POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 8th March, 2017

10.00 am

Darent Room, Sessions House, County Hall, Maidstone

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AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 8 March 2017, at 10.00 am	Ask for: **Ann Hunter**
Darent Room, Sessions House, County Hall, Maidstone	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 (Vice-Chairman), Mrs M E Crabtree, Mr J A Davies, Mr S C Manion, Mr L B Ridings, MBE, Mrs P A V Stockell and Mr J N Wedgbury
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.

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UNRESTRICTED ITEMS

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

A - Committee Business

A1 Introduction/Webcast announcement

A2 Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

A3 Declarations of Interest by Members in items on the Agenda

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 Minutes of the meeting held on 13 January 2017 (Pages 7 - 12)

To consider and approve the minutes as a correct record.

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

B1 Renewal of the contract with Kent Fire Rescue Service (KFRS) for the servicing, repair and maintenance of vehicles and equipment (Pages 13 - 20)

To consider and endorse the proposed Key decision of the Cabinet Member for Commercial and Traded Services to have a contractual arrangement with KFRS and to task the servicing of the contract to Commercial Services

B2 Proposal to implement an Education Services Company (Pages 21 - 198)

To consider and endorse or make recommendation(s) in respect of the proposal to create a new Education Services Company

C - Monitoring of Performance

C1 Strategic and Corporate Services Performance Dashboard (Pages 199 - 212)

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

C2 Financial Monitoring 2016-17 (Pages 213 - 216)

To note the revenue and capital forecast variances from budget for 2016-17 that are in the remit of this Cabinet Committee, based on the December monitoring to Cabinet

C3 Work Programme (Pages 217 - 220)

To consider and agree a work programme for 2017/18

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

D1 Strategic and Corporate Services Directorate Business Plan 2017-18 (Final Draft) (Pages 221 - 252)

Consider and comment on the final draft of the Strategic and Corporate Services Directorate Business Plan (2017-18)

D2 Risk Management: Strategic and Corporate Services (Pages 253 - 280)

To consider and comment on the risks presented

D3 Corporate Assurance Analysis Bi-Annual Report (Pages 281 - 322)

To note the Corporate Assurance analysis bi-annual report

D4 Housing White Paper Briefing (Pages 323 - 336)

To consider and make recommendations on the White Paper

Motion to Exclude the Press and Public

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

EXEMPT ITEMS

(There are exempt appendices in items B1 and B2 of the agenda. During discussion of these items, and Item E1 below, the meeting is likely NOT to be open to the press and the public)

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

E1 Business Services Centre Potential Trading Company (Pages 337 - 348)

To comment on and note the direction of travel for the BSC and progression to develop a full business case to establish a trading company in order to maintain and grow current income levels for the Council from BSC trading activities

John Lynch,
Head of Democratic Services
03000 410466

Tuesday, 28 February 2017

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KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 13 January 2017

PRESENT: Mr A J King, MBE (Chairman), Mr N J D Chard (Vice-Chairman), Mr D L Brazier (Substitute for Mr J A Davies), Mrs M E Crabtree, Mrs T Dean, MBE, Mr M Heale, Mr C P D Hoare, Mr S C Manion, Mr L B Ridings, MBE, Mr D Smyth, Mr A Terry (Substitute for Mr R A Latchford, OBE), 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

269. Apologies and Substitutes
(Item A2)

(1) Apologies for absence were received from Mr Davies, Mr Latchford and Mrs Stockell. Mr Brazier and Mr Terry attended as substitutes for Mr Davies and Mr Latchford respectively.

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

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

There were no declarations of interest.

271. Minutes of the meeting held on 2 December 2016
(Item A4)

(1) Mrs Dean said the Homeless Centre had outgrown their existing accommodation and she had suggested that they contact the Property Team with a view to identifying possible accommodation. She thought that the Royal Mail site might be suitable.

(2) In response to Mrs Dean’s query at the previous meeting of the Cabinet Committee and recorded in Minute 258(5), Mr Cooke (Cabinet Member for Corporate and Democratic Services) said that the Equality and Human Rights Policy explicitly required that every effort be made to ensure equality impact assessments were conducted prior to decisions being made.

(3) In response to a query about community rents listed for consideration in the work programme, Mr Cooke (Cabinet Member for Corporate and Democratic Services) said this matter would be included within the Asset Management Strategy.

(4) Resolved that the minutes of the meeting held on 2 December 2016 are correctly recorded and that they be signed by the Chairman.

272. Draft 2017-18 Budget and Medium Term Financial Plan
(Item B1)

(1) Andy Wood (Corporate Director for Finance and Procurement) introduced the report which provided information about the key assumptions underpinning the budget proposals and savings relevant to the remit of the Policy & Resources Cabinet Committee. The report also included information from KCC's consultation on its proposed budget, the Chancellor's Autumn Budget Statement and the provisional local government finance settlement

(2) Mr Wood said that grants to the authority from government had reduced by £46 million and the pressures on spending set out in the Medium Term Financial Plan amounted to £66 million. Of this £66 million, £51 million was unavoidable and included pressures arising from inflation, the introduction of the living wage and increased demand for services such as waste disposal, education and social care. The balance of £15 million was accounted for by a pay and performance improvement provision, funding the borrowing cost of the capital programme, and a "pot" to respond to market sustainability issues in the domiciliary and residential care sector to ensure the authority was able to meet the requirements of the Care Act.

(3) Mr Wood also said that the income from Council Tax would increase by £34 million and this was based on a 2% increase in the size of the tax base, a 2% increase in Council Tax (up to the point at which a referendum would be triggered) and a 2% Social Care Levy. He said it was possible to increase the Social Care Levy to 3% in one year but it could not exceed a total of 6% over three years.

(4) When pressures on spending, the loss of grants and increases in Council Tax were taken together, savings of £78 million were required to balance the budget. He said a risk assessment had been conducted on proposed savings and an update on the assessment would be reported to Council on 9 February 2017.

(5) Mr Wood said that the authority had held £202 million in reserves at the beginning of 2016/17 and, if the proposed budget were agreed the authority, would have reserves of £180 million by the end of 2017/18. He considered that this was a prudent reserve but not excessive by any means.

(6) Mr Shipton (Head of Financial Strategy) said: local government spending would remain "flat-cash" between 2015/16 to 2019/20 and that this flat-cash included council tax, additional social care funding and reductions in central government grants. Flat-cash meant there would be no additional funding for

rising costs or demand pressures and these would have to be funded by savings or spending reductions.

(7) Mr Shipton said the dip in the government grant for 2017/18 had been partially offset by an announcement within the local government settlement which offered greater flexibility in setting the social care Council Tax precept, and a new one-off Social Care Support Grant in 2017/18. The Social Care Support Grant was funded out of New Homes Bonus (NHB) by bringing forward the proposed changes from 2018/19. However, in Kent this was at the expense of district councils (which collectively would receive £6.2m less NHB than announced in SR2015) and KCC would receive £4.6m more.

(8) Mr Shipton concluded by saying that people tended to support increases in Council Tax when authorities took time to explain the reasons.

(9) In response to questions, Mr Wood said that it was better to allocate the social care levy at 2% each year as it was being added to bigger tax base however Cabinet would take a view on the approach to be taken at its meeting on 23 January 2017. Mr Shipton said the increase in the number of households in the county accounted for about 50% of the increase in the Council Tax base with the balance made up by changes to discount schemes and Council Tax support schemes administered by district councils. Mr Shipton confirmed that the increase in demand for services arising from the increase in the number of households had been considered in developing the Medium Term Financial Plan.

(10) Some apparent discrepancies in the figures in the report and the Medium Term Financial Plan were explained by the presentation of the budget in an A-Z format in the report.

(11) In response to questions, Mr Wood undertook to provide a briefing note about the reserves being drawn down and to brief Members about the proposed re-structure of the Finance team.

(12) Resolved that the draft budget and MTFP (including responses to consultation and Government announcements) be noted.

273. Technology Services Modernisation Programme
(Item B2)

Mr King deferred consideration of this item until Part II of the meeting.

274. Financial Monitoring 2016 - 17
(Item C1)

(1) Jackie Hansen (Finance Business Partner) introduced the report which set out theOctober 2016-17 budget monitoring position which was presented to Cabinet on 12 December 2016. She referred, in particular, to the Strategic & Corporate Services figures in Table 1 of the report which contained both the forecast for the Directorate itself and the aspirational corporate savings target of -£1,038k for the Asset Utilisation Programme held against the Corporate Landlord budget within the Infrastructure Division.

(2) Ms Hansen said the Directorate forecast (excluding the Asset Utilisation target) had moved by -£0.095m to an underspend of -£0.487m, and the position of the Asset Utilisation target remained unchanged at +£0.513m, giving an overall small pressure of +£0.026m. All the Divisions within the Strategic and Corporate Services Directorate had moved by less than £0.050m each.

(3) Ms Hansen said the Strategic and Corporate Services capital budget was £20.502m and there was one variance of £0.120m since the last report as a result of using part of the grant within revenue as permitted under the grant conditions.

(4) Mr Wood (Corporate Director of Finance and Procurement) referred to paragraph 3.2 of the report and said assuming funding was received from the Home Office to offset pressure on the asylum services, the overall position would reduce by a further £2.136m from £8.295m to £6.159m.

(5) Resolved that the revenue and capital forecast variances from budget for 2016-17 that are in the remit of this Cabinet Committee, based on the October monitoring to Cabinet, be noted.

275. Work Programme
(Item C2)

Resolved that the work programme, as set out in Appendix 1 of the report, be endorsed subject to the deletion of Community Rents listed for consideration in March 2017 as this matter will be included in the Asset Management Plan.

276. 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.

277. Technology Services Modernisation Programme Contract Award
(Item D1)

(1) Michael Lloyd (Head of Technology Commissioning and Strategy) gave a presentation which is available on-line as an appendix to these minutes. Mr Lloyd explained the context for putting a technology services contract in place to support the implementation of the ICT Strategy.

(2) Ms Spore (Director of Infrastructure) and Mr Lloyd answered Members' questions about cloud technology, the streamlining of ICT services to Members and the opportunities for collaborative working with other public sector organisations across the county.

(3) Resolved that the proposed decision to delegate to the Director of Infrastructure, in consultation with the Cabinet Member for Corporate and

Democratic Services, the award of a technology services contract, including the necessary contractual negotiations and to enter into any subsequent necessary legal agreements be endorsed.

