as the value of any match funding.

Timescales:

Applications normally open at beginning of **December**

The deadline for 2016/17 applications was **6 February 2016**. The current funding round has now **closed.**

Projects cannot start before 1st April each year.

How to apply

Applications for a grant are via the online application form.

What we will do:

- We check your application to ensure it is complete and eligible
- We may contact you to request any additional clarification or advise ineligibility
- We will assess your application according to our published criteria and may discuss it with our partners and others
- Recommendations for funding are ratified through the County Council's democratic process
- We then inform you of the decision about your application

The Early Help and Preventative Services Fund

The Early Help and Preventative Services grant supports local decision making relating to Early Help priorities. The grants will support new and existing organisations and innovative projects which contribute to meeting the local need and priorities for the District's children and young people.

What KCC outcomes does the grant support?

Children and young people in Kent get the best start in life

What we expect successful projects to achieve:

These grants will support each of the twelve Districts in Kent allowing local projects and services to be developed in a flexible and responsive way through a community based offer. The aim of the grant fund is to support local priorities whilst encouraging creativity through projects and services that improve outcomes for children and young people.

Future sustainability planning should be included in applications.

Funding available

The minimum level of application should be for grant funding of £500.

All grants will operate on a 12 month basis. Grant funded projects and services must be able to provide evidence of impact against local priorities.

Timescales

Grants will be awarded on an annual basis. Applications for 2016/17 grants must be submitted by the end of February 2016.

The application process for 2017/18 is yet to be confirmed.

To apply:

Applications must be made via the application form link and will be assessed against the appropriate district priorities. The grant is now **closed.**

17

Dementia Friendly Communities

Through the Dementia Friendly Communities work it has been acknowledged that a community response is necessary to help people to 'live well' with dementia.

The Dementia Friendly Communities work aims to promote communities which are more inclusive for people with dementia.

A key factor to Living well with dementia is being able to maintain your existing lifestyle as well as possible. It's been well documented that some people with dementia start to withdraw from their community, which may leave themselves or family carers Isolated or lonely. It's understood that where people can remain part of a community and continue activities, pastimes and hobbies, that this can result in less stress, anxiety and frustration for both the person with a diagnosis and their family.

What KCC outcomes does the grant support:

Older and vulnerable residents are safe and supported with choices to live independently.

What we expect successful projects to achieve:

Successful projects will be those that deliver outcomes which enable people with dementia to remain part of their communities through addressing loneliness and reducing social isolation and / or which enable people to maintain pastimes, hobbies and activities.

Funding available:
 There is a maximum of £2000 per each of Kent's 12 Districts. This may be allocated as one single bid or as a number of smaller bids.

Timescales:
Bids must be submitted by 31st May 2016. This funding is currently allocated on a year by year basis and is NOT a rolling grant.

How to apply:
All applications must be made via the online application form.

KCC VCS Grant
Prospectus 2016/17

This page is intentionally left blank

By:	Susan Carey – Cabinet member for Commercial and Traded Services
	Amanda Beer – Corporate Director Engagement Organisation Design and Development
To:	Policy and Resources Cabinet Committee
Date:	8 September 2016
Subject:	Customer Service Policy
Classification:	Unrestricted

Summary: This paper updates Policy and Resources Committee on the operation of the Customer Service Policy which was agreed by the Committee in September 2015.

1.   INTRODUCTION

1.1   On 10 September 2015 the Policy and Resources Committee formally agreed to adopt a new Customer Service Policy and its principles within KCC including the recommendations arising from the public consultation which had been conducted.

1.2   The Committee agreed that a further report on the operation of the policy should be reviewed by the Committee in September 2016.

1.3   The Customer Service Policy outlines KCC's commitment to customers and is described in three core principles which should be applied when delivering services to customers.

1.4   Everyone employed by KCC has a role to play in the delivery of these principles and it is important that all staff in the council are clear on their specific responsibilities relating to each of the principles as set out below:

- **Principle 1: Delivering Quality** KCC values and owns the customer relationship regardless of how services are delivered
- **Principle 2: Customer Focused Services** KCC will ensure that customers can access services in a range of ways, ensuring that value for money and flexibility are prioritised across all services
- **Principle 3: Intelligent Commissioning** KCC will strive to improve services continuously through engaging and learning from our customers.

1.5   The policy also stipulates that commissioners must ensure that this policy and its principles are adopted throughout the supply chain. The

Customer Service Policy works with and supports the Commissioning Framework, allowing KCC to hold all service providers to account for ensuring our customers have a good customer experience.

1.6 This paper reports on the operation of the Policy against each of the three Principles.

2 **Principle One: Delivering Quality**
KCC values and owns the customer relationship regardless of how services are delivered.

2.1 Progress has been made over the last year to improve how the Council captures and learns from the feedback our customers give us. This year the focus has been on how to use feedback to learn collectively across the whole organisation.

2.2 A Customer Feedback Forum has been set up and meets bi-monthly to discuss best practice and share learning from complaints and compliments. This forum has representation from those key services across each of the directorates that receive the most customer feedback annually. It has also been shaping the new format of the annual complaints report that is due to be presented to Governance and Audit in October 2016.

2.3 Over the last year work has been done on capturing complaint performance more widely across the organisation. This may account for some of the increase in volumes of complaints received, and this is expected to continue into the 2016/17 figures. The focus for complaint handlers is on achieving positive outcomes for our customers and reducing the number of upheld complaints received by the Local Government Ombudsman.

2.4 Early adopters of the policy in the Growth, Environment and Transport Directorate have seen a reduction in the number of complaints received. Their customer service programme has encouraged staff to have positive conversations with their customers, even when it might not be possible to say yes to their requests. To support this, bespoke customer feedback training has been designed and delivered to staff members of Waste Management and Highways. This training has explored understanding our customers, how to carry out an investigation and how to respond to customers particularly through letter/email correspondence. Customer Feedback Training has now also been requested by Special Educational Needs (SEN) Department.

2.5 Links have also been made with Procurement to explore the role customer feedback has to play in contracts that are awarded to suppliers who have contact with our customers. This is to add clarity for customers in how and who to complain to when services are not directly provided by the council.

2.6   The Organisational Development team is currently revisiting customer service training including the customer feedback element, to bring the training up to date so it can be rolled out and be made available to all staff.

2.7   The council is currently working towards procuring a corporate system to enable the capture of feedback including complaints, freedom of information requests and comments. By implementing a common, centralised way of handling complaints, KCC will ensure that there is a common standard and that it is adhered to across the organisation and by our commissioned services, ensuring our customers receive a response to their enquiry in a timely manner and that there is a robust mechanism which captures how that conclusion was reached. It is anticipated that a system will be in place and capturing feedback across the whole organisation by April 2017.

3   Principle 2: Customer Focused Services
        KCC will ensure that customers can access its services in a range of ways, ensuring that value for money and flexibility are prioritised across all services

3.1   Digital Transformation
        The programme of transformational digital activity now underway with our strategic partner Agilisys will create a joined up approach to online council services. It will improve customer experience through the redesign and digitisation of KCC's services across the County, and will provide a single point of access for all KCC contact, interaction and some service delivery.

3.2   This will help us be more efficient in the management of customer contact, providing better insight, enabling a more consistent customer journey, and improved information management. By April 2017 a suite of tools will be installed and used by the Council.

3.3   Digital tools

        As part of the partnership contract, Agilisys offer the following core tools:

3.3.1   **Engage**: An analytics and insight tool that captures data and insight from every online journey. It tracks which pages people visit, how long they take, where they click on the page and when they leave the site. It also uses analytics from previous visits to begin predicting how to make customer journeys easier. Tools include signposts that pop up and divert customers quickly to relevant content, and webchat, where an advisor can help a customer online rather than on the phone.

3.3.2   **Netcall**: An automatic voice recognition system. When a customer calls KCC's phone number they can choose to say the name of the person they are calling, and Netcall will look up the name on KNet and connect

them straight away. This system went live on 10 August and initial assessment show that it is working well.

3.3.3 **Agilisys Digital My Account**: Customers can create an account with KCC, which gives them one single access point to all KCC services and transactions.

3.3.4 **Knowledge Base**: An enhanced information and search facility that offers better and more accurate search functionality. It learns from the words people use when they are searching, and the search organically starts to predict what people might be searching for. It also offers a feedback option if the information appears to be wrong.

3.3.5 These will all help us be more efficient in the management of customer contact; providing better insight, enabling a more consistent customer journey, and improved information management. By April 2017 all these tools will be installed and used by the Customer Service Operations and Digital Services teams.

3.4 The contract also includes two service-specific digital tools:

3.4.1 **Love Clean Streets**: Services in Growth Environment and Transport (GET) are joining together to address customer needs for fault reporting in Flooding, Public Rights of Way and Highways. Driven by the GET Customer Service outcomes, the directorate is working to provide better and more consistent access to reporting services through this user-friendly platform, as well as helping streamline back office processes at the same time. LCS is a business product name only and will not feature in any customer facing communications. It will be clear that the tool is not for reporting street cleansing issues which remain a District responsibility.

3.4.2 **Agilisys Care (Quickheart)**: An online tool that allows customers to carry out a self-assessment of care needs they may have. As Social Care embark on their new transformation programme we are exploring how we might offer customers access to information, advice and support online, and the impact that can have on KCC front line services.

3.5 Working with services
The new Kent Communications structure includes staff in service partnership & Intelligent Client roles. These are key roles working with service areas to ensure that customer needs are considered and customer experience is at the heart of service redesign. In the autumn a bi-monthly networking group on service redesign will be initiated within the Engagement Organisation Design and Development Division embedding customer service principles around designing for fair access and efficient use of resources.

3.6　*Case Study: Sorting out Kent's Potholes*
Roads are a universal service and we receive many calls about road problems each year. With this in mind, it is important for the council to let the public know that an additional £3million has been allocated this year to blitz as many potholes and make as many larger road surface repairs as possible. To get the information to our customers as quickly and in as much depth as we can, we have published information on our website about how much road surface we have repaired across the county since 1 June and are encouraging people to report problems on their roads to us online. This will help Kent residents and visitors stay up to date with an issue that concerns them, and to allow them to keep in touch with our progress.

3.7　Insight
A new monthly insight report provides a rounded picture of customer experience through our telephone and digital channels, which enables us to inform the GET customer service programme. The report will be available to the partnership governance teams and to others at the discretion of the relevant Board.

4　**Principle Three: Intelligent Commissioning**
KCC will strive to continuously improve services through engaging and learning from our customers.

4.1　KCC is working hard to make it easier for customers to feedback their experiences. The Council recognises the valuable insight this gives and the opportunity to use this to improve services for all its customers.

4.2　Table 1 gives an overview of the feedback received by KCC as a whole compared with the previous year. Whilst we have seen an increase of 4% of complaints compared with the previous year, some of this can be accounted for by the increase in the number of services now reporting back their figures. In some areas we have seen a significant decrease in volumes such as Highways, Transportation and Waste (33% decrease on previous year). This service has put significant effort in improving and changing the way in which it communicates with its customers.

Table 1

Year	Complaints	Comments	Compliments	Local Government Ombudsman complaints
2014/2015	2,944	1,561	2,345	205
2015/2016	3,070	1,490	2,079	185
% increase/ Decrease	4%	-5%	-11%	-10%

4.3 During 2015/16 KCC received a total of 185 complaints and enquiries from the Local Government Ombudsman, including 74 in which the customer was directed back to the Council to seek initial resolution. This is a decrease of 10% on 2014/15, when the Council received 205 complaints and enquiries, including 75 in which the customer was directed back to the Council to seek initial resolution. The authority did not receive any Maladministration Reports in this year.

4.4 The level of complaints received by KCC for the volume of services and interaction is low but each complaint is an opportunity to learn from our customers and improve our systems.

4.5 The Ombudsman's report noted that the national average that the Ombudsman upheld is 51% of complaints they investigated, this is up nationally from 46% last year. Kent County Council's average is 55%, this is an increase on 48.5% in 2014/15. KCC's performance, along with all other Local Government Councils in the UK, is published annually. The full Local Government Ombudsman annual report can be accessed at the following link http://www.lgo.org.uk/information-centre/reports/annual-review-reports/local-government-complaint-reviews

4.6 Whilst the trend nationally and locally is for the average number of complaints being upheld to rise, the Authority is responding positively by improving complaint management. Through the Customer Feedback Forum staff are sharing lessons learned to help service improvement across all directorates and training is being reviewed and devised, successful sessions have been rolled out to some services already.

4.7 The new format of the annual customer feedback report, which is presented to Governance and Audit Committee, focuses more on the substance of complaints that were escalated to the Ombudsman and their outcome. Where the Ombudsman has made a decision against the Council, steps are taken by the service to ensure that any lessons learned are applied across the service to improve the customer experience and avoid any further complaints of a similar nature.

5. **RECOMMENDATION**

5.1 Policy and Resources Committee is asked to note and endorse the steps being taken to embed the Customer Service Policy across Kent County Council and improve customer service to our residents and service users.

Report author: Pascale Blackburn-Clarke Customer Experience and Assurance Manager.

Relevant Director: Amanda Beer Corporate Director Engagement, Organisation Design and Development.

To: P & R Cabinet Committee – 8 September 2016

Subject: Consultation Protocol (Responses to consultations received)

Classification: Unrestricted

Past Pathway of Paper: DMT 26 April 2016, CMT 16 May 2016

Future Pathway of Paper: Executive decision

Electoral Division: No particular division is affected.

Summary: This report contains proposed amendments to the Consultation Protocol for KCC, which sets out how Officers and Members should deal with the drafting and submission of responses to consultations received from other bodies.

Recommendation:

The Cabinet Committee is asked to consider and endorse or make recommendations on the proposed decision of Cabinet to adopt the Consultation Protocol as set out at appendix 1.

1.   Introduction

1.1   This report is intended to provide a background to and justifications for the amendments to the Consultation Protocol and seek agreement to the draft attached at **Appendix 1** for approval and adoption by Cabinet.

2.   Background

2.1   The Protocol has been in existence in various forms for some time. It was originally produced as a guidance note relating to consultations from central Government only and was not regularly relied upon.

2.2   The first consultation on the Lower Thames Crossing in July 2013 brought the Protocol prominently to the attention of Members and officers. It was relied upon to bring a report on the proposed response, to the Cabinet meeting as an information item as opposed to a formal decision. This approach was welcomed by officers and the Executive as pragmatic and efficient and was considered to be appropriate from a governance perspective as KCC was not making any decision.

2.3   Following this meeting, the reliance on the Protocol to justify the procedural route undertaken, and the first appearances of consultations on District Council Local Plans for some time, it was noted by officers that it created an odd and arbitrary distinction between consultations received from central government and those received from local government.

2.4 The situation as it was then would have required that a consultation from a district council on, say, sustainable drainage policy would have required a formal decision to respond (although this was not always happening) but a consultation from central government regarding a new motorway in Kent would have been the responsibility of officers with only informal input and endorsement from the Executive required.

2.5 This is particularly important when the opportunity to call-in a decision to scrutiny is factored in. Those responses most likely to be controversial would not be available to call-in, having not been subject to a decision, but those less controversial responses would be.

2.6 As a result it was agreed with the Leader that the Protocol would be amended to include consultations received from any government body.

2.7 Having significantly widened the remit of the Protocol and more explicitly identified in the minds of Members and officers the delegation of responsibility to officers for drafting and submitting responses to consultations, it was thought timely to properly adopt the amendments and formalise the delegation inherent in the Protocol.

2.8 In addition, a number of high profile consultations are currently being conducted or are due to be conducted and it is wise to have the procedure properly constituted in order that the most robust defence to enquiries about it from the public or other bodies can be put.

2.9 On deciding that this work was necessary and determining that an Executive decision was appropriate, amendments were made to the Protocol to reflect the governance elements inherent in it, such as the delegation of responsibility to officers and the rights and responsibilities attached to such delegations, including references to the Executive Scheme of Officer Delegation and Code of Member Conduct, in order to help Members and officers understand their particular roles within the process.

2.10 The Protocol was sent for comment to officers most likely to be affected by it. The additional material relating to governance and behaviours was not an issue and no comments were received on these matters, but comments were made about the existing content and its fitness for purpose. Having been created some time ago, some of the references were no longer helpful or relevant and further changes needed to be made.

2.11 These changes have now been included in the revised Protocol. In particular they reflect the involvement of the Information Point in gathering and distributing information on government consultations. There are also included some new responsibilities for Democratic Services (DS) to bring the fortnightly list to the attention of Cabinet Members' Meetings (CMM) and this has been included as DS attend CMM fortnightly to discuss Forthcoming Executive Decisions and therefore can conveniently add this list to the papers submitted.

2.12 In addition the matter was considered by SCS DMT where, except for one minor addition which is now included, it was agreed that the protocol should continue to cabinet member decision as proposed.

3. Financial Implications

3.1 None

4. Equality Implications

4.1 None

5. Legal Implications

5.1 The formal adoption of the Protocol, and adherence to it, is only one element of a strong position on a submission to a consultation, but adopting it in the way set out and as amended would strengthen the Council's position in any challenge received.

6. Conclusions

6.1 The amendment and formal adoption of the Protocol are necessary to formalise the delegation to officers who prepare consultation responses, to ensure that the Council has a consistent approach to producing responses, to protect officers' professional integrity and to allow Members, both executive and non-executive, to influence responses as appropriate.

6.2 It will also help to protect the Council from criticism levelled against it when responses are unpopular and provide clear pathways for escalation or sub-delegation of response writing, where appropriate, via the Executive Scheme of Officer Delegation.

---

9. Recommendation:

9.1 The Cabinet Committee is asked to consider and endorse or make recommendations on the proposed decision of Cabinet to adopt the Consultation Protocol as set out at appendix 1.

---

10. Contact details

Report Author: Lou Whitaker
Name and job title: Democratic Services Manager (Executive)
Telephone number:03000 416824
Email address: louise.whitaker@kent.gov.uk

This page is intentionally left blank

DRAFT - KCC PROCEDURE FOR DEALING WITH CONSULTATIONS

1. Introduction

a) For the purpose of this protocol 'consultation' shall include:

(i) any correspondence received from any body seeking a response to proposals they are considering implementing or policy or strategy they are considering adopting

(ii) those occasions where KCC is being asked to contribute to a joint response from one body (e.g. KMEP, LEP, JTB) to another

(iii) consultations where KCC is a statutory consultee and has a duty to respond, such as in planning applications and local plan development and those where it is a non-statutory consultee.

(iv) those consultations to which a Cabinet Member requests that a response be made.

b) This Procedure is designed to sit alongside any detailed guidance Directorates may have to cover their own requirements and internal processes. Its aim is to ensure that:

(i) responsibility for the drafting and submission of consultation responses is clear and properly delegated to officers

(ii) general principles for dealing with consultations are applied consistently across the Council

(iii) all consultations are given the appropriate level of consideration by the relevant Cabinet Member, Corporate Director or senior staff and non-executive Members, and each has an opportunity to influence the response where appropriate

(iv) any Member can view on KNet consultations received and responses made on behalf of the Council

c) The Government's Code of Practice on written consultation[1] lays down a standard period of 12 weeks for government consultations, although increasingly they are becoming shorter, other consultations normally run for between 4-12 weeks and the urgency of the response required will also influence the approach taken.

2. The Process

a) There are a number of routes through which consultations can be received by the Council. The Information Point maintains a database of Government consultation exercises to identify relevant and forthcoming consultations.

b) When a Consultation is identified by the Information Point or received by another officer, Cabinet Staff Officers or Executive Assistants must be notified and they in turn must notify their Cabinet Member and relevant Director who together will determine:

---

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2695/code-practice-consultations.pdf

* relevant officer will be the

(i) whether or not a response should be made:

1. No response - some consultations may be regarded as relatively unimportant, un-contentious or technical in nature and the relevant officer, in consultation with the Cabinet Member can determine that a formal response is not required.

2. Level 1 response - others will be important but relatively uncontentious, related to the work of only one Directorate and within the remit of only one Cabinet Member portfolio. In these cases, a response will be drafted by the relevant officer in consultation with the Cabinet Member.

3. Level 2 response - for particularly important or contentious consultations or where more than one Directorate or Cabinet Member portfolio is affected, Directors should take responsibility for ensuring that, all appropriate parties are consulted on developing a response.

(ii) If a response is to be made, the relevant officers in consultation with the relevant Cabinet Members must decide whether (and, if so, how) additional Members (for instance, political Group Leaders or relevant Local Members) and committees (e.g. Cabinet or the relevant Cabinet Committee) should be involved in an advisory capacity. In practice most level 2 and some level 1 consultations will be considered by the relevant Cabinet Committee.

(iii) It may be appropriate for advice to be sought from more than one body as a draft response is prepared, relevant Members may be consulted by email if a meeting is not to be held within the required timeframe.

d) Once the preferred approach has been agreed, and in any event not less than five working days after the consultation has been received, Directorates should "star" rate the consultation in terms of its perceived importance and pass this detail to the Information Point along with the proposed sign off route. Star ratings are assigned as follows:

3 star – High Importance
2 star – Medium Importance
1 star – Low Importance
0 Star – No further action

The Information Point in conjunction with Democratic Services will arrange for a list of all the consultations which the Council has received to be reported to Cabinet Members collectively on a fortnightly basis. This list will include the following information:

(i) Consultation title

(ii) The date the consultation was received

(iii) Who the consultation has been issued by and details of how to respond as an individual

(iv) A description of the subject, whether it is proposed that a response will be made and, if so, the date by which it must be submitted

(v) The proposed course of action/star rating

       (vi)   Details of the relevant officer and Member to whom representations can be made to influence the KCC response

e)   The list will be published on line fortnightly by the Information Point

f)   A draft response will be published to the KNet page and an email alert sent to all Members. At this point comments may be received and can be reflected in the response.

g)   If comments are received but are not reflected within the draft response. Members will be advised to submit a response to the consultation directly.

h)   Directorates must send a copy of the final response to the Information Point for publication on KNet and in the next appropriate edition of the Members Information Bulletin.

i)   Any Member not satisfied with the final KCC response, or lack of response, may submit an individual response to any consultation. Information on how to do so will be included at stage (iii) of the process above.

3.   **Other relevant Information**

a)   The Code of Conduct applies to Members acting in their official capacity on behalf of the authority, either alone as part of a meeting, and therefore applies to the undertaking of steps within this Protocol. Members should be mindful of any interest that they may have in the subject matter of any particular consultation. Where a Member believes that they have an interest in the matter they must not seek to influence the response nor take part in any of the drafting of that response.

The Council's Constitution states that:

Where you have a Disclosable Pecuniary Interest or Other Significant Interest in any business of the Authority where you are acting alone in the course of discharging a function of the Authority (including making an executive decision), you must:

     (i)   notify the Monitoring Officer of the interest and its nature as soon as it becomes apparent
     (ii)   not take any steps, or any further steps, in relation to the matter except for the purpose of enabling the matter to be dealt with otherwise than by you
    (iii)   not seek improperly to influence a decision about the matter

b)   Members are reminded that non-declaration of a disclosable pecuniary interest is a criminal offence. Members may, of course, respond to the Constitution as an individual, not representing the Council.

c)   Officers must also be mindful of any interest that they may have in any matter on which a consultation response is requested. A register of financial and non-financial interests is maintained by each Directorate. HR maintains a register for senior managers, who should ensure appropriate entries are made and the nature of any potential or perceived conflict of interest is recorded in the register. Officers are advised in the event that they have an interest and could be perceived to be conflicted, that another officer undertakes the necessary actions related to the drafting of the response. If the response is very technical in nature and only one

officer may be qualified or able to draft the response, a dispensation should be sought from the Monitoring Officer.

d) The Convention on Member:Officer relations contained in the Council's Constitution seeks to reflect the principles underlying the respective Codes of Conduct that apply to Members and officers and is a useful guide when officers are acting under delegated authority.

e) This Protocol constitutes a delegation of authority to respond to consultations to the appropriate officers. While these powers are exercised after consultation with Cabinet Members, it must be recognised that while ultimate accountability rests with the Leader, it is the officer who takes the decision and who is accountable. Therefore, they must at all times be true to their professional judgment. As such, it is important that any dealings between Members and officers should observe standards of courtesy and that neither party should seek to take unfair advantage of their position or seek to exert undue influence on the other party.

f) Under the Executive Scheme of Officer Delegation, any officer may escalate the delegation to a more senior officer or to the Cabinet Member. Likewise any Cabinet Member may at any time require officers to refer a matter that would otherwise be taken under existing delegations to either themselves or Cabinet for decision.

Geoff Wild
Director of Governance and Law

June 2016

From: Paul Carter, Leader of the Council
                 John Simmonds, Cabinet Member for Finance & Procurement
                 and Deputy Leader
                 Andy Wood, Corporate Director of Finance & Procurement

To: Policy & Resources Committee 8th September 2016

Subject: **Business Rate Devolution Consultation**

Classification: **Unrestricted**

Summary:
The government launched a consultation paper "Self-sufficient local government: 100% Business Rates Retention" on 5th July. This consultation deals with the legal aspects of the proposed devolution of all the proceeds from local business rates to local authorities, as announced in the Autumn Budget 2015 and Queen's Speech 2016. It is anticipated that a bill will go before parliament in this session.

At the same time the government also launched a separate call for evidence paper on Needs and Redistribution to help reset the existing distribution of funding through baselines and tariffs/top-ups. This redistribution aspect is vitally important but does not require primary legislation.

This reports sets out the main issues in both the consultation paper and the call for evidence together with KCC's initial assessment. KCC's final response will be reported to Cabinet on 26th September and submitted that day (the deadline for responses)

Recommendation(s):
Policy and Resources Committee is asked to NOTE the report and make recommendations on any aspects which should be considered to be included in the formal response to the consultation and call for evidence papers.

1.   **Introduction**

1.1   The current arrangements for local government finance were introduced in 2013. These allow for 50% of business rates to be retained locally (subject to tariffs and top-ups which perpetuate the national pattern of redistribution under previous grant regimes). The remaining 50% is pooled nationally and allocated via revenue support grant (RSG) and other grants to fund local authority services (details of which grants are funded from the central share have not been made available).

1.2   The current arrangements are incredibly complex and have been comprehensively explained in KCC's Medium Term Financial Plan (MTFP) documents. Significant changes to local authority funding arrangements were previously made in 2006 and 2011. This illustrates that local authority funding reviews are commonplace and can be fast moving.

1.3 The biggest challenges under the current arrangements are the significant reductions in RSG which have been made since 2013 (and are planned up to 2019-20), and the level of financial risk that councils face due to business rate appeals and avoidance. In two tier areas the upper tier authority is largely immune from volatility in business rates as they receive a small share of the local yield (18%/20%) and receive a large top-up based on historic baseline grants.

1.4 The distribution of RSG was altered in 2016-17 with reductions made pro rata to a combination of historic grant and council tax income (previously reductions had been pro rata to individual elements within RSG). This change was announced in December 2015 with no prior consultation or notification and had a significant detrimental impact on KCC's grant settlement (and those for other shire areas). We have consistently challenged the RSG distribution on the basis it inadequately reflects needs in shire areas and we opposed the late changes introduced for 2016-17 as a further retrograde step.

1.5 The government's intention to allow local authorities to keep 100% of the local business rates and to scrap core grants was first announced at the Conservative Party conference in 2015. It was subsequently confirmed in the Autumn Budget Statement in November 2015 and included in Queen's Speech in March 2016.

2. **Essential Features of New Proposals**

2.1 The use of property based taxes to fund local services dates back to medieval times. In Kent we have one of the best documented examples where landowners on Romney Marsh paid a local tax to fund the maintenance of sea defences and land drainage. This local tax was in force from 1252 to 1932. Business rates were used more widely as the basis of Elizabethan Poor Laws and provided revenue for municipal corporations established in the 19th century.