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From: Susan Carey, Cabinet Member for Commercial and Traded Services

John Burr, Managing Director; Commercial Services

Andy Wood, KCC Corporate Director for Finance and Procurement (Section 151 Officer)

To: Policy and Resources Cabinet Committee – 8 March 2017

Decision No: 17/00019

Subject: Renewal of the contract with Kent Fire Rescue Service (KFRS) for the servicing, repair and maintenance of vehicles and equipment

Classification: Unrestricted (Appendix 2 exempt)

Past Pathway of Paper: Shareholder Board

Future Pathway of Paper: Key Decision – Susan Carey

Electoral Division: County Wide Contract

Summary: The purpose of this report is to seek agreement from KCC to continue with its current arrangement between Kent Fire Rescue Service and KCC for the servicing, repair and maintenance of their vehicles and equipment, delivered through the Commercial Services Core business. The existing SLA will be refreshed as part of this agreement.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse the proposed Key decision of the Cabinet Member for Commercial and Traded Services to have a contractual arrangement with KFRS and to task the servicing of the contract to Commercial Services.

1. Introduction

1.1 In some form, directly or indirectly, Kent Fire Rescue Service (KFRS) have had an arrangement with KCC for the servicing, repair and maintenance of their vehicles and equipment dating back to 1986. The current iteration of the contract is delivered by Commercial Services and is due to expire on March 31st 2017.

1.2 In light of this, KFRS have been working on a revised version of the contract ready for implementation from the 1st April 2017, and would like to continue with the current arrangement which is delivered by Commercial Services (under the revised agreement).

1.3 The current arrangement will continue to be delivered by one of the Commercial Services Group of companies, taking advantage of the Teckal arrangements (a procurement exemption which allows KCC to award to Commercial Services, the delivery aspect of the contract without the need to tender the opportunity).

1.4 The turnover for the current arrangement is approximately £650k per annum and is likely to continue at this rate within the new contract, the duration of which is five years with a possible extension of one and one years (ie. 5 + 1 + 1 = 7).

1.5 KFRS have a good relationship with KCC and Commercial Services and have been long standing partners.

1.6 A key decision is required in order for KCC to enter into the contract with KFRS, given the financial value is in excess of £1 million for the term of the contract.

2. Financial Implications

Please refer to Appendix 2 (Exempt document).

3. Policy Framework

3.1 This decision supports the closer working of the wider public sector, and facilitates closer collaboration between KCC, KFRS and Commercial Services. It also supports the Commercial objects of the Council and its wholly owned Company (Commercial Services).

4. Contract Scope

4.1 The scope of the contract has been defined by KFRS as all necessary routine and remedial repair and maintenance required in respect of all KFRS assets (as per the KFRS fleet list).

5. Contract Mechanism

5.1 Should the contract be agreed, the contractual mechanism will continue to be a Service Level Agreement (SLA) between KRFS and KCC, and Commercial Services (Core) will deliver the work on behalf of KCC.

5.2 The contract duration will be five years with a possible extension of one plus one years to a total of seven. The intention is to allow both parties to break the contract on serving 12 months' notice. This is deemed to be sufficient for current operational and business needs.

5.3 Commercial Services have reviewed the revised SLA and have compared the current document with the new to identify what changes have been made with no significant changes identified.

6. Key Performance Indicators

6.1 There are five KPI’s in the SLA that have no financial penalties attributed but do include a clause whereby persistent default of the KPI’s (defined as three events within a six month rolling period) would give the client (KFRS) the right to terminate the arrangement with one month’s notice.

7. Residual Risks

Risk	Mitigation
There is a reputational risk to KCC and Commercial Services should the agreement not go ahead. This is a long-standing agreement between KFRS and KCC. Additionally, other areas of the Commercial Services Group also provide services to KFRS including Energy and KCS, which should the agreement not go ahead, may have a detrimental effect on those areas.	Early communication with KFRS on the decision to proceed or not.

8. Conclusions

8.1 The new arrangement is effectively a continuation of the current arrangement and therefore carries minimal risk.

8.2 There is a reputational risk to KCC and to Commercial Services should the new arrangement not go ahead.

8.3 There is also a reputational and potential turnover risk for Commercial Services elsewhere in the business, should the new arrangement not go ahead, as KFRS are a significant customer with both KCS and Energy.

9. Recommendation(s)

Recommendation(s):

The Cabinet Committee is asked to consider and endorse the proposed Key decision of the Cabinet Member for Commercial and Traded Services to have a contractual arrangement with KFRS and to task the servicing of the contract to Commercial Services.

10. Appendices

Appendix 1 - Proposed Record of Decision

Appendix 2- Commerical and Financial Evaluation - Exempt

11. Background Documents

11.1 Service Level Agreement

12. Contact details

Report Author:

- John Burr, Managing Director, Commercial Services
- 07860 593368
- John.burr@commercialservices.org. uk

Relevant Director:

- Andy Wood, KCC Corporate Director for Finance and Procurement (Section 151 Officer)
- 03000 417936
- Andy.wood@kent.gov.uk

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TAKEN BY:	DECISION NO:
Cabinet Member for Commercial and Traded Services	17/00019

For publication

Key decision

Subject: Renewal of the contract with Kent Fire Rescue Service (KFRS) for the servicing, repair and maintenance of vehicles and equipment.

Decision:

As Cabinet Member for Commercial and Traded Services I propose to agree to enter into an contractual arrangement with the Kent Fire and Rescue Service and to task the servicing of the contract to Commercial Services.

Reason(s) for decision:

The purpose of this decision is to seek agreement from KCC to continue with its current arrangement between Kent Fire Rescue Service and KCC for the servicing, repair and maintenance of their vehicles and equipment, delivered through the Commercial Services Core business. The existing SLA will be refreshed as part of this agreement.

Cabinet Committee recommendations and other consultation:

The Cabinet Committee will consider the proposed decision at its meeting on 8 March 2017. The outcome of that meeting included in the decision paper work which the Cabinet Member will be asked to sign.

Any alternatives considered:

None

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

....
signed

....
date

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From: **Roger Gough, Cabinet Member for Education and Health Reform**

Mike Hill, Cabinet Member for Community Services

Peter Oakford, Cabinet Member for Specialist Children's Services

Patrick Leeson, Corporate Director for Education and Young People's Services

To: **Policy and Resources Cabinet Committee – 8 March 2017**

Subject: **Proposal to implement an Education Services Company**

Classification: **Part Exempt (Business Case including appendices) – Not for Publication – Paragraph 3 of Schedule 12A of the Local Government Act 1972**

Past Pathway of Paper:

Education Cabinet Committee – 7 March 2017

Future Pathway of Paper:

Cabinet – 27 March 2017

Summary: There has been considerable work over the last 6 months to develop a Full Business Case to support the decision to implement a new service delivery model for Kent Education Services, via the creation of a new Education Services Company. The decision will encompass both the implementation of a new company, the commissioning of that company to continue to deliver Education Services on behalf of KCC and to recommend the legal entity type.

It is also recommended that a shadow governance structure is implemented from April 2017, to allow the governance arrangements for the implementation phase to begin and to trial these arrangements before the Education Services Company goes live later in 2017.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendation(s) in respect of the proposal

a) To seek approval to create a company, in line with the business case, and to enter into such contractual arrangements as are necessary to facilitate that creation.
b) To agree the legal structure of the proposed company and to delegate authority to the Monitoring Officer to agree the final details in consultation with

the Cabinet Member for Education and Health Reform, the Cabinet Member for Commercial and Traded Services, the Corporate Director for Education and Young People's Services and the Corporate Director of Finance and Procurement.
c) To agree that a shadow governance structure is implemented from April 2017.

Members are advised that there will be no changes to any policy or entitlement as a result of the implementation of the new company.

1. Introduction

1.1 The Education and Young People's Services Cabinet Committee have been receiving updates on the development of the business case to support the implementation of a new Education Services Company

1.2 This report presents the business case to the Committee to support the recommendations outlined above. The Business Case (exempt from publication) is attached in Appendix A.

2. Background

2.1 The Directorate of Education and Young People's Services has achieved clear improvements in the services provided to schools, and in the quality of education in Kent schools and the outcomes for pupils, during the last five years. In schools this has been reflected in year on year improvements in pupil attainment and the increasing number of children and young people attending good and outstanding schools (up from 55% in 2011 to 90% in 2016). A key priority supporting the rate of improvement has been the close partnership with schools, the investment in collaborative partnerships between groups of schools and the Local Authority's support for the Kent Association of Headteachers. In moving forward we want to build on this close partnership and see it as critical to the success of education in Kent for the future.

2.2 However, in moving forward and adapting the way we deliver education services there are a number of challenges. At a national level, the education landscape is changing rapidly. The Government's direction of travel remains the further academisation of schools. Local Authorities need to reassess their role in light of financial and legislative constraints, particularly around changes to the national funding formula, and the reduction in the Education Services Grant. Changes to the funding to support school improvement services, as well as the possibility that Local Authorities may be able to sponsor Multi Academy Trusts (MATs) also require different delivery vehicles.

2.3 In April 2016, an Outline Business Case (OBC) was developed to investigate options for setting up an Education Trust. This model was amended by KCC, with a request to develop a business case focusing on services that trade with schools (for example through the existing EduKent model) and to expand the traded services that KCC currently delivers to schools and Early Years Providers in and beyond Kent.

2.4 EduKent was set up in 2011, and was created to provide a “single front door” to multiple KCC support services for schools. It is currently positioned within the EYPS directorate, and is funded via the directorate’s budgets. The service currently supports access to over 55 education and schools based services delivered across the KCC group (with the exclusion of Kent Commercial Services). As well as providing access to services through a website, EduKent markets all KCC services to schools, through marketing materials and through its annual Expo event, as well as attending other national events. It also provides a single billing process, to allow schools to have a single bill across all KCC services.

3. Education Services Company

3.1 The Business Case supports the development and implementation of an Education Services Company.

3.2 The new company is proposed to continue to have a coherent and sustainable approach to working in close partnership with schools and to deliver services that are fundamental to supporting schools, children, young people and families, seeking to:

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

(b) Maintain and maximise the opportunities to grow the income from traded services, to reinvest in supporting KCC education service delivery. As part of this the intention is to ensure that the operating model provides a sustainable approach to income from traded services which is resilient for any future changes in the educational sector.

3.3 The Business case demonstrates that the Education Services Company would be a financially viable alternative to continuing to deliver Education Services in their current form, which looks increasingly unsustainable if no action is taken. By creating a company, there is an opportunity to develop an innovative new business to allow us to deliver a sustainable service to schools, as well as extend our reach into the market, increasing trading opportunities and by doing so, extending our ability to support young people in Kent.

3.4 The option to retain the current service delivery model has a number of risks:

(a) The possible increasing fragmentation of networks and systems that support schools and the possible loss of key education support services. KCC’s service to schools is dependent on close relationships with schools to achieve the best outcomes, for example securing enough good school places and good provision for SEN pupils. The potential for greater distance between schools and the LA with further academisation is a risk, unless KCC can develop new ways of working with all schools to shape services in the future;

(b) With increasing pressure on budgets, the services will face considerable challenges in meeting their savings targets, and in some cases this may result in the reduction of services available and may impact on our capacity to deliver the statutory services. This directly impacts KCC's ability to deliver a quality sustainable service to its schools;

(c) Reduced rather than increased capacity to trade and more limited potential to develop a more commercial approach to generating additional income will impact on service delivery and there may be greater difficulty in discharging essential functions.

3.5 Building on lessons learned from KCC's other ASDV implementations, the proposed Education Services Company would utilise technology to improve the service that clients receive. Existing systems would continue to be used, with a focus on better use of the existing CRM systems, and its ability to analyse the market and it's potential.

3.6 The proposed Company would allow Education Services to make the transition to becoming a fully traded vehicle, able to operate in the wider market outside of Kent.

3.7 The legal structure will include detailed governance arrangements that are consistent with other KCC companies where KCC acts as a shareholder.

4. Equalities implications

4.1 The equalities implications of the proposed decision are outlined in an equalities impact assessment. This is appended to the business case.

5. Conclusions

5.1 This report sets out the proposal for the creation of an Education Services Company to meet the Council's challenging requirement to deliver Education Services to schools in the medium to long term.

5.2 The proposal provides the best way forward in delivering a sustainable service, continuing to deliver high quality provision across the county. Without such a proposal going ahead, existing services will be under significant budget pressures, the schools system may continue to fragment and ultimately KCC would have a more limited ability to increase traded services to support future service provision.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendation(s) in respect of the proposal

a) To seek approval to create a company, in line with the business case, and to enter into such contractual arrangements as are necessary to facilitate that creation. b) To agree the legal structure of the proposed company and to delegate authority to the Monitoring Officer to agree the final details in consultation with the Cabinet Member for Education and Health Reform, the Cabinet Member for Commercial and Traded Services, the Corporate Director for Education and Young People's Services and the Corporate Director of Finance and Procurement. c) To agree that a shadow governance structure is implemented from April 2017. Members are advised that there will be no changes to any policy or entitlement as a result of the implementation of the new company.

6. Background Documents

Ernst & Young Report – Review of Traded Education Services – November 2016 (appended to the Full Business Case)

7. Contact details

Report Author: Penny Pemberton Job title: Project Manager Telephone number: 03000 416514 Email address: penny.pemberton@kent.gov.uk	Relevant Director: Corporate Director Education and Young People's Services Name: Patrick Leeson Telephone number: 03000 416384 Email address: patrick.leeson@kent.gov.uk

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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 March 2017

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 fourth 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-five (25) 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 25 KPIs included, latest month performance is Green for 17 indicators, Amber for six indicators, and two indicators are Red.

2.7. Direction of Travel for the latest results shows six KPIs improving, 11 stable (five at 100%), and eight indicators showing lower results.

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

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Appendix 1

Strategic and Corporate Services Performance Dashboard

Financial Year 2016/17

Results up to December 2016

Produced by Strategic Business Development and Intelligence

Publication Date: February 2017

Kent County Council
kent.gov.uk

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 years' trends.

When activity indicators do not have expected levels stated in the Directorate Business Plans, they 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.

Appendix 1

Key Performance Indicators Summary

Engagement, Organisation Design and Development	Period RAG	YTD RAG
Percentage of calls to Contact Point answered	GREEN	GREEN
Percentage of calls to Contact Point answered in 40 seconds	GREEN	GREEN
Percentage of callers who rate the advisors in Contact Point as good	GREEN	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 staff who feel communication about KCC has improved in last 12 months	GREEN	N/a
Percentage of training that delivers commissioned learning outcomes	GREEN	GREEN
Satisfaction with KCC induction learning outcomes rated Good or above	GREEN	GREEN

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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	GREEN	AMBER
Invoices received by Accounts Payable within 30 days of KCC received date	AMBER	AMBER
Percentage of sundry debt due to KCC outstanding under 60 days old	AMBER	N/a
Percentage of sundry debt due to KCC outstanding over 6 months old	GREEN	N/a
Invoices received on time by Accounts Payable processed within 30 days	GREEN	GREEN

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	AMBER	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	RED	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**

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
CS01	Percentage of callers who rate the advisors in Contact Point as good	98%	GREEN	⇔	98%	GREEN	95%	90%	98%
CS04	Percentage of calls to Contact Point answered	99%	GREEN	⇧	98%	GREEN	95%	80%	98%
CS05	Percentage of calls to Contact Point answered in 40 seconds	93%	GREEN	⇧	83%	GREEN	80%	70%	82%

CS04 & CS05 include calls to Kent Support and Assistance Service.

Activity Indicators

Ref	Indicator description	Year to date	In expected range	Expected Activity		Prev. yr YTD
				Upper	Lower	
CS08	Number of calls answered by Contact Point (000s)	504,050	**Below**	633,350	530,000	561,800
CS12	Number of visits to the KCC website, kent.gov (000s)	3,727	Yes	3,900	3,300	3,432

CS08 – Reduced call volumes are a cost saving to KCC and efforts have been successful in achieving this, including the introduction of a voice automated system on the main KCC telephone line and improvements to processes to encourage customers to complete transactions online, such as Speed Awareness course bookings and Primary and Secondary school admissions. In addition, improvements to the processing of Blue Badge applications have significantly reduced the number of telephone enquiries.

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

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	⇔	96%	GREEN	80%	75%	n/a

Ref	Indicator description	Annual Result	Previous Year	RAG	Target	Floor Standard
HR11	Percentage of staff who feel communication about the organisation has improved in the last 12 months	74%	64%	GREEN	65%	60%

Activity Indicators

Ref	Indicator description	Year to Date	Prev. yr YTD
HR04b	Number of responses received for rating H&S Advice Line	413	401
HR08b	Number of responses received for rating support and advice in cases/change activity	99	n/a

Ref	Indicator description	Snapshot	Prev. yr
HR21	Number of current people management cases being supported	83	n/a
HR12	Number of current change activities being supported	88	n/a
HR16	Number of registered users of Kent Rewards	18,498	n/a

Appendix 1

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

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	97%	GREEN	⇩	91%	GREEN	80%	60%	n/a

Activity Indicators

Ref	Indicator description	Year to Date	Prev. yr YTD
HR09b	Number of training events	567	n/a
HR10b	Number of responses received for rating KCC induction	740	n/a
HR13	Total number of E-learning training programmes completed	41,082	n/a
HR14	Number of mandatory learning events completed	15,828	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	99%	GREEN	⇩	100%	GREEN	98%	95%	98%
FP02	Retirement benefits paid within 20 working days of all paperwork received	99%	GREEN	⇔	95%	AMBER	98%	95%	96%
FP03	Invoices received by Accounts Payable within 30 days of KCC received date	83%	AMBER	⇔	84%	AMBER	85%	80%	n/a

FP02 – The year to date position continues to improve but is still impacted on by the sudden change in how calculations are performed following notification by the DCLG and the Government Actuary Department back in April.

FP03 – There is a tendency for an increase in late invoices over the Christmas period, and it is likely that this is the reason for the drop in performance.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FP01b	Pension correspondence processed	3,919	3,597
FP02b	Retirement benefits paid	1,668	1,546
FP03b	Number of invoices paid by KCC	102,739	107,340

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
FP05	Percentage of sundry debt due to KCC outstanding under 60 days old	69%	AMBER	⇩	Snapshot data		75%	57%	78%*
FP06	Percentage of sundry debt due to KCC outstanding over 6 months old	10%	GREEN	⇧	Snapshot data		15%	20%	11%*
FP08	Invoices received on time by Accounts Payable processed within 30 days	99%	GREEN	⇔	98%	GREEN	95%	90%	n/a

*Same month previous year

FP05 – There continues to be an impact from several unpaid invoices. One invoice with a value of £650k is in dispute, and the matter has been referred back to the Directorate for resolution, with the relevant Director taking this forward with the Board of Education. Five invoices for one particular debtor remain outstanding with a total value of £606k. This matter has been referred to the invoice requestor in the Directorate, who has confirmed she will be escalating the matter with Senior Managers. Five invoices owed by NHS CCG's remain outstanding with a total value of £901k, and Debt Recovery are liaising with the various trusts for resolution. In all cases of debt collection the Debt Recovery Team will make a minimum of two contacts before referring matters to the Budget Holder.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FP05b	Value of debt due to KCC	£19.1m	£28.6m

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Appendix 1

Service Area	Director	Cabinet Member	Delivery by:
Governance and Law	Ben Watts	Gary Cooke	Governance and Law

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	⇩	95%	GREEN	90%	85%	93%
GL03	Data Protection Act Subject Access requests completed within 40 calendar days	85%	AMBER	⇧	80%	RED	90%	85%	80%

GL03 – Delays can be due to the operational units not providing information in time, due to lack of resources but queries over consent, legal involvement, and requests not recognised by recipient are also reasons why delays occur. The Information Resilience & Transparency Team continues to provide 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	123	128
GL02b	Freedom of Information requests	1,592	1,551
GL03b	Data Protection Act Subject Access requests	217	202

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

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	69%	AMBER	⇩	70%	GREEN	70%	65%	71%
ICT02	Positive feedback rating with the ICT help desk	99%	GREEN	⇔	99%	GREEN	95%	90%	98%
ICT03	Working hours where Kent Public Sector Network is available to staff	99.9%	GREEN	⇔	99.9%	GREEN	99.8%	99%	99.9%
ICT04	Working hours where ICT Service available to staff	98.6%	AMBER	⇩	99.2%	GREEN	99.0%	98.0%	99.1%
ICT05	Working hours where Email are available to staff	100%	GREEN	⇔	100%	GREEN	99%	98%	99.7%

ICT01 – The slight drop in performance this month is likely due to the increased number of calls relating to the ongoing Exchange Migration as well as Outlook and Profile issues, with the more complex profile and exchange issues requiring escalation to the 2nd line support.

ICT04 - December saw the service affected by 11 incidents to the Children's Social Care Liberi system, totalling 17 hours. These incidents were followed up with the software provider who escalated the issue to Director level. The provider initiated an investigation which identified the problem and successful mitigation was developed and implemented, this has had the effect of stabilising the system.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
ICT01b	Calls to ICT Help Desk	51,051	43,283
ICT02b	Feedback responses provided for ICT Help Desk	7,245	4,908

Appendix 1

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

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	48%	RED	⇧	Snapshot data		5%	15%	3%

PI01 – A large proportion (£322k) of the outstanding debt is attributable to one NHS Trust. This matter has been passed to debt recovery, and a surveyor is dealing with the Trust directly. Other debt includes where KCC paid for rates in error, and ongoing disputes or non-payment of rents. In all cases action is being taken either in negotiation or via the debt recovery team.