2.2 The concept of redistributing business rate income via a block grant mechanism is more recent, having been introduced in 1929. This was the start of the trend throughout the 20th century of increasing centralisation of business rates. This culminated with the introduction of National Non Domestic Rates in 1991 which put in place national arrangements for the first time with all yields pooled and redistributed via block grant. Only recently has this trend started to reverse through the un-ring-fencing of grants and local retention. The latest retention proposals should continue and extend this de-centralisation.

2.3 Under the proposed new arrangements individual authorities would retain all the proceeds from local business rates. It is estimated this will amount to an extra £12.5bn by 2020. It is clear that the government intends this will come with matching new responsibilities i.e. existing spending, and thus will not compensate for planned RSG reductions up to 2019-20. The consultation makes no reference to how the other local authority grants (unspecified) currently funded from the 50% central share of business rates will be treated following 100% local retention.

2.4 It is clear that under the new arrangements individual authorities will not necessarily keep all the business rates raised in their local area and a system of redistribution based on tariffs and top-ups will continue. Effectively this means that 100% retention means local authorities retain 100% of any growth in the tax base (or suffer from any decline), rather than retaining 100% of the yield. The baseline for these tariffs and top-ups will need to be agreed as part of the new arrangements. The existing baseline for the current 50% retention will also be reviewed as part of the new arrangements (but this does not require primary legislation and hence is covered in a separate call for evidence and later consultation). The baseline for the newly devolved responsibilities will need to be established once the areas for further devolution have been agreed.

2.5 The devolution aspects of the new arrangements are likely to be the most contentious, and are considered in the subsequent section. The consultation also deals with local flexibility over business rates, rewarding growth and sharing risk, and accountability and accounting issues.

2.6 Some changes to business rates were announced in the March 2016 Budget:
- taking the smallest businesses (those with a rateable value of less than £12,000 such as small shops, vehicle repair workshops, etc.) out of business rates altogether through permanent relief from April 2017
- allowing more businesses (those with rateable value under £51,000) to be charged the lower business rate multiplier from April 2017
- the NNDR multiplier or all businesses to be uprated by Consumer Price Index (CPI) from April 2020

These changes will reduce the business rate yield. At the time of the announcement it was confirmed that local authorities would be compensated by a separate grant. There are no further details about this grant in the consultation.

3. Devolution Proposals

3.1 By far the most significant aspect of the new proposals is the devolution of additional responsibilities. The consultation states that this devolution should be fiscally neutral i.e. at least equivalent to the additional local share to be retained, and allows for top-up funds if the further devolution exceeds the additional business rate income.

3.2 The consultation proposes that the devolution should be founded on four core principles:
- Build on the strengths of local government i.e. represent opportunities for greater integration across local services, remove barriers, reflect appetite for local delivery and local capacity
- Support the drive for economic growth e.g. links to local employment, skills and infrastructure
- Support improved outcomes for service users and local residents
- Take account of medium-term financial impact on local government e.g. costs should be predictable, relative to changes in business rate tax base, demand is stable or can be managed

These principles appear to be sound; however, some of proposed responsibilities in the paper do not appear to fit well with them.

3.3   The consultation paper suggests 10 possible areas for further devolution. The majority of these represent existing grants already paid to local authorities e.g. remaining RSG, Rural Services Delivery, Public Health, Early Years, Youth Justice, Council Tax Support and Pensioner Housing Benefit Administration Subsidies, and GLA Transport. The possible transfer of grants also includes the Improved Better Care Fund planned to be introduced from 2017-18.

3.4   It is questionable whether transferring existing grants to be funded out of local business rate yield constitutes further devolution. It achieves the aspiration of fiscal neutrality and where it includes the un-ring-fencing of grants allows some additional local flexibility.   However, it also means that income to support these activities is likely to be more volatile as a result of changes in the business rate tax base (in many cases these grants are currently allocated according to either activity or relative need). For example the Early Years element of Dedicated Schools Grant (DSG), worth around £2.7bn to local authorities in 2016-17, is currently allocated according the actual number of 2, 3 and 4 year olds taking up the Early Years offer. This could present a significant financial risk for some local authorities.

3.5   The most significant proposed further devolution would transfer responsibility for Attendance Allowance payments to local authorities from the Department for Work and Pensions. Attendance Allowance is paid to approx. 1.5m UK residents aged over 65 who have care needs (need help with daily activities). It is non-means tested and applies to claimants with disabilities or illness. It does not cover those with mobility needs. It is paid as a weekly amount (£55.10 or £82.30 depending on severity on need) directly into recipients bank accounts. It does not have to be spent on care support. It is estimated that total spending on Attendance Allowance payments will be £6bn by 2019-20.

3.6   The proposed devolution of Attendance Allowance is likely to cause most comment in consultation responses. At this stage it is unclear whether the proposed devolution would leave local authorities with the responsibility to administer the current scheme or whether authorities would be able to vary the criteria and/or amount (it is clear that support for existing claimants would be protected). There is a strong risk that responsibility for a growing demand for Attendance Allowance ends up being devolved due to an ageing population.

3.7   There are also concerns that Attendance Allowance is non-means tested (while other aspects of local authority social care remains means tested), and devolution could lead to earlier contact with potential social care clients (with the attendant risk of rising demand for local authority social care) and income from charging could reduce (if the authority had the option to reduce Attendance Allowance amounts).   There are also concerns that devolution risks undermining the vital role played by Attendance Allowance in keeping people out of the formal care system, of supporting carers (and their access to Carers Allowance), as well as a number of other potentially significant issues if devolution means authorities have to consider reducing Attendance

Allowance for new clients. The proposed devolution of Attendance Allowance does not include Personal Independence Payments for those aged under 65.

3.8 The other main area that is likely to draw comment in consultation responses relates to unfunded pressures. At a time when funding from central government has been reducing for a number of years (and the power to raise council tax has been limited by referendum requirements) most local authorities have had to deal with rising demand for/cost of services. Many of these additional spending pressures are either a direct result of central government policy e.g. National Living Wage, removal of National Insurance rebate; or arise from demographic or economic trends. This has meant that most local authorities have had to make far greater savings than those required to offset the central government funding reductions. The local government sector is likely to make the case that first call on the additional funding available from 100% business rate retention should be to compensate for these unfunded pressures. The main problem with this is that using the business rate income in this way would not meet the fiscal neutrality condition.

3.8 The consultation considers separately whether the funds from 100% business rate retention could be used to support devolution deals. This carries the risk of making an already very complex system even more complex as authorities in different areas could end up having different responsibilities funded from the same source. This is unfortunate, particularly as some of the spending covered by devolution deals (especially that relating to adult education, transport infrastructure and local growth fund) is the spending that we have identified should be a priority to be devolved to "historic county" level. This spending more closely fits the 4 core principles than some of the spending proposed to be devolved to all authorities (see above). Consideration of whether Mayoral Combined Authorities should be given additional powers under business rate retention is a consistent theme throughout the consultation.

4. Other Consultation Issues

4.1 The consultation deals with how authorities should be rewarded from business rate growth and how risks can be shared. In particular it considers how often the funding system should be reset and whether the resets should take account of the business rate growth which authorities have retained in the intervening periods. The government is keen that the new arrangements give local authorities the right incentives to promote economic growth. The consultation confirms that the new arrangements will not include a levy on any growth. Balancing this improved incentive to promote growth with the need for a sufficiently nuanced system that ensures authorities have sufficient funding to meet statutory obligations is likely to be difficult and finely balanced.

4.2 The section on rewarding growth and sharing risks considers the interaction between local authority funding and the periodic revaluation of business rates. Currently business rates are revalued every 5 years (although the review for 2015 has been deferred until 2017). The government is considering whether reviews should be undertaken more frequently and reform to the appeal system to make the impact less unpredictable. The national multiplier is reset

at each revaluation to maintain a consistent overall yield. The revaluation in individual areas is linked to market rental and is an indicator of overall economic conditions. The business rate income for local authorities would rise and fall in line with revaluations and the consultation considers whether this should be reflected through changes in the funding system or whether authorities should retain a share of the impact of revaluations as well tax base changes through new/changed businesses.

4.3 The consultation provides an opportunity to comment on the current 80:20 split in two tier areas and whether this split should be changed under the proposed 100% retention. The advantage of the low share for upper tier authorities is that they are largely cushioned from the impact of tax base changes (since the majority of funding comes through the top-up). This provides a degree of assurance for demand led services like social care. The downside is that upper tier authorities may not receive adequate incentive for promoting growth. The corollary is that lower tier authorities could be over incentivised/bear too much risk from business rate decline. The consultation also considers whether Fire Authority funding should be removed from business rate retention arrangements.

4.4 The consultation identifies that some authorities have already identified their exposure to financial risk under the current arrangements and this may be even greater under 100% retention. These risks can either arise from revaluations/appeals or changes to the business use of premises (including closure from business failure). In particular the consultation considers whether this exposure could be managed by transferring high risk national infrastructure to the central list (business rates paid directly to CLG) e.g. power stations, national airports, etc. The consultation also considers whether risks can be managed by establishing new wider "area based" lists which by their nature would mitigate risks. The consultation also considers how a safety net could insulate authorities from shocks (significant reductions in business rate yields).

4.5 The section on business rate flexibility considers a number of options to allow local authorities greater control over the amount of business rate levied. The government has already announced its intention to allow authorities to reduce the multiplier in their area (the consultation considers how this should work in two tier areas) and to allow Mayors to raise the multiplier (the consultation considers how this sits with existing supplementary business rate powers). The consultation also considers the impact of decisions to vary the multiplier in neighbouring authorities and impact of consequential business rate migration.

4.6 The accountability and accounting section deals with the balance between central and local accountability, collection fund accounting and how 100% retentions sits with the requirement on local authorities to set a balanced budget.

5. Needs and Redistribution

5.1 The resetting of the existing baseline is covered in a separate Call for Evidence. This aspect of the new arrangements does not require primary legislation and thus can be resolved over a longer period. It is nonetheless

an important consideration as it deals with resetting the existing top-up and tariffs, as well as the distribution of some of the grants proposed to be devolved via 100% retention (principally the remaining RSG and Improved Better Care Fund).

5.2 The call for evidence focusses on the formula to be used to assess local authority needs. In particular it considers the extent to which this should be simple/transparent compared to a more complex approach (which should in theory be more nuanced towards individual needs). We remain convinced that a simple formula is possible and should be satisfactory for the vast majority of authorities if it focuses on getting a more accurate allocation for the material aspects of local authority spending. For most authorities the vast majority of the budget (excluding schools) is spent on adult social care, children's services, capital financing, waste collection/disposal, public transport, highway maintenance/management, and planning/building control.

5.3 We have consistently contended that the funding allocated by previous block grant and specific grant mechanisms does not adequately take account of spending needs in county areas. This can be evidenced by the lower per capita grant allocations, lower core spending power (which includes both grants and council tax, and despite our reservations is the government's preferred approach to assessing local authority spending) and higher levels of council tax.

5.4 We will also be contending that since the baseline will be used to determine tariffs and top-ups for a number of years until the next reset, the formula should include forward looking indicators. These should be based on forecast trends e.g. population growth, and not rely on backward looking indicators such as previous census or regression against current spend. This latter aspect is particularly relevant as we contend that spending is influenced by the previous funding arrangements (which we believe are flawed and thus regression risks crystallising this previous pattern of redistribution).

5.5 The Call for Evidence also considers how a local authority's ability to raise income through council tax and business rates should be reflected in the needs based formula. We are largely supportive that income should be included in the calculation and that it should include all major sources of income e.g. car parking charges, but should not include discretionary decisions of individual councils to levy additional income (this was one of our chief criticisms of the changes introduced to RSG in 2016-17 in that authorities were penalised for historical discretionary decisions over council tax levels).

5.6 The Call for Evidence also considers transitional arrangements, the geographical area to which needs assessments should be applied and future resets. We are supportive of transitional arrangements as long as they ensure a manageable transition from the historical pattern to the new needs led distribution (a criticism of previous transitional arrangements is that they have effectively crystallised the previous distribution and prevented change). We can also see some merit in assessing needs at combined authority level as this should result in a simpler formula (although this will need much more evaluation particularly in two tier areas).

6. Conclusions

6.1 The consultation poses 36 specific questions, with a further 14 questions considered in the Call for Evidence. By its nature this is a very complex topic and some of the issues are technical while others have a significant policy implication. We have explored the main policy implications in this paper (particularly in relation to further devolution, rewarding business rate growth and managing business rate flexibility).

6.2 The proposed 100% retention marks a significant change in local authority funding arrangements. We have previously reported the possible issues arising from business rate devolution to County Council in March and comments made during this debate will be fed into KCC's response. We intend to report the full response to Cabinet on 26th September for agreement (which happens to coincide with the consultation deadline).

7. Recommendation(s)

Recommendation(s):

Policy and Resources Committee is asked to NOTE the report and make recommendations on any aspects which should be considered to be included in the formal response to the consultation and call for evidence papers.

8. Background Documents

8.1 DCLG Consultation and Call for Evidence
https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention

8.2 KCC Medium Term Financial Plans
http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/medium-term-financial-plan

9. Contact details

Report Author

- Dave Shipton, Head of Financial Strategy
- 03000 419418
- dave.shipton@kent.gov.uk

Relevant Director:

- Andy Wood, Corporate Director Finance & Procurement
- 03000 416854
- andy.wood@kent.gov.uk

From: Paul Carter, Leader of the Council and Cabinet Member for Business Strategy, Audit and Transformation

David Cockburn, Corporate Director Strategic and Corporate Services and Head of Paid Services

To: Policy and Resources Cabinet Committee – 8 September 2016

Subject: Welfare Reform Update

Classification: Unrestricted

Summary

This report provides an update on the current phase of working age welfare reform in the UK, considering both those major reforms already underway and further forthcoming changes to the benefit system. The report also includes some key issues for the Committee to consider.

Recommendation(s)

The Policy & Resources Cabinet Committee is asked to NOTE and COMMENT on the Welfare Reform Update report.

1. INTRODUCTION

1.1 Major reforms to the benefit system for people of working age have been ongoing since the changes initiated by the Labour Government in the first decade of the century. In brief the reforms have entailed increasing conditionality for benefit claimants with the aim of encouraging all who can, back to work. The underlying drivers are a desire to reduce dependency on state support, a belief that work is the best route out of poverty and an imperative to make significant savings to the welfare budget. Previous reports to the Policy and Resources Cabinet Committee have outlined these reforms in detail, the current data on key indicators and the potential implications for Kent residents and Kent County Council.

1.2 In March this year the latest piece of legislation affecting welfare reform (the Welfare Reform and Work Act 2016) received royal assent. The Act together with related regulations and recent announcements by Government form the context for the latest round of reforms. In addition several major reforms initiated by previous governments (including Universal Credit and Personal Independence Payments) are still only partly implemented. This report summarises the key forthcoming reforms, those already underway and some of the related key issues pertinent to Kent residents and Kent County Council.

1.3 The report follows on from (but does not attempt to replicate) the comprehensive up-date on key indicators presented to the Committee by Business Intelligence on 14th March 2016.

2. OVERVIEW OF KEY CHANGES AND/OR CURRENT ISSUE

BENEFIT	CHANGE or ISSUE
Universal Credit (UC) - introduced in October 2013 to eventually replace and subsume six key means-tested benefits. Currently in all Jobcentres for single, childless, unemployed claimants.	Rollout to full service for all types of new claimant by September 2018; timetable for Kent not yet available but likely to only begin in 2017; transition of those on the "old benefits" to take place between 2019 and 2022. April 2016 – significant cuts to the work allowances (level of earnings after which the UC award starts to be withdrawn). April 2016 – parents on UC can claim back 85% of childcare costs, up from the previous 70%.
Personal Independence Payment (PIP) – since April 2013 DLA for people of working age is being gradually replaced by PIP.	Current award rate for new claims is 47% and for DLA reassessment claims 73% (figures following appeals are being sought). According to DWP official statistics for the South East, it is taking on average 13 weeks from the point of registration to the DWP decision (anecdotally some claims are taking much longer, particularly when a face to face assessment with ATOS, the medical assessor) is required). The 13 weeks is significantly shorter than the peak of 42 weeks in July 2014. People claiming under the special terminally ill rules are having their claims dealt with in six working days on average. Nearly all of these type of cases are found eligible for PIP (100% of reassessed claims so far).[1]
Attendance Allowance (AA) - the main disability benefit paid to people over 65.	The current Business Rates consultation includes a proposal to devolve AA to local authorities, to either administer locally or subsume into the total pot of available funding. Currently the reach of AA is far greater than that of adult social care (in Kent about 38,000 people are currently entitled to AA); receipt of AA (with the knock on impact on other benefits, a person's carers benefits etc) plays a key role in helping people self-manage their condition, thereby keeping these people out of the formal care system; the full financial impact on local authorities also includes the loss of income from charging and the impact on the residential care market (and by extension KCC) who rely on AA from self-funders in their financial planning.
Reductions to the overall Benefit Cap – (exemptions for people with disabilities, carers, other vulnerable groups and those	From 7 November this year the benefit cap will be reduced to £20,000 (£13,400 for single claimants) for those outside London and £23,000 (£15,410) for those in London. Information provided by the DWP (Kent Jobcentre Plus) is that they currently expect 3,063 households to be affected in Kent by the new cap (compared to less than 400

---

[1] PIP Official Statistics – data to April 2016 (DWP).

working at least 16 hours a week).	households under the current rules), although the figure is likely to change by the date of implementation (7.11.16).
Housing Benefit for Social Housing	April 2016 - rents for social housing are to be reduced by at least 1% per year until 2020. This is being done in an attempt to reduce spending on Housing Benefit. It will only benefit those tenants who are not claiming this benefit.

April 2018 - the current maximum Housing Benefit rates for private sector accommodation (LHA rates) will apply across the social rented sector from April 2018. |
| **Housing Benefit for Supported and Sheltered Accommodation** | The Government is currently reviewing how supported and sheltered housing is funded. The review includes consideration of whether the sector will be exempted from the above reforms or not (i.e. the 1% cut per year and the application of LHA rates to social housing). |
| **Employment Support Allowance (ESA)** People on ESA are in one of two groups: 1. The Work Related Activity Group   OR 2. The Support Group – for people too ill or disabled to undertake work-related activities. | From April 2017, for new claims, people in the Work Related Activity Group (WRAG) will receive the same rate as those on JSA, losing approximately £30/week (over £1,500 a year). There are corresponding changes being made to Universal Credit.

People in the ESA WRAG are <u>not</u> fit for work. They are fit for Work Related Activity in preparation but may not be able to start looking for work for a long time. 60% of people in this group are there for at least 2 years, while 60% of those on JSA move off the benefit within 6 months. |
| **Freezing of working age benefits** | Most working-age benefits have been uprated below inflation (1%) since the start of 2013. The Welfare Reform and Work Act introduces a freeze on working age benefits for four years, ending in 2020. It excludes benefits relating to pensioners, disability, carers and statutory payments. |
| **Limiting Child Tax Credit, UC and HB to the first two children** | April 2017 – a two child limit will be introduced. Currently 21% of families in receipt of Tax Credits have three or more children. The policy will not be retrospective and will only apply to children born after 6 April 2017. |
| **Benefits for young people** | April 2017 - 18-21 year olds claiming Universal Credit will have to either apply for training/apprenticeship or attend a work placement from 6 months after the start of their claim. In addition, from April 2017, Housing Benefit (or housing costs within Universal Credit) will not be available for the vast majority of 18-21 year olds. Certain vulnerable groups will be exempt from this rule.

April 2018 - the under 35 shared room rate restrictions will be extended to social housing. |
| **Sanctions for JSA, Universal Credit and Employment Support Allowance** | The most recent report to the Committee on key welfare reform indicators (14 March 2016) stated that the number of new JSA sanctions each month fluctuated from a peak of 1,414 in October 2013 to 461 in June 2015. The figure for March 2016 was 333. Regarding new ESA sanctions, the |

	figure for June 2015 was 63, with that for March 2016 being 48. As yet there are no statistics available for Universal Credit sanctions and therefore the apparent drop in sanctions for jobseekers should be viewed with caution. In addition there are generally falling numbers of JSA and ESA claimants due to an improving labour market and the figures need to be viewed in this light.

KEY ISSUES FOR THE COMMITTEE TO CONSIDER

3.   FINANCIAL IMPACT ON INDIVIDUALS

3.1   Several of the above changes are likely to impact on individuals dependent on benefits, including those in low paid work. Starting with the four year benefit freeze, the Institute of Fiscal Studies has estimated that this will affect 13 million families (including 7.4 million in work) who will lose on average £260 per year.[2]

3.2   With regard to the overall benefit cap, we do not yet have a full breakdown of how much individual families will lose in Kent but, as an example, indicative figures shared by Swale Borough Council show the following:
Swale currently has 45 families affected by the current cap but this is likely to rise to about 275 families when the new cap is introduced (indicative only at this stage). Of the 275 the breakdown is as follows:
   o   71 families losing £100 or more per week
   o   38 families losing between £80-£100 per week
   o   54 families losing between £50-£80 per week
   o   58 families losing between £20-£50 per week
   o   54 families losing £20 or less.

One way to become exempt from the cap is to move into work of at least 16 hours per week. However, it should be noted that 61% of households affected by the cap are likely to be lone parents, who face the biggest barriers to work.

3.3   The work allowance cuts created an overnight loss for all working Universal Credit claimants, and all new claimants will be affected by the cuts immediately. The amount of the loss will vary, but the Child Poverty Action Group (CPAG) has estimated losses will range from £234 per year (working couple with children who rent), through £554 per year (working single parent who rents) to £852 per year (single childless worker who rents) and £2,628 per year (working single parent who owns their home)[3].

3.4   Transitional protection will be provided for people currently receiving tax credits when they move onto Universal Credit, so this group will not see an immediate cash loss. However this protection is expected to be quickly lost as the total

---

[2] Benefit changes and distributional analysis (Andrew Hood, IFS).
[3] CPAG – Universal Credit: cuts to work allowances (May 2016)

amount will be frozen at the point of transition, and will remain so regardless of changes in circumstances.

3.5   Lone parents are particularly affected by the cuts to work allowances, yet they are the group who find it hardest to start work or increase hours. A related forthcoming development is that from April 2017 lone parents will be expected to be available and search for work once their youngest child is three. Currently the relevant age is five.

3.6   The recent introduction of the National Living Wage (NLW) will help low income families to some extent. However a Resolution Foundation report[4] states that this "is unlikely to do enough to offset poorer work incentives". The impact of the NLW and higher income tax thresholds will only really be significantly felt by those earning enough to move off Universal Credit altogether.

3.7   The loss of approximately £30 per week for those on ESA WRAG is likely to cause financial uncertainty for some people in this group which may undermine their ability to prepare for eventually returning to work. It is also likely to have a significant impact on clients eligible for KCC social care – it may undermine the recovery process and may have a knock-on effect on KCC budgets (together with the changes to DLA/PIP) including through loss of charging income.

3.8   With regard to sanctions, concerns have been raised by many commentators (including Frank Field, the Chair of the Work and Pensions Select Committee[5]) about the way they are being implemented, with many recipients getting into debt, being forced to use pay day lenders, loan sharks and use food banks. The Social Security Advisory Committee has also raised concerns about the operation of sanctions including their actual effectiveness in getting people into work.[6] Their concerns include the fact that, under Universal Credit, sanctions are being extended to people already in part-time work, to persuade them to increase their hours.

4.   HOUSING

4.1   There is a concern that various reforms will have a significant impact on the affordability and future provision of social housing. This risks further restricting the housing available to families on low incomes, with a potential associated rise in people living in unsuitable accommodation and homelessness presentations.

---

[4] Resolution Foundation – A budget for families? The impact of the summer budget on work incentives in Universal Credit (2015)
[5] Fixing Broken Britain? An audit of working age welfare reform since 2010, Frank Field and Andrew Forsey, Civitas January 2016
[6] Universal Credit: priorities for action (SSAC 2015).

4.2   The Kent Housing Group[7] has projected that the new overall benefit cap will bite far more deeply than the existing cap, hitting a much larger number of tenants and children than before, and its impact will not be confined to larger families. In some parts of Kent it is expected to make smaller sized units (2 and 3 bed homes) unaffordable to households affected by the cap; 4 bed homes are already affected by the existing arrangements. A major concern is the impact that this will subsequently have on evictions and homelessness and the knock on effect of an increase in the use of temporary accommodation. If social housing becomes unaffordable then there is no other tenure available to respond to the unmet housing need arising from the implementation of this policy (private sector accommodation is significantly more expensive).

4.3   Housing Associations across the country, including in Kent, have expressed serious concerns about the 1% per year reductions in social housing rents. The Kent Housing Group[8] estimate that for Kent & Medway Associations' rental income in the period 2016/17 to 2019/20 could drop by around £148 million and Local Authorities' income by over £68 million. They have stated that, whilst there may be room for some efficiency savings to offset this loss of income, the main impact will be reducing the delivery of new housing, with possibly 600 fewer new homes each year. They also predict that more homes are likely to be provided for outright sale and shared ownership at the expense of a significant reduction in much needed rented homes. This will adversely impact on Local Authorities' ability to meet the housing need of low income households on their housing registers, who cannot afford any form of home ownership, as the provision of rented homes dwindles.

4.4   The current maximum Housing Benefit rates for private sector accommodation (LHA rates) will apply across the social rented sector from April 2018. Many social tenants will be unaffected as rents tend to be significantly lower than private sector rents. However supported and sheltered accommodation, being more expensive will be affected if the reform is extended to this sector (as yet unclear). Also under 35s will be affected as, according to Shelter, about 90% of shared room rates in the social housing sector are currently above the LHA shared room rate (60% are £20 or more above).

4.5   Unless Supported Accommodation is given clear exemption from the current wave of reforms affecting housing, this will clearly impact on a whole range of supported and sheltered housing schemes as such schemes are more expensive to build and make financially viable. This includes Older Persons Extra Care Housing, sheltered accommodation, various Supporting People schemes (including for domestic violence, homelessness), specialist schemes for people with learning disabilities or mental health problems. Such schemes play a key role in keeping people safe and well in their own communities, a fundamental element of KCC's current Accommodation Strategy, supporting in

---

[7] Impact of the proposals in the Budget and housing and welfare legislation on housing delivery, especially affordable housing (Briefing paper by Kent Housing Group and Kent Developers Group – October 2015).
[8] Ibid

the process the Council's Strategic Statement.[9]   The consequence is likely to be higher costs for the local authority in the long run.

4.6   If the reforms do impact on social housing, as outlined above, this is likely to be counterproductive in terms of reducing the long-term benefit bill, if more people are forced to rent from the private sector. As a recent National Housing Federation report points out, in the last seven years the number of private renters on Housing Benefit has increased by 42%. Throughout the UK private sector rents are significantly higher than rents for social housing. This is particularly the case in London and the South East. In the South East the average difference is approximately £30 per week.[10]

5.   EMPLOYMENT

5.1   Universal Credit was originally conceived to provide a smoother transition into and out of work and to make work pay for the majority of claimants. However its efficacy in respect of work incentives is now being seriously questioned, including in a report by Frank Field, Chair of the Work and Pensions Select Committee.[11] Concerns include the fact that the new single benefit withdrawal rate of 65p in the pound will actually lead to higher marginal tax rates for some claimants than under the current system. This is compounded by the fact that Council Tax Support and Free School Meals are not included in the new benefit. In addition reductions in, or cessation of, the work allowances[12], (that is the level of earnings after which a household's Universal Credit award starts to be withdrawn) have significantly exacerbated the situation since April 2016.