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	51%	RED	⇩	100%	100%	90%	78%

PI03 – In aiming to achieve a target of £52m over the financial year, there are twin pressures of bringing assets to market in the shortest time, but to also achieve the best price for those assets for the long term financial interest of the Council. As at the end of December, £15.5m of capital receipts have been received with a further £44.8m in solicitor's hands after successful marketing, and a further £24m being prepared for marketing. A number of sites were marketed at the end of the last financial year, whilst some of these could have been sold on an unconditional basis, it represented best value and a greater overall return to the council to dispose of these on a conditional basis. This has meant the rephrasing of receipts from 16/17 to 17/18.

Activity Indicator

Ref	Indicator description	Year to date	Prev. yr YTD
PI01b	Total rent outstanding (£'000s)	922	520

Appendix 1

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

Results up to November 16

Key Performance Indicators

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	88%	AMBER	⇩	88%	AMBER	90%	80%	80%

PI04 – The drop is the result of the ongoing problems Kier are having with their Computer-aided Facilities Management (CAFM) system which resulted in only 54.6% of jobs being rectified within timescales. Kier have confirmed that a new system is on track to be implemented by the end of March 2017. Skanska achieved 89.6% in November, and Amey 97.6%.

Activity Indicator

Ref	Indicator description	Year to date	Prev. yr YTD
PI04b	Number of reactive tasks responded to	11,847	N/a

Previous year to date figure is not comparable as the TFM2 contract started part way through the year.

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 March 2017**
Subject:	**Financial Monitoring 2016-17**
Classification:	**Unrestricted**

Summary:
The Policy & Resources Cabinet Committee is asked to note the December 2016-17 budget monitoring position which was dispatched to Cabinet on 3 February 2017**.**

Recommendation(s):
The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2016-17 that are in the remit of this Cabinet Committee, based on the December monitoring to Cabinet.

1. Introduction:

1.1 This is a regular report to this Committee on the forecast outturn.

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 along with a summary of the overall position for the Authority, would be written and presented in a more timely manner than had previously been possible.

This is the fourth report to be presented to this Committee in the revised format.

2.2 Table 1 below shows the position for the Strategic & Corporate Services Directorate for December 2016, together with the movement in forecast from the November 2016 monitoring position.

2.2 Table 1

Budget Book Heading	Net Budget	Net Forecast Variance	Corporate Director adjustment	Revised Net Variance	Previous Month's position	Movement
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Strategic & Corporate Services Directorate						
- Contact Centre, Digital Web Services & Gateways	5,174.0	-127.3	0.0	-127.3	-31.9	-95.4
- Local Democracy	5,314.5	-2.9	0.0	-2.9	-2.9	0.0
- Strategic Business Development & Intelligence	1,332.1	-61.1	0.0	-61.1	-64.0	2.9
- Strategy, Policy, Relationships & Corporate Assurance	2,064.1	-214.5	0.0	-214.5	-213.9	-0.6
- Democratic & Members	3,699.4	-108.3	0.0	-108.3	-108.2	-0.1
- Finance & Procurement	10,830.8	-414.9	0.0	-414.9	-338.6	-76.3
- Engagement, Organisation Design & Development (HR,Comms & Engagement)	9,607.9	-279.3	0.0	-279.3	-248.7	-30.6
- Legal Services & Information Governance	-2,042.8	488.8	0.0	488.8	474.5	14.3
- S&CS Strategic Management & Directorate Support Budgets	-2,413.5	0.0	0.0	0.0	0.0	0.0
- Infrastructure - Property, ICT & Business Services Centre (CLL reduced by Asset Utilisation saving of -£1,038k)	37,141.8	619.5	0.0	619.5	673.1	-53.6
Total S&CS	**70,708.3**	**-100.0**	**0.0**	**-100.0**	**139.4**	**-239.4**

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 Directorate forecast (excluding the Asset Utilisation target) has moved by -£0.239m to an underspend of -£0.838m, whilst the position on Asset Utilisation remains unchanged at +£0.738m, giving an overall underspend of -£0.100m as shown above.

2.4 The main movements for the Directorate controllable budgets are: -£0.095m for Contact Centre & Gateways where planned expenditure on project work within Gateways has re-phased to 2017/18; -£0.054m improvement in position for Infrastructure which includes Business Services Centre; -£0.076m Finance & Procurement further staffing efficiencies and income.

2.5 Directorate Variance of -£0.838m.

Finance & Procurement are reporting an underspend of -£0.415m 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 -£0.215m resulting from staff maternity and secondments together with unbudgeted project income from the NHS.

Engagement, Organisation Design & Development are reporting an underspend of -£0.279m primarily due to staffing vacancies.

Legal Services are reporting a pressure of +£0.489m primarily due to staff vacancies, recruitment and training of new staff which is impacting income generation.

The variance of +£0.619m against Infrastructure consists of an underspend of -£0.119m against Infrastructure controllable budgets, made up of many variances across all areas of the Division, including the Business Services Centre. This is off-set by the overspend of +£0.738m relating to the Corporate aspirational Asset Utilisation target.

All other Divisions within the control of the S&CS Directorate have variances of less than +/- £0.100m.

2.5 Asset Utilisation Variance of +£0.738m.

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 £0.738m of savings to be delivered from the closure of buildings, which are yet to be agreed.

2.6 The Strategic & Corporate Services capital budget is £20.502m. There are no major variances to report.

3.1 As the Policy & Resources Cabinet Committee has overview of the whole Authority, Members of the Committee are asked to note the overall revenue position for the Authority.

3.2 We continue with our campaign to urge budget managers to be less guarded with their forecasting and question every pound of spend. As a result, the residual position is once again showing an improvement this month. All current anticipated management action is now included in the Corporate Directors adjustments reflected in this report. The only other potential outstanding adjustment relates to Asylum, so assuming that we receive funding from the Home Office to offset the Asylum pressure, and this is by no means certain, then the overall position would reduce by a further £1.865m from £5.218m to £3.353m. This compares to a residual pressure reflected in section 1.4 of the November monitoring report of £4.090m, so an underlying improvement of £0.737m this month. This predominately relates to improved positions within Adult Social Care, specifically nursing and residential care and support for carers, and within Strategic & Corporate Services directorate, particularly Finance & Procurement, Gateways, and Infrastructure & Business Services Centre. This further improvement in the position is once again very encouraging, but although we continue to move in the right direction, we still remain a long way short of achieving a balanced position. This situation is exacerbated further by the need to roll forward funds into 2017-18 to meet our commitments.

3.3 Senior management continue to work collectively to identify common areas where spend could be reduced and they remain committed to achieving a balanced position by year end without imposing a more draconian set of authority wide moratoria. Whilst we haven't introduced moratoria, we are:

- holding vacancies for non-essential posts and having director level authorisation for those posts that we do recruit to;
- ensuring rigorous contract management;
- running a PR campaign to all staff giving the message to stop all non-essential expenditure and increase income generation wherever possible;
- rigorously reviewing any external advertising for recruitment;
- promoting the message of "think before you print";
- stopping any external room hire wherever possible and practical.

3.4 Corporate Directors continue to look for further savings, however small, that we hope will be reflected in these forecasts in the coming months. Any residual overspend would need to be funded from reserves, which is a one-off solution, still requiring the underlying pressure to be dealt with by in-year management action in the very early part of 2017-18.

3. Recommendation(s):

The Policy & Resources Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2016-17 that are in the remit of this Cabinet Committee, based on the December monitoring to Cabinet.

4. Contact details

Report Author

- Jackie Hansen, Strategic & Corporate Services Directorate Finance Business Partner
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Relevant Director

- David Cockburn, Corporate Director Strategic & Corporate Services
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From: Mr G Cooke, Cabinet Member for Corporate and Democratic Services

John Lynch, Head of Democratic Services

To: Policy and Resources Cabinet Committee –8 March 2017

Subject: **Work Programme 2017/18**

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 a work programme for 2017/18.

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 2017

3.1 An agenda setting meeting was held on 2 February 2017 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 to be considered for inclusion on the agenda of future meetings.

3.2 The schedule of commissioning activity 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 2017/18.

6. Background Documents
None.

7. Contact details

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Appendix A

WORK PROGRAMME – 2017

Policy and Resources Cabinet Committee

Agenda Section	Items
16 June 2017	
B – Key or Significant Decisions for Recommendation or Endorsement	
C - Performance Monitoring	• Performance Dashboards • Financial Monitoring • Total Facilities Management – Bi-annual Report • Business Service Centre (Bi-annual performance report) • Work Programme •
D - Other Items for comment/ recommendation	• ICT Security Annual Report • Armed Forces Covenant Annual Report (May 2017 • Contract Management Report • Housing White paper and KCC's response to it- (depends on date of government announcement • SIRO update and re-assurance • Business Rates update (subject to government announcement • Commercial Services Update • Revenue Income dividend work streams (D Shipton) • Welfare Reform update (D Whittle) • Business Services Centre – Business Case
15 September 2017 •	
B – Key or Significant Decisions for Recommendation or Endorsement	
C - Performance Monitoring	• Performance Dashboards • Financial Monitoring • Contract Management • Work Programme •
D - Other Items for comment/ recommendation	• Corporate Assurance Report March 2017 • Gen2 Update – Bi-annual report • Invicta Law Update"
5 December 2017 •	
B – Key or Significant Decisions for Recommendation or Endorsement	
C - Performance Monitoring	• Performance Dashboards • Financial Monitoring • Business Service Centre (bi-annual performance report July and December 2017) • Annual Equalities Report and new equalities objectives • Total Facilities Management Update – Bi-annual report • Work Programme

D - Other Items for comment/ recommendation	
Other items	
	• **LATC** • **Gravesham Gateway to be considered by P&R in 2017 as decision as notice needs to be given by November 2017** • **Business Disaster Recovery/ Business Continuity** • **Voluntary Organisations and use of KCC buildings** • **Contracting and Sub-Contracting arrangements with VCC (minutes of meeting of 8 September 2016)** • **Consultation Protocol (minutes of meeting of 8 September 2016)**
2 February 2018 •	
B – Key or Significant Decisions for Recommendation or Endorsement	
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16 March 2018 •	
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From:	Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement Gary Cooke, Cabinet Member for Corporate and Democratic Services Susan Carey, Cabinet Member for Commercial and Traded Services David Cockburn, Corporate Director Strategic and Corporate Services and Head of Paid Service
To:	Policy and Resources Cabinet Committee, 8th March 2017
Subject:	Strategic and Corporate Services Directorate Business Plan 2017-18 (Final Draft)
Classification:	Unrestricted

Summary: This report provides the final draft of the Strategic and Corporate Services Directorate Business Plan (2017-18) for consideration and comment, prior to approval by Cabinet Members and publication online in April 2017.

Recommendation(s):

The Policy & Resources Cabinet Committee is asked to:

(1) **Consider and comment** on the final draft of the Strategic and Corporate Services Directorate Business Plan (2017-18).

1. Introduction

1.1 The Strategy, Policy, Relationships & Corporate Assurance division is responsible for coordinating the annual business planning process. The 2017-18 directorate business planning approach was agreed at Policy & Resources Cabinet Committee on 2nd December 2016 **(Background Paper).**

1.2 Directorate Business Plans play an important part in reflecting how each directorate will support the achievement of the County Council's five year Strategic Statement "*Increasing Opportunities, Improving Outcomes*".

1.3 Within the Strategic and Corporate Services Directorate, Cabinet Members, the Corporate Director and the Directorate Management Team have taken strong ownership of the development of a draft Directorate Business Plan, with appropriate support from the policy team and divisional business planning leads. A final draft directorate plan has been developed, which incorporates the feedback received to date and fully aligns with the corporate business planning approach agreed by this Cabinet Committee.

1.4 The business planning process has also been informed by an Internal Audit of the 2016-17 business planning process, which reported to the Governance and Audit Committee in January 2017.

2. Strategic and Corporate Services Directorate Business Plan

2.1 The final draft directorate business plan is set out in **Appendix 1**. This provides the Cabinet Committee with the opportunity to comment before final approval by Cabinet Members. It is intended to publish all the final directorate business plans on Kent.gov in April 2017.

2.2 This year the draft directorate business plan includes an executive summary for easy reference to the new priorities for 2017-18, a short report on progress towards last year's priorities as part of a rolling 3 year plan, and consideration of the opportunities and challenges of our rapidly changing operating environment.

2.3 As a forward looking document, the draft plan reflects the new operating model and Strategic Commissioning approach agreed by County Council in January 2017. The resources information will be updated prior to final publication to ensure it reflects the latest possible information and the final approved Budget Book and Medium Term Financial Plan. It will then be further updated in due course to ensure the resources information reflects the new structure.

2.4 The business plan includes information on Key Performance Indicators (KPIs) and Activity Indicators. This year, wherever possible there is a more explicit link between the KPI's and the directorate priorities, or it is clearer where indicators relate to core business (business as usual). An important principle is that there is consistency with the targets with the Quarterly Performance Report and Directorate Dashboard. The performance information will therefore be updated once the final performance returns from Quarter 1 of 2017-18 are available.

2.5 We welcome the opportunity for the Cabinet Committee to consider and comment on the draft content, and wherever possible we will reflect this feedback in the final version of the document.

3. Next Steps

3.1 The final directorate business plan will be developed for approval by Cabinet Members, prior to being published online in April 2017.

3.2 Divisional business plans will continue to be made accessible to elected members and staff in a single area of KNet from May 2017. This allows sharing of good practice and provides members with the opportunity to see the detail of service delivery in areas of particular interest.

3.3 In the summer, the Strategy, Policy, Relationships & Corporate Assurance division will then review the effectiveness of this year's business planning approach, in order to make iterative improvements for next year.

4. Recommendations

4.1 The Policy & Resources Cabinet Committee is asked to: (1) **Consider and comment** on the final draft of the Strategic and Corporate Services Directorate Business Plan (2017-18).

Appendices:
Appendix 1: Strategic and Corporate Services Business Plan 2017-18 (Final Draft)

Background Documents:
2017-18 Business Planning Framework, 2nd December 2016, Policy & Resources Cabinet Committee

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Strategic and Corporate Services Directorate

2017-18 Directorate Business Plan

Kent County Council
kent.gov.uk

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Strategic and Corporate Services Directorate Business Plan 2017-18

FINAL DRAFT FOR CABINET COMMITTEE, 23rd FEBRUARY 2017

Contents

A. Executive Summary

The Strategic and Corporate Services directorate continues to deliver professional, quality services during a time of exceptional change and transition. We keep a relentless focus on efficiency and effectiveness, supporting Kent business wherever possible and securing best value for money by using our resources in the effective way. We support the delivery of extensive frontline and business change, providing proactive advice and taking a flexible approach to rapidly respond to changing business needs. We play an important client and commissioning role, holding our traded service companies to account to maximise income generation for the benefit of the whole authority.

A key priority is supporting KCC towards becoming a strategic commissioning authority - changing systems, culture and approaches to support the achievement of strategic objectives. We help to embed cultural change, recognising our people are our most important organisational asset. We want to support a healthy, engaged and resilient workforce that takes full advantage of new technology to enable new ways of working.

We play an important community leadership role on safeguarding activities to protect vulnerable children, strengthening our corporate parenting responsibilities and supporting services to deliver our statutory Prevent and Public Sector Equality duties.

Our operating environment is rapidly changing and we need to be ready to respond to the opportunities and challenges ahead. This business plan sets out our annual priorities as part of a rolling three year plan, which will enable the directorate to lead by example and be in a strong position to deliver significant change.

Strategic and Corporate Services Directorate Priorities 2017-18

1. Provide professional, high quality and cost effective services which support frontline service delivery, drive income growth and deliver better outcomes for our customers.
2. Engage early and provide timely, evidence based advice to protect the authority's best interests with robust governance and assurance processes. Taking a flexible approach that is responsive to changing business needs and allows responsible risk-based decisions to be taken by officers.
3. Modernise KCC's constitution and the way in which it is used to reflect the changing organisation, ensuring that decision making remains lawful, reasonable and proportionate.
4. Continue to provide robust advice and challenge to budget managers to facilitate accurate forecasting and enable solutions to be found.
5. Through the delivery of our ICT Strategy, HR change programmes and Asset Strategy, provide a platform for change as we move to new models to support service transformation and ensure that we are using our resources in the most effective way.
6. Support the continued development of our new delivery models, holding providers to account, maximising income generation and building strong relationships.
7. Establish a new Strategic Commissioning function so commissioners are supported by a deep capability in commercial leadership and judgement, evidenced based decision making, and performance reporting and analysis. A review will be undertaken and implemented to best consolidate and rationalise data collection, analysis and reporting. Delivering both value for money and social value will be intrinsic to the new function.
8. Develop the new Kent Health and Wellbeing Strategy, which aligns with the delivery of the Sustainability and Transformation Plan for Kent and Medway.
9. Drive customer service improvements and service resilience across the authority, in our strategic relationships and through our supply chains.
10. Maximise opportunities to increase apprenticeships in Kent through the Apprenticeship Levy.
11. Continue to implement our Prevent duty ensuring all staff have the skills and knowledge they need.

B. Corporate Director's Foreword

David Cockburn

Corporate Director, Strategic and Corporate Services

Head of Paid Service

My role combines responsibilities for the management and service delivery of the directorate, whilst ensuring we use KCC's resources to best effect and discharge our duties effectively to respond to changing needs, demands and pressures. I also have a governance role in the shareholder boards for the Commercial Services, Invicta Law and GEN^2 Property Services traded services companies.

The Strategic and Corporate Services directorate continues to deliver professional, quality services during a time of exceptional change and transition. We support the delivery of extensive frontline and business change, whilst simultaneously supporting the authority to tackle challenging financial and demand pressures. We continue to have a strong track record of financial management to secure substantial budget savings in the Medium Term Financial Plan.

The directorate plays a vital role in supporting KCC towards becoming a strategic commissioning authority, changing systems, culture and approaches to achieve our strategic objectives. We have made strong progress towards maturing the discipline of our contract management arrangements, drawing on national practice. Strategic commissioning support requirements are now better understood and supported by robust governance arrangements. We have placed a successful emphasis on skills development which leads to effective commissioning and strengthened the network of commissioners across the authority.

The organisation is now ready to make a radical step change. In 2017-18 a priority will be supporting a new organisational structure to deliver a new approach for strategic commissioning. As Head of Paid Service I will undertake line management responsibilities for all Corporate Directors, which will provide us with an opportunity to strengthen our commitment to, and oversight of, Kent's safeguarding activities. This change reinforces that child protection is a key priority for KCC - from the most senior managers in our organisation to those working at the frontline. Our corporate parenting responsibilities are integral to all that we do, and we will support all relevant Directors to deliver their safeguarding responsibilities which are essential to ensure that the children we look after are well supported to achieve better outcomes.

This year we will introduce a new Strategic Commissioning function which brings together specialist and professional services across all phases of the strategic commissioning cycle and provision of change management capacity. The impact of commercially focused commissioning will drive significant value for money across all parts of KCC, delivering benefits to our partners and residents. A new senior role of Strategic Commissioner will oversee the delivery of strategic commissioning expertise, providing commercial leadership and judgement, evidence based decision making and performance reporting and analysis. This is an exciting development and it will be more important than ever that we take shared responsibility for delivering our strategic outcomes, working collaboratively and seamlessly with services directorates.

Over the coming year we will progress at pace with the implementation of innovative alternative service delivery models to maximise our income generation potential, explore potential markets and grow our future customer base. We will continue to support the evolution of our traded service companies both in terms of commissioning services from them and the annual review of their governance arrangements. We will continue to mature our client side arrangements, progress the most appropriate future operating models and keep building strong relationships with our providers to proactively resolve any issues early.

A particular priority for the year ahead will be supporting the continued development of the Business Service Centre (BSC). We have built a successful track record of increasing income generation, launching new products to support the growth of traded services and delivering efficiencies whilst maintaining customer satisfaction. We have now reviewed how the BSC can continue to best support KCC's future objectives whilst addressing a complex and varied range of market challenges. We will progress a new operating model which allows traded areas to focus on income generation and enjoy greater commercial freedoms, whilst reshaping non-traded areas to improve service quality for our customers and deliver value for money.

A continued priority is supporting the integration of health and social care, ensuring that we contribute to the effective delivery of Kent and Medway's Sustainability and Transformation Plan. We need to support our partners to take advantage of integration opportunities to ensure Kent can respond to the financial, demand and operational challenges the sector faces over the medium term. It is important that we collaborate effectively with the right assets, technology and business intelligence in place for the future.