5.2   Unemployment rates in Kent do appear to be falling, in line with national trends[13]. Whilst there is information (from the ONS Business Register and Employment Survey) on the proportion of jobs that are full-time (approximately 65% since 2009), there is no data on the proportion of jobs that are at minimum wage levels and whether this has changed over recent years. In this regard it is noteworthy that of people reliant on working age benefits, an increasing proportion are in employment. For example, according to the National Housing Federation, 47% of private renters on Housing Benefit are in work. This is a significant increase from 2008 when the figure was 25%.[14] The Child Poverty Action Group has calculated that 64% of children in poverty are in working families compared with 55% in 2009.[15]

5.3   Whether or not unemployment continues to fall will depend on several factors. Of relevance is the design and implementation of the support given to those looking to enter the job market, particularly the long-term unemployed, those

---

[9] Increasing Opportunities, Improving Outcomes – KCC's Strategic Statement 2015-2020.
[10] Briefing: The growing Housing Benefit spend in the private rented sector (NHF – 20.8.16).
[11] Fixing Broken Britain? An audit of working age welfare reform since 2010, Frank Field and Andrew Forsey, Civitas January 2016
[12] Universal Credit (Work Allowance) Amendment Regulations 2015
[13] KCC Business Intelligence Statistical Bulletin on Unemployment in Kent (August 2016)
[14] Ibid.
[15] CPAG response to the All Party Parliamentary Group Inquiry into Child Poverty and Health.

with health problems, disabilities and people over 50. The Spending Review (November 2015) announced changes to the way claimants are to be supported into work. A new specialist Work and Health Programme (WHP) for claimants with health conditions or disabilities and those unemployed for over two years, will replace the national Work Programme and Work Choice once contracts expire on 31st March 2017.

5.4   The budget for WHP is likely to be £130 million per year for England and Wales and the devolved budget for Scotland may also have to come out of this. It is unclear how many claimants this is intended to support, but using the same unit price as the Work Programme this would support around 110,000 per annum. This would be a much lower level of funding compared to the existing Work Programme (only a fifth of the current scheme) and could result in either too few claimants benefitting from support or inadequate interventions.

5.5   Through devolution deals, the Government has committed to co-commission or co-design the new WHP with local authorities. However, recent reports in the sector press suggest that local authority influence may be limited by the DWP's desire to let contracts over large areas that cover a number of devolution deals. In addition it appears areas with devolution deals will be asked to use some of their own money to 'top-up' the available resources for the WHP.   Further information will be sought on these issues.

6.   ADULT SOCIAL CARE

6.1   There are a number of reforms to disability benefits (DLA/PIP and AA) and incapacity for work benefits (ESA) that run the risk of undermining the impetus in adult social care towards self-management and independence, keeping people outside the formal social care system for as long as possible. Although a fairly high percentage of DLA reassessment claims do receive an award of PIP, it is important to note that of those who do not, loss of the benefit may undermine the self-management of their condition.   The cohort of those receiving DLA/PIP is much larger than the cohort receiving formal care/support from KCC. Receipt of disability benefits (which often then leads to higher levels of means-tested benefits and access to other help) plays an important role in keeping people independent

6.2   Clearly the impetus behind some of these reforms is to encourage claimants into work. However it should be noted that receipt of disability benefits can actually assist a person into work. With regard to ESA it is also arguable that substantially cutting the amount paid to those deemed potentially able to return to work at some stage, risks undermining their recovery and thus their eventual return to work.

7.   KCC SUPPORT WITH BENEFIT ISSUES

7.1   Although many KCC staff working with children, families and vulnerable adults may give basic advice and/or signpost people to external agencies, specialist benefit advice within the council has been reduced in recent years given the

financial constraints on the authority's budget. From a team of twelve Area Benefit Advisers providing expert advice and representation (including at appeals) to both adults and children, the specialist team now comprises only four advisers. Since May 2015 the service has only worked with adults and there has been no KCC Benefit Service for Specialist Children's Service including the Disabled Children's Service.

7.2 With regard to people affected by the reforms to DLA/PIP and ESA, only individuals who receive a chargeable service from Adult Social Care can receive help from KCC Benefit Advisers. This includes help to appeal adverse decisions. Individuals not receiving chargeable services from KCC must seek help from external agencies such as Citizens Advice but, again due to cutbacks face to face representation at appeal tribunals (and even specialist advice) is not generally available.

8. KENT SUPPORT AND ASSISTANCE SERVICE (KSAS)

8.1 KSAS was set up by KCC in April 2013 following the localisation of certain parts of the DWP Social Fund. For those claimants that are eligible KSAS offers:
- Furniture and equipment
- Food and welfare items
- Energy vouchers
- Emergency cash awards

8.2 Analysis of KSAS applicants show that the vast majority are not otherwise known to KCC (almost 80%). Indeed intervention by KSAS has been proven to alleviate short-term hardship within vulnerable groups, thus preventing the need to call on statutory services (e.g. S.17 funds, Adult Social Care etc.).

8.3 It is difficult to state precisely the relationship between welfare reform and applications to KSAS. Further work is being done in this regard. However it is clear that KSAS provides invaluable short-term support to vulnerable individuals, arguably saving the local authority considerable long term costs in the process.

9. MIGRATION FROM LONDON

9.1 Migration from the Capital to Kent is not a new phenomenon and is an inevitable outcome of being a London-peripheral authority, symptomatic of differentials in London and Kent housing markets and the desirability of living in the county. Whilst this can apply pressure on public services, it remains relatively sustainable whilst movements are well-dispersed.

9.2 Currently, however, London Boroughs are facing a combination of budget cuts, increasing accommodation need and London housing market forces making the sourcing of social housing and temporary accommodation difficult and expensive. Other potentially contributory factors include the Benefit Cap and

1% rent reduction (discussed earlier). All these factors have resulted in Boroughs starting to look outside their areas and London to create capacity.

9.3   The long-term lease of accommodation at Howe Barracks in Canterbury to the London Borough of Redbridge is one of the largest cases to date and presents a serious set of challenges to Kent's public services. Whilst there is no direct link to welfare reform and this could simply be a one-off opportunistic procurement of an unusually large and unique site, Kent Local Authorities need to remain alert and ready to respond should a broader trend start to materialise. This issue will continue to be monitored.

10.   NEXT STEPS

10.1   KCC will continue to work with partners to identify the possible impacts of welfare reform, who is most affected and find ways to mitigate any adverse consequences. This includes working with the Joint Kent Chiefs Task and Finish Group on Welfare Reform, one of the five key areas of work prioritised by Kent Chiefs.

10.2   Discussions with Jobcentre Plus and the district/borough councils will continue to develop ways to assist the more vulnerable benefit claimants through the "Universal Support - Delivered Locally" programme.

10.3   Further analysis will be undertaken on the potential opportunities arising from the forthcoming new Work and Health Programme, including the links to devolution deals.

10.4   Monitoring and publication of the key indicators by Business Intelligence will continue.

Recommendation(s)

The Policy & Resources Cabinet Committee is asked to NOTE and COMMENT on the Welfare Reform Update report.

Contact Details

Report Author	**Relevant Director**
Chris Grosskopf	David Whittle
Policy Adviser	Director of Strategy, Policy, Relationships &
Strategy, Policy, Relationships	Corporate Assurance,
& Corporate Assurance,	Kent County Council
Kent County Council	

From: Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation

       David Cockburn, Corporate Director, Strategic and Corporate Services

To: Policy & Resources Cabinet Committee, 8th September 2016

Subject: Corporate Assurance Analysis Bi-annual Report

Classification: Unrestricted

Summary: This report outlines the key findings from Corporate Assurance on major change projects and programmes in the period April to September 2016.

Recommendations:

The Committee is asked to:

(1) **Note** the Corporate Assurance analysis bi-annual report.

---

1. INTRODUCTION

1.1 The Policy & Resources Cabinet Committee receives regular Corporate Assurance reports to keep Elected Members informed on developments within major change projects and programmes.

1.2 This report continues to provide an overview of change activity within KCC's change portfolios, in addition to analysis on variances to costs, benefits and milestones for major 'Tier 1' (business critical) projects and potential project activity.

2. BACKGROUND

2.1 In September 2013, KCC published "*Facing the Challenge: Delivering Better Outcomes*" which introduced four change portfolios to help manage an unprecedented level of complex change across the organisation.

2.2 The Corporate Assurance function was established in May 2015 to provide oversight, transparency and assurance of major change activity, providing confidence we are 'doing the right thing', as well as delivering things well.

2.3 Corporate Assurance uses a collaborative, constructive and relationship based approach. It liaises with colleagues who also offer advice, support and assurance for major change activity e.g. the Finance Special Projects

Team; Internal Audit; and Strategic Business Development and Intelligence.

2.4   It is important, as the recent informal governance arrangements introduced in April 2016 become established, that the Corporate Assurance function continues to evolve to remain relevant, and in particular contribute to both the Strategic Commissioning Board and Budget & Programme Delivery Board in a way that adds value.

2.5   As part of the effort to improve project / programme management skills and knowledge across the Authority, the Corporate Assurance Team and Portfolio Delivery Managers from the four change portfolios have been working with colleagues in the Engagement, Organisation Design & Development (EODD) Division to develop a Project and Programme Manager (PPM) Network.   This is a monthly forum, facilitated by an independent industry expert, covering core competences such as scheduling, business case development and cost/benefit articulation.

2.6   There is also work-in-progress focusing on the critical leadership role of the project, programme and portfolio Senior Responsible Owners (SRO) and Sponsors in ensuring the successful delivery of benefits.

2.7   The current 'tiering' of projects by financial value provides helpful and objective criteria for prioritisation.   However, alternative methods are being explored to take other factors into consideration such as complexity of the delivery environment, including reputational and political considerations for example.

3.   **KEY FINDINGS – APRIL TO SEPTEMBER 2016**

3.1   The key findings are taken from the analysis within the Corporate Assurance Report (**Appendix 1**):

a.   6 new Tier 1 projects have been introduced during the past six months. There are currently 13 Tier 1 projects, with 65 projects within the portfolios overall. 27 projects have stopped or completed this period. Of those 27, 8 are Tier 1 projects that have completed during this period.

b.   As we explore opportunities to use new technology, a significant proportion of projects and programmes still relate to major infrastructure and systems. They currently account for 54% of Tier 1 projects.

c. The majority of portfolio activity continues to be projects predominantly involving service redesign (e.g. the "Your Life Your Home" project, designing a future service model to support both existing and future Learning Disability users to live in the way they want through a range of new housing options), which account for 38% of current Tier 1 projects, 65% of all current projects within portfolios (Tiers 1 to 3) and 47% of potential projects. There are 19% of potential projects awaiting the project type to be confirmed.

d. The overall volume of current portfolio projects has remained stable during this period, with a growing number of potential projects emerging for 2016-17 (36 identified this month). It is important that further work is carried out across portfolios in the coming months to effectively prioritise the right projects to support KCC's strategic outcomes.

3.2 Over the past few months, a number of Tier 1 projects and programmes have been in the 'Do' or 'Review' project stages rather than the earlier stages of 'Analyse' and 'Plan'. The Corporate Assurance function conducts its 'Checkpoint' activity at these earlier stages in order to draw out critical issues for consideration to help strengthen proposals and business cases. Therefore this has limited the amount of formal assurance activity conducted.

3.3 However, early informal assurance has been given on several projects, allowing project managers the opportunity to respond to feedback, which has helped to enhance the quality of business case development. The impact of this informal assurance is being monitored both to aid continuous improvement in the Corporate Assurance approach and for audit purposes.

3.4 In the next few months, the Corporate Assurance function is planning to conduct 'checkpoint' or informal assurance on several Tier 1 projects / programmes, including:

- Adults 'Phase 3' Transformation assessment work
- Asset Utilisation Programme
- EYPS Systems Transformation
- The 4 projects resulting from the Future of In-house Provision review (relating to care homes)
- Projects within the User Access and ICT Infrastructure Programmes.

3.5 Key risks and issues during this period include:

a. The capacity and capability to support the volume of current projects, in addition to numerous potential projects, in the context of significant operational and financial pressures. Given these pressures,

consideration needs to be given on the robustness of the business cases to ensure the right projects are being started and are deliverable.

b. The quality and consistency of project information – particularly cost/benefit accuracy, continues to be an issue, although there have been signs of improvement in recent months where projects link to the Medium Term Financial Plan (MTFP). Several Project / Programme Manager Network sessions have already been held to support this area to increase understanding and improve capability, and future sessions will include exploration of how we can practically cost non-financial benefits bearing in mind that a significant number of benefits KCC aims to achieve are of a non-financial nature.

c. There is still further work to be undertaken to ensure cross-portfolio dependencies are identified, assessed and evaluated in sufficient detail in order to avoid resource duplication and aid successful delivery. This is being taken forward jointly by the Corporate Assurance Team and Portfolio Delivery Managers.

4. NEXT STEPS

4.1 Corporate Assurance reports will continue to be regularly provided to the Policy & Resources Cabinet Committee, providing insight and analysis on trends. Elected Members are welcome to provide feedback to ensure the reports add value.

4.2 We will regularly reflect and review the most appropriate future arrangements for the Corporate Assurance function, to support the Council's governance arrangements and ensure it stays relevant to the organisation.

5. RECOMMENDATIONS

5.1 The Committee is asked to:

(1) **Note** the Corporate Assurance analysis bi-annual Report.

Appendices:
Appendix 1: Corporate Assurance Quarterly Report

Background Documents:
Corporate Assurance Analysis Report, Policy & Resources Cabinet Committee, 11th December 2015

Corporate Assurance Analysis Report, Policy & Resource Cabinet Committee, 14th March 2016

Author:
Mark Scrivener, Corporate Risk & Assurance Manager
mark.scrivener@kent.gov.uk, 03000 416660

Relevant Director:
David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance
david.whittle@kent.gov.uk, 03000 416833

Overview of major projects and programmes in change portfolios

Corporate Assurance
Bi-annual Report:

April to September 2016

A: Key facts

13

Tier 1 projects/ programmes (September 2016)

65

Total Number of current projects/ programmes across the four Portfolios (September 2016)

52%

Projects scheduled to complete within 2016-17 financial year

6 — Tier 1 projects added to the portfolios during this period.

8 — Tier 1 projects have completed during this period.

27 — Projects in total have stopped or completed this period.

36 — Potential projects in September 2016 (have either not yet been formally approved or started yet, and may or may not progress into the Portfolios).

54% — Current Tier 1 Activity that is in the 'Analyse' or 'Plan' stages.

38% — Current Tier 1 activity that is in the 'Do' stage.

8% — Current Tier 1 Activity is in 'Review' stage.