We have delivered effective policy analysis to support the authority to respond to a rapidly evolving public service reform agenda. We will continue to drive a focus on outcomes through the Strategic Statement Annual Report and our new Equality Objectives. We will further mature our corporate assurance and risk management arrangements to support effective decision making. We have made huge progress in building a new relationship with the Voluntary and Community Sector through the delivery of our VCS Policy.

In 2016, we worked closely with District and Borough Councils and Medway Council to develop a potential devolution deal; however the potential benefits of seeking a formal deal were likely to be outweighed by the bureaucracy and costs. Instead, we are supporting the Kent Council Leaders to focus on delivering improvements within existing arrangements. Work is underway in East and West Kent on specific workstreams to improve joint working and secure better value and outcomes from limited public resources. The need for this work is likely to intensify, and to involve North Kent and Medway.

As the organisation changes and matures, the directorate will be supporting this through the consequential development of the authority's governance framework, including work to modernise KCC's constitution to reflect the changing organisation to ensure that decision making remains lawful, reasonable and proportionate. At the same time, the directorate will be reviewing the whole council approach to information governance and delivering the necessary change and development to support the introduction of new Data Protection Regulations in early 2018.

In May 2017, the Council will hold elections and make the change from existing boundaries to 81 new electoral divisions. The directorate will support members and officers in preparing for the election, both in constitutional and operational terms. Member induction will be a priority for the whole directorate.

As a directorate we keep a relentless focus on efficiency and effectiveness. We continue to support Kent business wherever possible and secure best value for money for the authority, maximising and targeting our resources effectively. We continue to focus on the successful delivery of our core business of providing high quality, professional advice and support to enable frontline service transformation, taking a flexible approach to rapidly respond to changing business needs. We want to engage early and offer proactive, preventative advice, analysis and internal controls to protect the authority's best interests and inform decision making. We need to ensure that we continue to strengthen the quality, continuity and resilience of our support to frontline services during a prolonged period of significant change.

We help to embed cultural change which is necessary to transform service delivery. We recognise our people are our most important organisational asset, so we need to focus on maintaining a healthy and engaged workforce that is supported with the skills, training, technology and capabilities to become fit for the future.

The year ahead will be a challenging one for the Strategic and Corporate Services Directorate but by working together we are in a strong position to respond to the significant opportunities ahead.

C. Directorate role and purpose

Our divisions

Engagement, Organisation Design and Development

Corporate Director: Amanda Beer

Responsible for employment practice and policy, organisational design and workforce development, health and safety, and the communications, customer and engagement functions for the authority. The division holds the client side responsibility for Contact Point and Digital Services provided by Agilisys.

Finance

Corporate Director: Andy Wood

Responsible for KCC's finance operations and financial planning, policy and strategy. This includes statutory responsibilities for the Chief Financial (Section 151) Officer, setting a balanced budget, delivering the Medium Term Financial Plan and producing the financial accounts. Other functions include internal audit and external contracts for financial services for other public sector bodies.

Governance and Law

Director: Ben Watts

The General Counsel is responsible for the council's approach to corporate governance and ensuring that the actions of the organisation are lawful. In addition to providing corporate legal advice and assurance, the role includes commissioning legal services for the authority, developing and maintaining the governance of the council's traded companies and statutory roles of Monitoring Officer and Senior Information Risk Owner. Responsibilities also include providing Democratic Services support to elected Members, the electoral process and managing requirements around information governance and transparency.

Infrastructure

Director: Rebecca Spore

Responsible for the infrastructure required to support frontline service delivery and developing solutions to enable new ways of working. This includes technology and property commissioning and strategy, business partners supporting service directorates and strategic infrastructure partnerships and programmes relating to technology and property assets. The division is also responsible for the delivery of services from the Business Service Centre.

Strategic Commissioning

To be appointed

The new function will deliver specialist and professional services across all phases of the strategic commissioning cycle, bringing together teams from commissioning, procurement and strategic business development and intelligence. Responsibilities will include analysis, solution and market development, contract strategy and governance, contract creation and negotiation and contract management to drive value for money and successfully support strategic commissioning in service directorates.

Strategy, Policy, Relationships and Corporate Assurance

Director: David Whittle

Responsible for preparing KCC to meet the future agenda and challenges through medium term planning, policy development, building strategic relationships, leading the equality and corporate risk strategies and providing corporate assurance on major programmes and projects.

More detail is available in our Divisional Business Plans on KNet.

Our traded services

The directorate has robust governance and client side arrangements in place to ensure our traded services effectively meet business requirements and provide good value for money by generating income for the benefit of the whole authority. Each traded service has their own independent, commercial business plan, which is separate from our internal business planning framework. The directorate also facilitates and supports the governance arrangements that allow the organisation to hold these businesses to account as a shareholder against their business plans.

Business Service Centre

The Business Service Centre (BSC) was established in April 2015 to deliver HR, Finance and ICT transactional services to the authority and the wider market. The BSC sits within the Infrastructure division and is commissioned by client teams in the Infrastructure, EODD and Finance divisions against outcomes-based Service Level Agreements (SLA's) for each service. The BSC has a strong emphasis on improving customer service outcomes whilst achieving savings and maximising income. This is achieved through economies of scale to gain maximum efficiency from services, integration and simplified processes.

Commercial Services

Commercial Services is an established trading platform providing services to a range of sectors such as energy, recruitment, education supplies, landscape, waste and inspection services. The company structure maximises opportunities for future business growth, providing significant dividends to KCC and supporting Kent's economy through wider supply chains. KCC, as the 100% shareholder, exercises its authority through a Shareholder Board, supported by Commercial Services Boards, Audit and Remuneration Committees.

GEN² Property Ltd

In May 2016 GEN² Property Ltd, a Local Authority Trading Company (LATCo), was established to provide property services. It is a limited company that is wholly owned by KCC with the ability to drive greater value contracts with the public and private sector, with its own shareholder board. It is commissioned through the Infrastructure division to deliver KCC property services via a Service Level Contract (SLC) and Annual Delivery Plan. GEN² provides professional property, project and contract management services, delivering KCC's asset management plan and capital programme. Its focus is to increase income from new markets and deliver cost reductions from new commercial solutions.

Invicta Law

In March 2016 the decision was taken to proceed with the formation of an Alternative Business Structure to deliver legal services to KCC and the wider market. In May 2016, an application was successfully submitted to the Solicitors Regulation Authority, with the intention to commence trading by April 2017. Invicta Law is commissioned through the General Counsel function in the Governance and Law division through a contract and has its own shareholder governance board. The new business model is expected to deliver a significant increase in revenue return to KCC over the next 10 years.

Other

We support a variety of partnerships, as set out in our **Annual Report 2016** and play a community leadership role on shared partnership agendas such as safeguarding children, corporate parenting and Prevent.

Business Capability Portfolio

The Business Capability portfolio is one of four change portfolios for KCC's major programmes and projects. It is focused on creating new capability to enable the delivery of frontline service transformation, including programmes to transform property assets, ICT infrastructure, new delivery models and customer services.

Equality

The directorate takes a leading role to ensure that the Public Sector Equality Duty is met through our internal governance processes. Our divisional business plans define the specific activity against which we will report progress to reach the Equality Objectives agreed in KCC's **Equality and Human Rights Policy**.

D. Progress on the 2016-17 directorate priorities

In 2016-17 we identified a number of important collective priorities for the whole directorate. We have made good progress towards achieving these priorities, which is summarised below. Many continue to be highly relevant and have influenced our priorities for 2017-18, as part of our rolling 3 year plan.

Work together across divisions to support transformation through a clear, joined up offer of support for the service directorates

- The directorate has robust engagement with all Portfolio Boards to provide professional advice on major transformation programmes and projects, including Corporate Assurance to inform decision making.
- We have established clear gateways and the 'business partner' model to support directorates, developing more effective processes for engagement, strategy development and business planning.
- A priority has been supporting the Adults Phase 3 and 0-25 transformation to ensure we can fully support systems and strategies, there is robust contract management and internal controls to ensure the transformation benefits are delivered to provide good value for money for the authority.
- The Infrastructure and Governance and Law divisions have focused on engaging earlier in planning service delivery changes to ensure they can offer proactive, preventative advice and potential solutions.
- The EODD Service Redesign has focused on commissioning a clear offer of support for change activity.

Enabling effective strategic commissioning by working with Directorates to ensure commissioning decisions are built around strong business intelligence, effective strategic procurement and contract management and future workforce development

- The Strategic Commissioning Board (SCB) is playing an important role in challenging the quality of commissioning decisions and reviews contract awards over £1m. Improved commissioning and procurement strategy and plan guidelines are helping to improve the consistency and quality of information, in order to better inform decision making.
- A better awareness of the pipeline of forthcoming commissioning activity is being developed, influencing resource allocation so the right expertise and advice can be provided at an early stage.
- A workforce development plan for commissioning has been delivered, including a targeted baseline skills assessment, continuous professional development sessions and specialist training for contract managers.
- Strategic Sourcing and Procurement reviewed and improved the pre-qualification questionnaire (PPQ).
- In January 2017, County Council approved a new organisational structure to support KCC to become a strategic commissioning authority, introducing a new Strategic Commissioning function for the directorate.

Developing a joined up view of the KCC customer through our partnership with Agilisys in order to provide better customer insight to support service redesign and commissioning

- Our contract management of Agilisys has matured, with a strong client presence supporting the partnership to achieve its aims, supported by tools that provide regular service level reports on progress.
- Introducing core tools is helping more efficient management of customer contact, better insight, a more consistent customer journey and information management to inform further evolution of digital sites.
- We continue to work through improvements online and with telephony, including Netcall and webchat.
- Call volumes have steadily reduced over the last year. Work continues with Agilisys to manage cost savings from a reduction in predicted call volumes so this goal remains achievable.
- We continued to make progress in digital channel shift and the development of web-enabled channels.

Ensuring as part of the new ways of working programme that the appropriate technology, property infrastructure and HR support is in place to support our services' business needs and provides a platform for change as we move to new operating models and service transformation

- We have developed the ICT Strategy 2016-2020, as an enabler for modern, flexible ways of working.
- The first phase of the New Ways of Working programme reached its conclusion. Health and Safety supported all projects to ensure facilities and capacity/space standards were suitable for occupation.
- The "Doing things Differently" campaign engaged staff via a variety of communication methods.
- The development of a New Ways of Working 2 strategy has been initiated, linked to the ICT Strategy 2016-2020, Future Leadership Strategy, HR and OD strategy. A new culture change model recognises the importance of behavioural change to support technology and accommodation changes.
- We have been exploiting our Strategic Enterprise Partnership with Microsoft to inform our ICT Transformation roadmap technology, taking advantage of cloud navigator technology to maximise investment with an extensive analyse phase covering the organisation, people, process and technology.
- Microsoft supported us to explore opportunities in Health and Social Care integration and the Local Digital Roadmap which is a cornerstone of the Sustainability and Transformation Plan, aligned to a proof of concept to create a single Kent Identity for residents to seamlessly access public sector services.
- Infrastructure are working towards better recording and databases of staff locations, equipment and technology requirements, linked to starters and leavers processes, to inform cost effective decisions.