B: Key findings

General findings

- The majority of portfolio activity continues to be projects to transform the way that public services are delivered (38% of current Tier 1 projects, 65% all current projects within portfolios and 47% of potential projects, with 19% of potential projects awaiting the project type to be confirmed).

- As we explore opportunities to use new technology, the volume of emerging major infrastructure and systems projects is increasing (44% of current Tier 1 projects in March but by September 2016 this had increased to 54% of current Tier 1 projects and 22% of all potential projects with 19% of potential projects awaiting the type of project to be confirmed).

- The number of current and potential portfolio projects has remained stable since the last report in March 2016.

Achievements this period

- Portfolios continue to prioritise the most critical projects that will help to achieve our strategic outcomes, with a stabilising number of Tier 1 (business critical) projects.

- Changes to governance with the introduction of the Strategic Commissioning Board (SCB) and Budget and Programme Delivery Board (B&PDB) are helping to improve oversight of change activity with a stronger focus on projects at the 'Analyse and Plan' stages and 'Do and Review' stages, proactively targeting strategic alignment, dependencies, risks, issues and sustainability.

- Early engagement and a more informal style of corporate assurance has given project managers the opportunity to respond to feedback and helped to enhance the quality of business case development. For example:
  - Future of In-House Provision (care homes) – Wayfarers project has directly responded to Corporate Assurance feedback, to aid project scoping.
  - Early Assurance was provided on the Education and Young People's Service (EYPS) Systems Transformation business case, with further assurance activity planned in September to help inform decision making.

- Continuous Professional Development (CPD) is still being offered at the Project & Programme Management Network. Recent sessions have focused on key areas of project costing and benefits.

- There have been over 1831 hits on the online Project & Programme Management Toolkit on KNet this period and 3766 hits since its launch in October 2015.

Areas for development

- The quality and consistency of financial information for projects still remains a priority for improvement. In particular, costs and benefits for Tier 1 projects need to be better defined. A Finance projects team has been established to offer financial advice and support for key projects to aid improvement in this area.
- Currently, the continuing lack of consistency in financial information means that the overall investment and benefit of all the change activity within Portfolios cannot be accurately calculated.
- Indicative cost/benefits need to be defined earlier in the Analyse stage, to ensure that we are starting the right projects that will help to achieve better outcomes, but are also affordable and represent value for money.
- Business cases are still sometimes perceived as a burden or additional product, rather than a necessary process to bring together evidence to support informed decision making.
- Cross-Portfolio dependencies are discussed, although this could be improved by more in-depth analysis.

Areas for consideration

- With the volume of potential major projects emerging, the capacity and capability to support both the current and future volume of project activity needs to be considered.
- In particular demand and capacity for corporate services to support a wide range of substantial change activity remains an issue.
- The current 'tiering' of projects by financial value provides helpful and objective criteria for prioritisation. However, alternative methods are being explored to take other factors into consideration such as complexity of the delivery environment, including the extent of change required and likely dependencies.

C: Portfolios Summary – September 2016

Number of Tier1Projects/Programmes
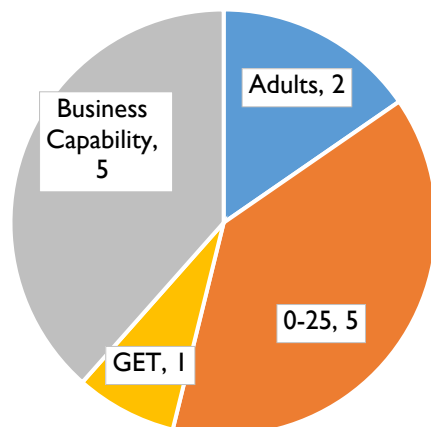
	Tier1
Adults	**2**
0-25	**5**
BC	**5**
GET	**1**
TOTAL	**13**

Adults
35 Total

2	Tier 1
16	Tier 2
11	Tier 3
6	TBC
18	Potential
2	Stopped/ Completed

0-25
12 Total

5	Tier 1
5	Tier 2
2	Tier 3
0	TBC
1	Potential
0	Stopped/ Completed

BC
7 Total

5	Tier 1
0	Tier 2
2	Tier 3
0	TBC
0	Potential
1	Stopped/ Completed

GET
11 Total

1	Tier 1
1	Tier 2
8	Tier 3
1	TBC
17	Potential
1	Stopped/ Completed

D: Overall volumes by month

Month	Total Activity	Total Tier 1 Activity	Potential	Stopped/ Completed	Current change activity identified within Portfolios			
					Adults	0-25	BC	GET
SEPT 15	115	31	14	13	44	52	7	12
OCT	96	21	7	4	43	33	7	13
NOV	68	16	22	8	39	10	7	14
DEC	67	18	10	4	36	7	7	17
JAN 16	70	20	10	7	35	14	8	13
FEB	63	15	35	1	38	4	9	12
MAR	65	16	33	2	38	5	10	12
APR	66	17	31	2	37	5	10	14
MAY	62	20	27	13	31	9	10	12
JUN	64	17	26	4	36	9	9	10
JUL	66	15	18	6	35	11	8	12
AUG	65	13	36	4	35	12	7	11

Since September 2015, the overall trend has been that the numbers of projects has reduced and then stabilised, as portfolios successfully prioritise business critical projects.

The volume of projects in each portfolio is becoming more stable and consistent, across all portfolios.

The number of potential projects has increased slightly from 33 in March to 36 in September.

The number of stopped/completed projects (paused, stopped prematurely or fully completed) has increased this period, from 10 reported in March to 27 in September of which 30% are projects completed.

E: 'Snapshot' summary of Major Tier 1 Projects & Programmes (as at August 2016)

T1 Projects by Portfolio	Stage	Project Cost	Project Benefit	Variation to Costs/Benefits	Next Key Milestones	End Date
Adults						
Your Life Your Home	Do	£2.387m	£3.74m (Target)		Internal review – Nov 16	Aug 18
Kent Pathways Service	Do	£1.15m	£1.29m (Target)		Implementation complete – Sept 16	Sept 16
0-25						
Education Alternative Service Delivery Vehicle (ASDV)	Analyse	£113k+	TBC		Options evaluation – Aug/Sept 16	Jul 17
EYPS Systems Refresh	Plan	£1.8m	£0 – Benefits are non-financial		Contract Award – Oct 16	Feb 18
Headstart Phase 3	Plan	£11m (£10m external funding)	£0 – Benefits are non-financial		Developing the plan – Aug/Sept 16	Aug 21
ContrOCC	Do	£1.3m	£0 – Benefits are non-financial		Disabled Children's Team go-live – Oct 16	Apr 17
Early Help Module	Do	£1.2m			Phase 4 complete – Sep 16	Dec 16
Business Capability						
Asset Utilisation	Analyse	Various mini projects	£1.688m(Target)		PID produced – Aug 16	Mar 18
ICT Infrastructure Programme	Analyse	£1.8m*	Cost avoidance		Storage Replacement proposal – Sept 16	Sept 17
User Access Programme	Plan	£852k**	Business continuity and performance upgrade.		Closure report for Smartphones – Sept 16	Mar 17
Legal Services Transformation	Do	£3.8m	£11.4m (over 10yrs)		Move into new premises – Nov 16	May 17
New Ways of Working	Review	£37.172m	£5.46m revenue pa. £15m cap. receipts		Programme closure & handover to BAU – Aug 16	Aug 16
GET						
SEN Transport Phase 2	Analyse	TBC	£2m		Contract live – Sept 16	Dec 18

+Costs to date and forecast costs to end of July 16
* Further costs to be defined – costs showing relate to the mass storage project – costs to the other projects are being developed.
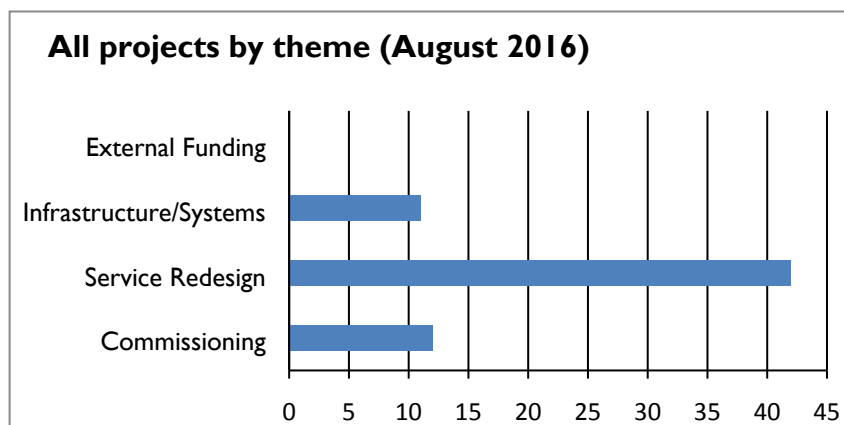**Further costs to be defined – costs showing are actual costs to date for the smartphones project.

Kent County Council
kent.gov.uk

F: Tier 1 by Theme

To support the business planning process, change activity is now being analysed by both portfolio and by theme.

38% of current Tier 1 projects (5 of 13 projects) are Service Redesign activity a decrease of 12% since March 2016.

During August 2016, an analysis of all 65 projects within the portfolios at that time indicated that 65% (42 of 65) of projects were Service Redesign activity.

T1 projects by Theme

Theme	Current T1 projects
External Funding	0
Infrastructure/Systems	7
Service Redesign	5
Commissioning	1

■ Current T1 projects

All projects by theme (August 2016)

Theme	Projects
External Funding	0
Infrastructure/Systems	11
Service Redesign	42
Commissioning	12

Kent County Council
kent.gov.uk
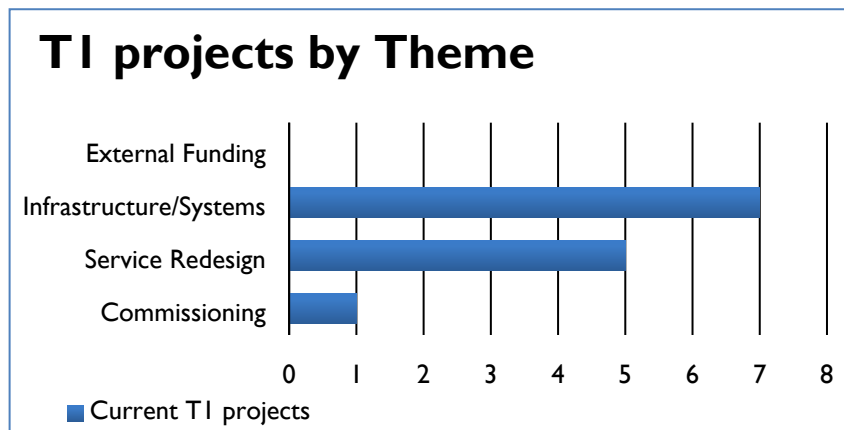
G: Tier 1 by Project Stage

Activity within the Analyse and Plan stages has recently increased by 7% (47% in July to 54% in August), which will increase the opportunity for more corporate assurance checkpoint reviews to be undertaken during the next period.

For information, all Tier 1 projects this period are summarised in Section L.

38% of projects are within the 'Do' stage, a decrease of 2% from July 2016. Of these, 2 projects will be completed this financial year (2016-17). 62% of projects will complete in 2017-18 financial year.

Closure/Lessons Learned Reports for projects in the Review stage are being collated, to analyse key learning points and opportunities to share with other project managers.

Tier1 Activity by Project Stage - September 2016
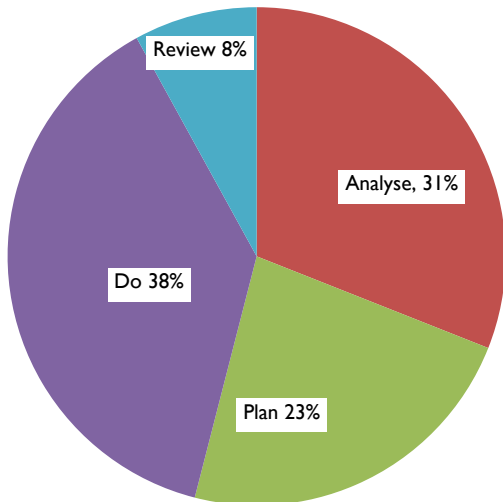
Analyse	31%
Plan	23%
Do	38%
Review	8%

H: Corporate assurance activity this period

Governance & Decision Making

New tools and guidance have been developed with key officers on KNet to support the new governance arrangements (i.e. Strategic Commissioning Board and Budget & Programme Delivery Board) and to make better connections with Democratic Services information on Decision Making.

Lessons Learned Log

Lessons learned log has been populated from completed projects across all 4 portfolios to draw out key lessons learned and will be shared at a future PPM Community meeting.

Customer Feedback Project

Troubleshooting has taken place to help move the Customer Feedback project forward. Working directly with the Adults and Children's complaints teams to agree a specification to go out to tender on.

Informal Assurance

Informal assurance carried out on the Future of In House Provision – Wayfarers project and the Southborough Hub project. Feedback given has had a direct influence on the scoping document and business case development.

EYPS Systems Transformation

Following the informal advice previously given to this project, the Corporate Assurance function and Portfolio Delivery Manager have been liaising with the project manager, with further assurance activity due in autumn 2016.

Project Management Support

Weekly project management support is being provided to the Kent Graduate Project Management strand to ensure best practice and delivery is achieved.

Other

Assurance had been planned for the Unified Communications Replacement, Adults Phase 3 and Public Health Transformation Programmes. These projects have not entered or only just entered the portfolios and therefore checkpoint reviews are planned for the next period of activity.

Kent County Council
kent.gov.uk

1: Portfolio by Portfolio: September 2016

Adults Portfolio

Since March, 19 projects have completed and 2 projects have been stopped. Out of the 19 completed 5 of these were Tier 1 projects – Acute Pathways, Enablement, Community Equipment Retender, Future of In House Provision Review and the Housing Related Support Review.

Acute Pathways and Enablement are now being managed and monitored under business as usual activity. Four Tier 2 projects came out of the Future of In House Provision Review one for each of the care homes proposals that were reviewed. A number of projects with tier to be confirmed have emerged from the Housing Related Support Review.

Activity across all tiers is likely to fluctuate in the coming months due to prioritisation as well as aligning existing projects to the Adults Phase 3 programme.

Pie chart (Adults Portfolio): Tier 1: 2, Tier 2: 16, Tier 3: 11, TBC: 6
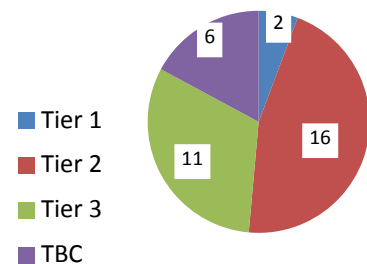
0-25 Portfolio

The 0-25 Portfolio has increased from 5 projects in March 2016 to 12 projects in August. The Tier 1 0-25 Unified Programme completed in June having gone through a successful 3-month 'sustainability' period. A further five Tier 1 projects entering the portfolio in May and June.

The increase in Tier 1 projects from 1 project in March to 5 projects in August is due to portfolio activity that has a direct correlation to both Education & Young People's Services and Specialist Children's Services being included.

Pie chart (0-25 Portfolio): Tier 1: 5, Tier 2: 5, Tier 3: 2, TBC
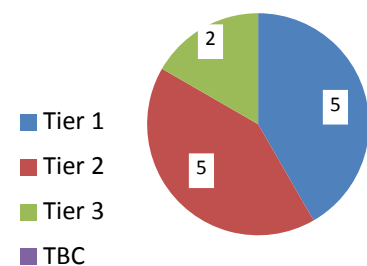
I: Portfolio by Portfolio: September 2016

Business Capability Portfolio

A number of projects have either changed tier or been incorporated in to another programme.

In May the Gateway Implementation Programme was incorporated into the Tier1 Asset Utilisation Programme. In June the only Tier 2 project, 'Managed Print' was incorporated into the Tier 1 ICT Infrastructure Programme.

The User Access Programme and ICT Infrastructure Programmes include a range of projects, with assurance to be undertaken at project level.

Agilisys Transformation is no longer being reported as a Tier 1 project and was reclassified as a Tier 3 project in June. This project was initially categorised as a Tier 1 project due to the strategic oversight required of a new contract which has now embedded sufficiently.

Property LATCO, a Tier 1 project, completed in July and exited the portfolio.
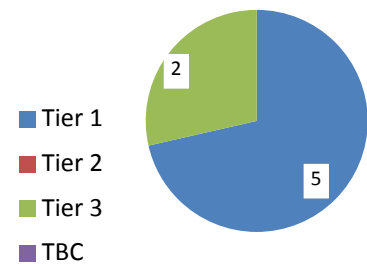
GET Portfolio

Activity within the portfolio has been consistent over this reporting period.

A new Tier 1 project has entered the portfolio – SEN Transport Phase 2.

Four projects have completed or been transferred out of the portfolio during this reporting period, one of which was a Tier 1 project - LED Street lighting. This has been transferred out of the portfolio and oversight for this project going forward will be managed by the Divisional Management Team.

This portfolio has a large count of potential projects.
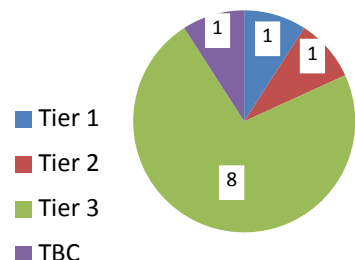
J: Potential Project Activity

Corporate Assurance tracks potential projects which are not yet formally approved or started yet, and may or may not progress into the Portfolios.

It is an important indication of change activity 'coming over the hill' which may have an impact on demand for corporate support, or need to be considered in the new governance arrangements.

36	**6**
Potential projects reported September 2016	Of these may be potentially significant projects

As relationships have developed, the understanding of forthcoming project activity has continued to improve. A number of potential projects have entered the portfolios over previous months increasing the number of potential projects from 33 in March to 36 in September 2016.

The majority of potential projects appear to be Service Redesign with 19% of potential projects still waiting for the theme to be confirmed.

Potential projects by theme (all Tiers)

Theme	Potential Projects
TBC	7
External Funding	0
Infrastructure/Systems	8
Service Redesign	17
Commissioning	4

■ Potential Projects
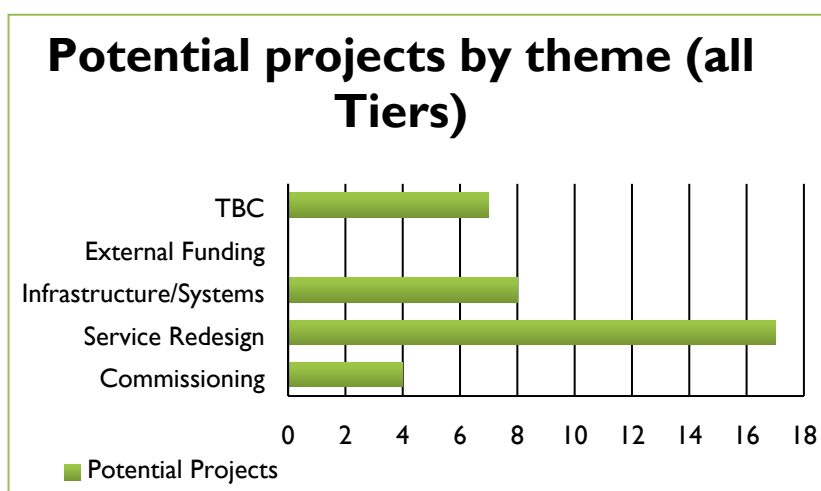
K: Corporate assurance activity next period

User Access Programme and ICT Infrastructure Programme	Projects within the programme will be selected for checkpoints which will be planned collaboratively with the PDM and ICT Assurance. Findings and recommendations will be reported to the Director of Infrastructure and ICT Board.
Adults Phase 3	Checkpoint approach being discussed with PDM and key stakeholders as work evolves. CA checkpoint to be conducted before completion of 'assessment' phase in the Autumn.
Asset Utilisation	Checkpoint timing and approach is being discussed with the PDM. Likely to be undertaken early Autumn 2016.
EYPS Systems Transformation	Further corporate assurance is planned for September.
Public Health Transformation Programmes	The Assurance approach for both the Children's and Adults Health Improvement Transformation Programmes is being discussed with Public Health. The main transformation activity has dependencies with 0-25 and Adults portfolios and will be explored further with relevant PDMs to see if there are gaps in assurance.
Future of In-House Provision	Additional informal assurance on project business cases to support decision making and detailed project plans.
Housing Related Support Review projects	Assurance approach to be confirmed with the PDM for the projects that have come out of the review.

L: Current Tier 1 projects

Asset Utilisation Programme

Portfolio:
Business
Capability

End Date:
March 2018

Start Date:
January 2016

Stage:
Analyse

What will the project deliver?
The project will provide:
- Improved preventative services.
- Opportunities to reshape and reconfigure provision to support the council's transformation ambitions and save money in the longer term.
- Options appraisal with a cost benefit analysis and associated risks to assist decision making.

Background
As part of the medium term financial plan £1.68 million of savings have been allocated against rationalisation of the non-office operational estate. In July 2015 a review was commissioned of the asset base, and the Infrastructure Team started working with services to review assets and to identify opportunity to use our assets in a more efficient way. This Programme is now being managed by GEN[2] who continue to work with the services to review assets. Some elements of the Programme are in delivery, with the implementation of the Gateway Services review in progress.

Where do we want to be?
KCC want to ensure that any reviews explore opportunities that can be presented through One Public Estate (integration with other public sector partners) as well as exploring multi-service buildings and creating opportunity for co-location of services. The outcome of the review and the implementation of its associated projects will result in an estate that is fit for purpose, continues to meet the needs of our residents and value for money.

How will we get there?
The project will provide:
- A number of projects to deliver the outcomes identified in the review.
- An efficient use of our assets, maximizing opportunities where possible (e.g. property running costs savings, income generation, sharing accommodation).

L: Current Tier 1 projects

Legal Services Transformation – Legal ABS

Portfolio:	End Date:	Start Date:	Stage:
Business Capability	May 2017	September 2013	Do

What will the project deliver?
When the project is delivered the end product will be a legal service that is better, cheaper and more profitable than the current successful in-house team. Benefits will include:
- A modern, effective, legal service able to undertake KCC's work to a consistently high standard
- Increased value for money for KCC and other clients
- A sustained and increasing shareholder dividend for KCC
- The formation of a valuable capital asset for KCC

Background
This project originated from 'Facing the Challenge' Programme, as part of the Phase 1 Service Reviews. The aim of this review was to:
- evaluate the current service offer
- consider alternative delivery models and
- assess how the service can best meet the continuing needs of the Council and the financial challenges over the medium to long term as central government funding reduces.

A Cabinet decision was taken on 21 March 2016 to proceed with the formation of an Alternative Business Structure (ABS) for the delivery of legal services.

Where do we want to be?
- New premises by November 2016
- Infrastructure in place
- Staff TUPE transfer to new Alternative Business Structure (ABS)
- Solicitors Regulation Authority (SRA) licence granted to enable trading by April 2017

By April 2017, a new ABS for the delivery of legal services to KCC and other public sector and commercial organisations will be established, with all mobilisation and transition planning in place.

How will we get there?
A project team has been set up to deliver the following work streams: Company set up; SRA application; Recruitment; Marketing and branding; Culture change; HR, Finance and ICT; Process review and redesign; Communications; Commissioning and governance arrangements; financial controls.

L: Current Tier 1 projects

New Ways of Working

Portfolio:	End Date:	Start Date:	Stage:
Business Capability	August 2016	November 2010	Review

What will the programme deliver?

The programme will provide:
- New Ways of Working spaces created.
- Relinquishing of leases.
- Creation of new public access facilities.
- Improved client contact areas.

Background

The New Ways of Working Programme forms part of the 'Doing Things Differently' agenda. This is about transforming the way KCC operates, saving money and examining what we do and how we do it by:
- Putting the customer at the heart of how we design and deliver services.
- Having integrated services that are packaged around client groups and resident lifecycles.
- Adopting a new approach to how and where we work.
- Streamlining systems and processes, so we are all more self-sufficient.
- People are empowered, trained, accountable and equipped to face the future.

The New Ways of Working Programme puts in place property and technology solutions to facilitate culture change. It supports front-line service transformation through improvements and efficiencies in working practices and business processes.

Where do we want to be?

- We want to create an organisation that is fit for the future, providing flexible working to allow us to flex to meet the needs of the business and our customers.
- We want to create a working environment that allows us to work smarter by reviewing all our building spaces and reconfiguring where necessary to provide flexible spaces.
- Work with ICT to provide technology solutions to support smarter, flexible working

How will we get there?

- Phase 1 of the programme has delivered appropriate modern working spaces that have supported collaborative working within Mid and West Kent.
- Phase 2 of the programme is now completing the delivery of the East Kent Accommodation Strategy. Completion of this programme scheduled for August 2016 once all property moves and refurbishments have been completed.

L: Current Tier 1 projects

ICT Infrastructure Programme

Portfolio:	End Date:	Start Date:	Stage:
Business Capability	September 2017	January 2016	Analyse/ Plan

What will the programme deliver?
The programme will provide:
- Resilient and scalable infrastructure that meets the needs (and the future needs) of our business.
- Infrastructure to support our mobile workforce, and service transformation programmes.

Background
The ICT Infrastructure Programme brings together a number of projects delivering infrastructure to provide a robust and resilient platform underpinning the delivery of our services. The projects will directly support the new ICT strategy, moving us towards cloud services and providing an infrastructure to support mobile working, and replacing our existing platforms that are out of date and out of support.

The projects within this programme include:

- Managed Print – supporting flexible working and reducing our waste. Implementing secure printing, not requiring being linked to a specific printer.
- Mass Storage Strategy – defining our preferred option for long term storage strategy, to ensure a scalable secure way of holding our data in the most efficient way possible.
- Cloud Navigator – working with our strategic partner, Microsoft to completely review our ICT estate, defining the roadmap to support us in delivering our ICT strategy

Where do we want to be?
ICT want to provide an infrastructure that is scalable and meets the increasing needs of our services. Our current infrastructure is ageing and will require updating to ensure that we are keeping in line with technology changes.

How will we get there?
- The programme is in the Analyse/ Plan phase of delivery
- Managed Print is in the Do stage, with over 280 printers already deployed across the KCC estate.

L: Current Tier 1 projects

User Access Programme

Portfolio:
Business
Capability

End Date:
March 2017

Start Date:
January 2016

Stage:
Plan

What will the programme deliver?
The programme will provide:
- Robust solution to replace the existing telephony – including both Unified Communications and mobile devices.
- A like for like replacement in terms of key functionality for all projects, and in some examples enhanced functionality.
- Alignment to our ICT strategy, providing robust resilient solutions.

Background
The User Access Programme brings together a number of projects, delivering new technology to our user base to support the new ways of working and business transformation. The new solution compliments the Microsoft product set that supports KCC, and will offer improved service to our increasingly mobile workforce.

The projects within this programme include:
- Office 365
- User Access Devices
- Blackberry replacement to Smartphones
- Unified Communications replacement
- Windows 10
- Remote Working

Where do we want to be?
The projects will result in KCC staff being able to access systems and telephony from any site. By bringing the projects together into a single programme, users will have a clear understanding of how ICT is supporting their requirement as well as delivering modern flexible methods of access. By implementing Office 365, we will move towards a cloud based solution.

How will we get there?
- The programme is in the Plan/Do phase of delivery.
- Office 365 is being piloted.
- Blackberry replacement has now completed.
- Unified Communications replacement is currently being planned, with implementation expected to being in the latter half of 2016-17..

L: Current Tier 1 projects (New)

HeadStart

Portfolio:	End Date:	Start Date:	Stage:
0-25	August 2021	June 2014	Plan

What will the project deliver?