Building organisational resilience through improving personal resilience in our staff, building greater resilience across our systems and infrastructure, and supporting planning for business continuity

- Infrastructure is improving its business continuity planning and data recovery arrangements, developing more robust response procedures for incidents involving Property and ICT services and data.
- EODD have delivered professional development networks to build capacity, including Programme and Project Management, Commissioning Network and support for newly qualified social workers.
- A wellbeing strategy and approach for coaching and workforce development is also in progress.

Support the organisation to deliver the required budget savings in a challenging and changing local government finance landscape, including driving increased income through Invicta Law, the BSC and GEN^2

- Our new delivery models all have budgets that support the delivery of the Medium Term Financial Plan. We continued a strong focus on income generation during a transitional year for our traded services.
- In 2016-17, the BSC continued to make good progress to deliver enhanced income for the authority. We have reviewed the design and scope of the BSC to pursue the best options to support KCC's future objectives. It has developed a growth plan and an active business development team to maximise opportunities to generate income within and beyond existing markets. It has identified increased profitability for 2017-18, with further efficiency savings and transformation planned to work towards a new trading approach in 2018-19.
- In 2016-17, the first year of its launch, GEN^2 has been in a transitional period yet has still delivered a dividend to the authority. There is a modest increase in income projected for 2017-18, as the company pursues new market opportunities and resource allocation models to drive better value.
- In 2016-17, Legal Services continued to deliver significant income for the authority. There will be a transition period as Invicta Law is established, with the intention to produce a surplus in 2017-18, building as the company matures and takes on new market opportunities. A key part of the transition will be the implementation of new technology which will change service delivery and transform the client experience, billing and the availability of management information in relation to legal risk and activity – a significant business change.
- We supported our trading companies with a robust change programme including reviews of spans, layers, terms and conditions and workforce development frameworks to support business priorities.

Provide Members with assurance that their strategy and priorities are being delivered effectively through strong governance arrangements and effective corporate assurance, performance and financial monitoring, in order to support continuous improvement, transparency and value for money

- We continued to support strong democratic governance, including the cross-party Commissioning Advisory Board and Select Committees.
- We have transformed informal governance to provide better oversight of the whole commissioning cycle, establishing the Strategic Commissioning Board and Budget & Programme Delivery Board.
- We matured our Corporate Assurance arrangements, providing closer alignment with risk management, undertaking checkpoints of major programmes and potential for the Delivery Complexity Analytics tool.
- We continued effective performance monitoring in the Quarterly Performance Report and Directorate Dashboards, in addition to introducing outcomes performance reporting for the Annual Report 2016.
- We continue to provide effective financial monitoring for the authority, which delivered a 2015-16 underspend of £3.5m across the authority – including a £1.9m underspend for the directorate.
- We have undertaken a Programme and Project Management Impact Assessment to determine the level of progress made to inform continued development and improvement.

Improve commissioning practice to ensure we are effectively meeting needs and securing best value for money, taking action to form a joined-up approach between commissioning and procurement

- We are leading an effective, best practice approach to contract management, including targeted reviews of contracts against a best practice maturity assessment from the National Audit Office.
- Development workshops with Challenger and the Commissioning Network have informed improvements to the effectiveness and consistency of commissioning practices and standards.
- The Commissioning Network now shares best practice and practical tools between more than 185 staff.
- Continuous Professional Development on commissioning and contract management has been delivered to develop skills and capabilities, including business acumen training with Finance.
- We have delivered standard and tailored training in procurement to contribute to the awareness and understanding of procurement and contract management, for both members and officers.
- We have reviewed potential opportunities to generate income by providing procurement services for external partners, including NHS, CCGs and other local authorities.
- Infrastructure has developed their commissioning processes with both GEN^2 and the BSC ensuring a joined up approach between commissioning and procurement to secure best value.
- We integrated teams from commissioning, procurement and strategic business development and intelligence within a new Strategic Commissioning function to provide professional commissioning and commercial advice to further improve the quality and discipline of KCC's commissioning practice.

Support Members to have appropriate input and oversight of commissioning as a strongly Member-led authority

- The cross-party Commissioning Advisory Board provides early member engagement to ensure commissioning decisions are built on a strong evidence base.
- Joint member and officer development sessions on a commissioning authority and contract management have been delivered, including bespoke training for members in their commissioning role.
- The changes to informal governance have provided further opportunities for member oversight through the Strategic Commissioning Board and Budget and Programme Delivery board.
- The directorate has supported the Policy & Resources Cabinet Committee (and sub-committees) to play an enhanced role in the oversight of contract management arrangements for major contracts.

Ensure all contracts are properly managed, and all obligations under contracts are met in full

- Contract management reviews report to the Budget and Programme Delivery Board and Policy and Resources Cabinet Committee to ensure contract managers are held to account effectively and any gaps, intervention and training needs can be identified with appropriate action taken.
- SBDI is supporting the directorate to lead by example in effective practice for major contracts with Newton Europe and Agilisys and providing advice for internally commissioned services.
- Infrastructure have introduced robust procedures to manage contracts with proactive action plans to resolve issues, including appropriate application of performance penalties.
- Internal Audit has focused on major contracts and assurance plans to improve contract discipline.
- An evaluation of tenders was undertaken to check legal compliance factors and competence to deliver on KCC's behalf including the asbestos framework, waste and recycling and home to school transport.

Clearly define relationships between the parts of the organisation that are providing services and the client-side, and strengthen our relationships with providers to allow us to identify new solutions to solve problems

- We successfully established client-side functions to oversee the effective commissioning of our new delivery models, with clear processes in place to monitor standards, quality and performance.
- We continue to build strong relationships with our providers to address issues early and support the continued evolution of our business models to enhance service delivery.
- We have developed different business partner models across the directorate who work at a senior level to improve engagement and understanding of commissioning models with service directorates.

Support policy development and devolution discussions and proposals, based on analysis of what is in the best interests of Kent

- We have provided policy support to Kent Leaders and Kent Joint Chiefs on devolution, including the development of a potential devolution bid. However, in June 2016 Kent Leaders unanimously decided that, given the national uncertainty, the time was currently not right for Kent to submit any proposal.
- In July 2016, a devolution position statement was taken to County Council.
- Work has progressed positively on cluster-based area working in the West, North and East of the county, exploring enhanced two-tier working and co-commissioning opportunities.
- Community Liaison Officers have been actively engaged in local member briefings.

Play our part in implementing the Prevent Duty which requires local authorities to take action to prevent people from being drawn into terrorism, including ensuring staff are appropriately trained and that Prevent requirements are built into our contracts

- To continue developing awareness and staff capability, we have delivered over 1,000 staff briefings (including T200 and Challenger) and an all-member briefing on our Prevent responsibilities. There has been a targeted communications and e-learning approach to promote the statutory duties.
- Mandatory Prevent training is monitored and reported to directorates monthly. Prevent training has also been included in the KCC mandatory induction programme.
- We have extended awareness on the Prevent duty responsibilities to over 1,200 teachers, Head Teachers, School Governors and community groups.
- We have worked across the authority to build Prevent requirements into our major contracts.
- Following proactive policy support, we supported CMT to consider the opportunity to participate in a national pilot to take on new responsibilities for the Channel process working closely with the Home Office and Kent Police. We appointed a dedicated Prevent and Channel Strategic Manager and are now progressing the pilot, in addition to shaping the evaluation approach with the Home Office.

E. Directorate operating environment

We face a challenging yet opportunistic operating environment with rapidly changing demands, financial pressures and policy change. As a directorate, it is important we have a robust understanding of the issues facing the whole organisation so we can effectively support and advise our frontline services. We also need to understand those that will directly impact on our own operational directorate business. We will need to carefully consider the opportunities and risks this brings to plan effectively now, and over the medium term.

Medium Term Financial Plan implications

The delivery of KCC's **Medium Term Financial Plan** is part of our response to a fundamental reduction in public service funding. We continue to build on our strong track record of financial management to meet the paradoxical challenges of rising demand and increasing costs of providing local authority services. These pressures come from demographic changes, general inflation, market forces and legislative demands (e.g. National Living Wage). Many aspects of demand and rising cost pressures are largely unavoidable – the sustainability dilemma continues and is unlikely to be solved in the next three years.

Since 2010, KCC has delivered £514m of savings (£80-90m a year). To balance our 2017-18 budget, we have had to identify £112.7m savings, due to a £66.3m increase in spending demands and £46.4m in net government funding reductions. We are proposing a 3.99% Council Tax increase for 2017-18 to help fund some of this, but there remains a gap between the amount of money we have and the amount we need to spend to continue to deliver services. We have to find **£78.2m** of savings across the authority in 2017-18.

This trend looks set to continue in the following two years, with forecast savings of £53.2m for 2018-19 and £19.4m for 2019-20, although this could be subject to central government spending plan changes. At this stage it is too uncertain to predict the fiscal situation beyond 2020.

Over the last few years we have delivered significant savings as local authority spending power reduced. Overall, our core spending power is predicted to show an increase of £33.3m (3.7%) between 2015-16 and 2019-20, mainly from additional support for adult social care and higher estimates for council tax.

Expected national funding changes for business rates and schools could pose significant changes to our operating environment, in addition to continued unfunded spending demands. This means we have to be even more creative and innovative to find alternative sources of funding and new service solutions.

In the Strategic and Corporate Services directorate we have relentlessly focused on efficiency and income generation, to meet challenging savings targets in the MTFP. In the 5 years from 2013-14 to 2018-19 support service funding is forecast to reduce by -£29.5m (-33.7%). Our new traded services are exploring new market opportunities to maximise income generation. We have to work closely together with services to jointly deliver asset savings and solutions that support frontline service transformation, taking advantage of opportunities to maximise capital receipts and contracts/leases nearing an end to secure better value.

In 2017-18 the directorate needs to deliver £6,724.1m in savings and income generation.

KCC's operating environment

As a directorate, our professional advice supports services to successfully transform to respond to changing demands, pressures and expectations in public service delivery. We facilitate an informed approach to risk management and financial planning, new technology solutions, support for change management and advice on the customer experience. We provide analysis on implications and opportunities arising from demographic, legislative and policy change to ensure we are fit for the future to respond to these issues.