The project will:

- Enable young people to have the skills and confidence to better manage adversity and be able to access and negotiate support should they need it.
- Promote the importance of resilience in young people, and providing early support to prevent problems getting worse;
- Develop and test approaches that ensure timely and accessible support, including direct access in appropriate settings;
- Transform the skills and understanding of the wider workforce so they better engage and respond to young people's emotional and health needs;

Background

In Kent, 18,795 young people aged 10 to 16 will have mild to moderate emotional wellbeing and mental illness that would benefit from additional interventions alongside their parents and carers. HeadStart will ensure these young people are well supported in their journey and helped to prevent the onset of mental illness.

Kent has been successful in securing £9.89m Big Lottery funding and will be focusing on setting up a countywide 'resilience hub' which will provide resources and expertise for schools and communities to tap into; transforming and improving all services to support young people in the priority groupings; providing bespoke support to young people to build their resilience, recover from trauma or adversity and improve their emotional health and wellbeing.

Where do we want to be?

By 2020 Kent young people and their families will have improved resilience, by developing their knowledge and lifelong skills to maximise their own and their peers' emotional health and wellbeing; so to navigate their way to support when needed in ways which work for them.

How will we get there?

Young people have equal status within the governance in HeadStart. There will be 3 levels of approach and each intervention has completed a TIDieR sheet which contributes to an overarching Theory of Change.

- Universal: development of a resilience hub, with a setting resilience toolkit, menu of support and expert guidance that will be available across Kent during year 1.
- Universal Plus: a geographically phased approach to offering settings resources to ensure they implement specific emotional health and resilience into settings, including online counselling
- Additional support: a geographically phased approach to offer young people support who have experienced domestic abuse.

Co-production, digital and social marketing will be at the core of the work of all the approaches.

L: Current Tier 1 projects (New)

ContrOCC

Portfolio:
0-25

End Date:
April 2017

Start Date:
December 2014

Stage:
Do

What will the programme deliver?
The programme will provide:
- Streamlined processes to provide a more efficient system for both KCC and Kent's foster carers and fostering agencies;
- Improved financial management, thereby reducing the risk of overpayments;
- Replacement of outdated software to ensure it is able to cope with current and future changes in legislation;
- Ability to view a comprehensive picture of the total service cost for each child in social care;
- Ability to give budget managers direct access to the cost of a child in care and their budget.

Background
Following the implementation of Liberi (the Children's Social Care database), it was decided to replace Foster Payment System (FPS) which had become outmoded and therefore unsupportable in the long term. ContrOCC provides a contract and financial management system that integrates with Liberi and makes payments to Kent foster carers and fostering agencies.

Where do we want to be?
The objective is to introduce new software which is fit for purpose for both now and the future and that will enable foster payments to be paid effectively and efficiently.

How will we get there?
- Phase 1 of the implementation replaced the existing Foster Payment System (FPS) and took over the payments to in-house foster carers, and those families receiving a court ordered allowance. This will went live in July 2015.
- Phase 2 implemented the integration with Oracle Purchasing and allowed ContrOCC to be used for paying external providers (e.g. Independent Fostering Agencies, Care Homes etc.) from April 2016. External fostering providers no longer submit paper invoices; providers will instead access the ContrOCC provider portal to review KCC's commitments with them and raise electronic invoices via the portal.
- Phase 3 broadens the scope of the external foster care providers to include block contracts and 18+.
- Phase 4 will incorporate the payments for the Disabled Children's Team. Functionality for 0-18 teams is currently planned to go live from the start of December 2016 and for 18-25 teams from April 17.

L: Current Tier 1 projects

EYPS Systems Refresh

Portfolio:	End Date:	Start Date:	Stage:
0-25	February 2018	April 2015	Plan

What will the project deliver?
The project will:
- Reduce the number of ICT systems used within EYPS.
- Reduce the costs associated with running those systems.
- Reduce inefficiencies and duplication.

The project will develop an ICT environment to provide:
- A single view of the child/family which will better enable services to target support to children, young people, their families, schools and communities.
- The ability to produce high quality analytical reports in a timely manner.

Background
Education and Young People's Services currently uses multiple IT systems and spreadsheets to manage service and customer information.

An opportunity was identified to introduce a more integrated and effective solution to reduce maintenance support costs and better respond to information requirements necessary to support the current and future delivery of children's services.

Where do we want to be?
The EYPS Systems project is an opportunity to rationalise our systems so that multiple business areas can be supported by a shared system.

This will help to achieve:
- Improved efficiencies in data input.
- A 'single view' of the customer information.
- Produce more effective information reports.
- Achieve best value by reducing support and maintenance costs.

How will we get there?
Work has been undertaken to map the current systems and identify the future systems requirements of the business. This has been used to develop a specification and tender for the procurement of a future solution.

L: Current Tier 1 projects (New)

Education Alternative Service Delivery Vehicle (ASDV)

Portfolio:	End Date:	Start Date:	Stage:
0-25	July 2017	January 2016	Analyse

What will the project deliver?

As this work is at an early stage (options analysis) it is not yet clear what measurable outcomes can be delivered. The intended outcomes are a more sustainable model for education services, more capacity to trade and generate income for educational purposes, and a stronger partnership model with schools that will continue to drive improvement and collaboration. This work will follow on from a decision on whether to proceed with one of the options in the business case.

Background

In an environment of changing national policy and budget pressures it is clear that KCC will need to continue to change the way it delivers and funds its services, as well as adapting the way it works with the education sector. Our aim is to continue to have a coherent and sustainable approach to working in close partnership with schools and to delivering services that are fundamental to supporting schools, children, young people and families.

Where do we want to be?

- The council is looking through this potential alternative delivery vehicle to work in partnership with schools, and strengthen the relationship further with the local authority in a changing landscape where the local authority's role is changing and more schools become academies;

- Ensure that schools continue to have access to quality cost effective services from KCC that are both statutory core and traded, to support improving educational attainment and standards and a support network which allows our schools to focus on continued school improvement;

- To maintain and maximise the opportunities to grow the income from traded services by expanding the offer within Kent and beyond the county to other local authority areas and their schools, to reinvest in supporting KCC service delivery. As part of this the Council also wishes to ensure that the operating model provides a sustainable approach to income from traded services which is resilient should there be changes in the educational sector.

How will we get there?

We believe that this can be best delivered by developing options for a new partnership arrangement with schools, embodied in a new education services company, including traded services. The council is therefore exploring further the options for the development of an Educational Services Company which will provide joint governance with schools and a strong, commercial, sustainable entity to deliver high quality school support services.

Kent County Council
kent.gov.uk

L: Current Tier 1 projects (New)

Early Help Module

Portfolio:	End Date:	Start Date:	Stage:
0-25	December 2016	January 2015	Do

What will the project deliver?

The project will:

- Support all agencies using the same assessment process.
- Support Kent Safeguarding Children Board to identify safeguarding concerns early on.
- Help to ensure targeted support is being delivered in a timely way, supports the identification of cases early on that are drifting and where management action is required.
- Support the secure sharing of information across partner agencies.
- Increase ability to pull the required data to inform the 'Annex A' Ofsted Criteria.
- Help to capture outcome/impact data across partner agencies e.g. Troubled Families and to ascertain what support is working.
- Facilitate cross partner reporting e.g. number of Common Assessment Framework assessments completed, outcomes achieved by each partner agency.
- Allow partner agencies to inform the configuration of the system and hence have more buy-in to use it.
- Provide great intelligence at a multi-agency level that shall support effective decision making on an area by area basis.

Background

In response to a previous OFSTED inspection it was decided to implement an early help case management system to support the growing number of early help assessments being undertaken in Early Help. The 'Early Help Module' was procured from Liquid Logic and designed to support the new Early Years and Preventative Services (EYPS) division, as well as changes to Early Help processes which have been delivered in partnership with Newton Europe.

Where do we want to be?

The system will provide effective tracking and reporting for the all Early Help & Troubled Families Assessment processes.

This will be achieved by configuring, installing and rolling out a new web based solution that will enable the sharing of child related data across Liberi and the Early Help Module (Single View).

How will we get there?

Phase 1	Help Notes functionality - January 2015
Phase 2	Full roll out of Early Help Module - April 2015
Phase 3	Single View Implementation - February 2016
Phase 4	Commissioned Services Implementation - September 2016

L: Current Tier 1 projects

Your Life Your Home

Portfolio:	End Date:	Start Date:	Stage:
Adults	August 2018	January 2015	Do

What will the project deliver?
The aim of Your Life Your Home is to increase the options of independent living for adults with learning disabilities through Supported Living or Shared Lives placements and reduce the number of residential placements by designing a future service model to support both existing and future service users to live in the way they want through a range of new accommodation options.

Background
The Adults Phase 2 Transformation programme has been reviewing four key areas in Learning Disability (LD) and Older People and Physical Disability (OPPD), supported by our Strategic Efficiency Partner Newton Europe.

The 'Your Life Your Home' project is reviewing the opportunity for a number of adults with a learning disability currently in residential care, who may wish to live in alternative settings that will allow them to lead more independent lives if they choose to.

Where do we want to be?
There are currently over 1200 adults with a learning disability in residential care. Approximately 350-550 of these service users' needs can be met in alternative settings that will allow them to lead more independent lives. Alternative accommodation that may be more suitable includes a flat with shared communal areas with other service users, shared housing or Shared Lives (living with a family).

How will we get there?
The pilot phase reviewed a number of people currently living in residential care, primarily to see if the service users can see the benefits and wish to move from residential care to alternative accommodation. As part of this process, the project team is involved in ensuring sufficient alternative accommodation is made available.

L: Current Tier 1 projects

Kent Pathways Service

Portfolio:	End Date:	Start Date:	Stage:
Adults	September 2016	November 2014	Do

What will the project deliver?
The project will provide the following benefits:
- Updated Kent Pathways Service review process and tracking.
- Sustainable service established across Kent.

Background
The Adults Phase 2 Transformation programme has reviewed four key areas in Learning Disability (LD) and Older People and Physical Disability (OPPD), supported by our Strategic Efficiency Partner Newton Europe.

The aim of the Kent Pathways Service is to lead on supporting improvements for independence and outcomes for service users, leading to a change of weekly packages for clients.

Where do we want to be?
The Kent Pathways Service project focuses on rolling out the new Kent Pathways Service, which aims to improve service user's independence and reduce their care requirements. This is achieved through 6-12 weeks of intensive training, by helping service users to learn new or re-learn skills after a change in their circumstances.

How will we get there?
Following a successful 12 month pilot programme in 'sandbox offices' in Dover and Thanet, the new Kent Pathways Service was created to respond to demand from both existing service users and potential demand for future referrals to a new sustained service. A 'sandbox office' is a contained site where the revised model can be developed in a live environment before it gets rolled out across the county.

The pilot programme found that over 500 service users were suitable for such a service, furthermore that there would be ongoing demand for new service users who have had a change in circumstance.

L: Current Tier 1 projects (New)

Special Educational Needs (SEN) Transport Phase 2

Portfolio:	End Date:	Start Date:	Stage:
GET	December 2018	April 2016	Analyse

What will the project deliver?
The project will:
- Implement a new approach to the commissioning of SEN Transport, utilising a mixture of individual route tenders and contract combinations (bulk), depending on school need and catchment.
- Implement a new procurement platform for SEN transport, from Nov 2016, moving from an approved list to a dynamic purchasing system.
- Introduce a two year plan for the re-tendering of SEN transport across Kent.

Background
The SEN Transport service aims to ensure children with special educational needs are transported to school in safe manner and in a fit state to learn. Phase 1 of the SEN Transport Project focused on analysing and testing new models and approaches. It completed in April 2016, the results of which and lessons learned have informed the approach, design and plan for Phase 2.

In undertaking Phase 1, route optimisation and procurement activities incorporated a small number of schools and the review provided a robust basis on which to implement the remainder of the schools' transport routes across Kent. Phase 2 is exclusively concerned with the activities delivered by the Highways, Transport and Waste division.

Where do we want to be?
To roll out the new approach resulting from Phase 1 to all schools across Kent over a 2 year period. Through more effective and targeted redesign and procurement, the provision of a fit for purpose transportation service to SEN children which meet their needs as well as those of the schools. In turn, customer needs will be meet and financial efficiencies will be made.

How will we get there?
This will be delivered through a series of procurements using different models as appropriate to the individual areas and requirements present for the transportation of children with SEN. Phase 2 will be run as a project until the initial procurements have come through before reverting to business as usual activity.

M: Corporate Assurance – Our Approach

Corporate Assurance Approach

Our Objective
Creating an overview of all major change activity and providing assurance that the business critical projects and programmes are on track to successfully deliver KCC's strategic outcomes and objectives.

How this will be achieved
Working as a virtual team with Portfolio Delivery Managers to collate Project information and provide corporate assurance 'checkpoint' advice for business critical projects at the Analyse and Plan stages.

Reporting
Regular updates to the Director for Strategy, Policy, Relationships & Corporate Assurance, Corporate Directors, Cabinet and Strategic Commissioning Board with Bi-annual Reporting to Policy & Resources Cabinet Committee.

Our Process

Monthly Snapshot	Quarterly Overview	Checkpoints

Our Evidence

Monthly Snapshot	Quarterly Overview	Checkpoints
We keep track of variations on major projects on a monthly basis: • overall volume of activity across 4 Portfolios; • Cost/benefit and milestones for Tier 1 projects; • projects which close or prematurely stop (including closure/lessons learned reports); • potential new project activity to engage at an early stage.	We build the picture of change activity across KCC: • summary descriptions for all change projects; • high level stage, cost/benefit and milestone information for all projects; • cross-cutting risks, dependencies, impacts and relationships between projects and portfolios.	We influence business critical projects: • providing information, advice and support on building better business cases; • collaborative checkpoint reviews with PDM and Project Manager; • Reviewing a wide range of project documentation and dialogue with project managers.

Outcomes
- Accurate and live overview of all change activity
- Better understanding of collective investment and impact of change activity
- Better understanding of relationships and impacts between Portfolios
- Better understanding of risks and dependencies between Portfolios and Business as Usual
- Escalation and problem solving with Portfolios
- Early warning on projects with significant variations which may impact delivery
- Driving improvements in consistency and quality of financial information
- Building better business cases to inform decision making

Kent County Council
kent.gov.uk

This page is intentionally left blank