Demand and changing demographics

Kent is a growing county, with migration accounting for 75% of annual population change in Kent, higher than the national average. The county's population is expected to grow by 17% (293,000) in the next 15 years, with significant growth in older people with 18% of the population to be over 70 by 2031 (currently 13%), and more people living longer with more complex multiple conditions, placing a higher demand on public services. This is set against the backdrop of the NHS funding gap, insufficient primary care infrastructure and a changing workforce profile within health and social care (e.g. GP's retiring earlier).

Customers have higher expectations of choice and control in services to support their independence and expectations are evolving with the continued growth of digital and social media, as the way people access services rapidly changes. Although this presents financial pressures, there are opportunities for public service reform to deliver radically different services which are more customer focused. We have opportunities to explore marketing and digital service trends, as people become more self-sufficient in the way they access information.

We have opportunities to share data sets, customer insight and analysis to aid the prediction and response to demand management in an evidence-led approach, not only within KCC but across sectors (e.g. the Kent Integrated Data Set). We have an opportunity to use technology and business intelligence to build a much deeper understanding of our customers to track changes in how people access services in a different setting to target limited resources more effectively on what works. We want to be predictive and proactive, rather than reactive in our planning.

Brexit

The majority of Kent residents voted in favour of leaving the European Union in June 2016 and the resulting impact of Brexit has uncertain implications at this stage. EU nationals form part of our workforce, as well as that of our partners and supply chains, so any resulting immigration and employment rights decisions could impact public services and providers. The referendum decision has cast uncertainty about the stability of the national economy, which could mean further spending pressure and/or funding reductions for local government, in addition to the existing financial challenge. The combination of possible exchange rate increases and inflation could mean that any price rises have an impact on goods and contracts. Brexit will also bring changes through the 'Great Repeal Bill' and resulting legislative change which could create future lobbying opportunities on issues such as procurement, employment rights and welfare. We want to increasingly share our organisational intelligence and maximise our internal and external networks to ensure we are fully prepared to respond to any opportunities and impacts of future legislative change.

Workforce and Employment

Whilst KCC experiences impacts from increases to the National Living Wage, this particularly adds to financial pressure and affordability issues for Kent's care market providers, with the level of increase dependent on the growth of the economy (pegged at 60% of median earnings by 2020). The health and social care sector also faces significant workforce planning issues to develop the skills we need to respond to the challenges set out in the Sustainability and Transformation Plan.

Employment changes such as the £95k cap on the value of exit packages and pensions changes will have an impact on the workforce, as will our changing workforce age profile. Changes in the national economy could affect market supply and demand for the public sector employment - slower growth could mean more supply with unemployment the lowest it has been for 11 years, but conversely changes to welfare may increase supply. Welfare and disability benefit changes could increase supply for the public sector workforce.

We continue to adapt our employment and reward package to respond to the changing psychological contract between us as an employer and the employee. The introduction of the Apprenticeship Levy could positively alter the nature of our workforce, increasing employment opportunities and bringing potential to think about training and development opportunities for apprentices in a different way.

Political and regulatory change

2016-17 was a year of substantial national political change, with the political dynamics continuing to shift in light of the significant issues facing the country ahead. Devolution and public service reform agendas have and will continue to drive change across the local government landscape with a new Secretary of State. 2017 will bring County Elections and irrespective of the outcome, there may be a degree of political change and challenging political decisions to respond to in light of the demand, finance and service changes we face. We also need to prepare to support the introduction of new Data Protection Regulations in early 2018.

Strategic and Corporate Services directorate operating environment

Alternative Service Delivery Models

Creating new Alternative Service Delivery Models (ASDMs) is an important priority for the directorate and presents future opportunities for KCC to review our operating models, maximise income and promote self-sufficiency. We need to boost productivity and efficiency, whilst maintaining function. We need to support the effective growth and development of these models through appropriate training and cultural change. We have learned from the experience of the transition to our first new delivery models and are using this to put effective shadow arrangements in place and manage expectations for service delivery. Through exploring new markets and customer bases, ASDMs allow us to proactively generate demand for our services, maximising our income potential. We want to be more inventive about the markets we are working with and take a planned approach to opportunities for collectively working together to support similar customer bases. We need to carefully analyse the impact on services if, in the future, ASDM's chose to commission corporate services elsewhere and in some cases this will enhance our focus on being 'provider of choice'.

Doing things differently

As our workforce changes, we have the potential to transform our asset and technology changes, together with the right management support, to radically change the way we work within KCC and with our partners. We have huge opportunities to maximise our existing capabilities and drive real cultural change. The One Public Estate programme offers significant opportunities to deliver efficiencies, generate growth and jobs through co-location and more innovative use of public assets to collectively shape the public realm. We have introduced cloud technology which will be a key enabler to drive transformational change. Work shadowing is providing new intelligence on how we can use technology in a different way and we are building strong relationships to collaborate with our partners, particularly to support the delivery of the Sustainability and Transformation Plan and social care transformation.

To take advantage of opportunities like flexible, integrated and home working, we need to enable a stronger utilisation of existing tools, such as Cloud, Skype and Office 365, to ensure we improve not only our capability, but also our efficiency. This must be supported by a strong focus on leadership and management capability, personal responsibility, employee engagement, our reward, terms and conditions package and a shift from a focus on outputs to outcomes. We want to continue to push the self-sufficient manager concept, supporting people with the right tools and advice to appropriately reduce demand for corporate support.

Knowledge transfer

As we drive transformational change, we sometimes require specialist knowledge and consultancy to identify new solutions. As this is often commissioned by services, we need to ensure that, as an authority, we maximise the investment through effective commissioning, knowledge transfer and secure best value for money. We need to ensure we continue to grow and develop the right skills and capacity for the future within the organisation, so we can sustain transformational changes and develop our own new solutions through more effective use of intelligence and analysis. We want to target and prioritise our resources effectively to meet changing needs through our skills and training offer.

F. Risk

As we drive transformational change, we need to ensure that we do all we can to manage our risk exposure to an acceptable level. As our external operating environment rapidly changes, this can increase risk which can have multi-faceted impacts that we need to tackle and mitigate. Our risk strategy is about balancing a healthy risk appetite with reward and we need to continue to take a focused approach to actively manage risk and pursue opportunities within an uncertain operating environment.

This is reflected in our directorate and corporate risk registers.

Directorate Risks

The key directorate risks for the coming year are likely to relate to:

- Being able to maintain a healthy and effective workforce across the directorate through a period of significant change, recognising that our people are our most important organisational asset.
- Key stakeholders do not engage with key transactional and reporting systems that would aid decision making, maximise efficiencies and would support the self-sufficient manager concept.
- Insufficient capacity, lack of appropriate skills and competencies of staff that would maintain day-to-day delivery of services and support change.
- Failure of the effective operation of client-side arrangements, to enable effective oversight and performance management of providers that would form an "intelligent client", to run effective contracts, ensure continued service quality and deliver financial benefits.

Corporate Risks

The directorate is also instrumental in the management of several corporate risks including those relating to:

- Future financial and operating environment for local government: Additional spending demands and continued public sector austerity measures threaten financial sustainability of KCC, its partners and service providers.
- The continued successful evolution of the Council's strategic commissioning approach, ensuring that:
  - Our staff and managers have sufficient capacity and/or capability to support change.
  - 'Client-side' commissioning arrangements drive effective relationships with, and performance management of, suppliers.
  - Financial benefits (including increased income) are delivered by both internally commissioned services and alternative service delivery models.
- Delivery of 2017-18 savings.
- Cyber and information security threats.

Further details of these risks and their mitigations can be found in the **directorate and corporate risk registers.**

G. Directorate priorities for 2017-18

How the directorate supports KCC's Strategic Statement

'*Increasing Opportunities, Improving Outcomes'* sets out what we want to achieve as an organisation from 2015 to 2020. It outlines our vision, the outcomes we want to achieve and how the way we work needs to change. The Strategic and Corporate Services Directorate effectively supports frontline services to deliver better outcomes for our customers, residents and businesses. We ensure that KCC's activity is outcome-focused by embedding them in our policy, financial, business planning and commissioning frameworks.

The Strategic Statement sets out the approach that the organisation needs to take to deliver better outcomes, working with partners and providers. As a directorate we will work together to respond to the **2017-18 political priorities** set out in KCC's **Annual Report 2016**, which were agreed by County Council in October 2016 and facilitate cross-directorate action to put these into practice.

We want to collectively focus on the following political priorities:

Strategic and Corporate Services political priorities:

- Continue to increase the number of apprenticeships for young people.
- Improve customer engagement activity, including consultations, surveys and focus groups, so that learning can enhance customer insight and service delivery across the authority.
- Collectively work with all partners to improve openness and share information to support successful delivery of our outcomes.
- Improve the effectiveness of our contract performance monitoring and work with providers to develop a more open dialogue to tackle any issues early.

An important part of becoming outcomes focused is putting people at the heart of our decision making, with a strong focus on equalities. Our directorate equalities objectives are:

Strategic and Corporate Services equality objectives:

- Recruit, retain and develop a workforce that reflects the communities we serve, and we will ensure our people feel valued and respected
- Publish Equality Analysis with all decisions
- Ensure that when we use Information Communication Technology it is fully accessible for learning, working and getting into services

The detailed actions that each division will take to respond to the political priorities and equality objectives priorities will be set out in our **Divisional Business Plans.**

Strategic and Corporate Services Directorate Priorities for 2017-18

1. Provide professional, high quality and cost effective services which support frontline service delivery, drive income growth and deliver better outcomes for our customers.
2. Engage early and provide timely, evidence based advice to protect the authority's best interests with robust governance and assurance processes. Taking a flexible approach that is responsive to changing business needs and allows responsible risk-based decisions to be taken by officers.
3. Modernise KCC's constitution and the way in which it is used to reflect the changing organisation, ensuring that decision making remains lawful, reasonable and proportionate.
4. Continue to provide robust advice and challenge to budget managers to facilitate accurate forecasting and enable solutions to be found.
5. Through the delivery of our ICT Strategy, HR change programmes and Asset Strategy, provide a platform for change as we move to new models to support service transformation and ensure that we are using our resources in the most effective way.
6. Support the continued development of our new delivery models, holding providers to account, maximising income generation and building strong relationships.
7. Establish a new Strategic Commissioning function so commissioners are supported by a deep capability in commercial leadership and judgement, evidenced based decision making, and performance reporting and analysis. A review will be undertaken and implemented to best consolidate and rationalise data collection, analysis and reporting. Delivering both value for money and social value will be intrinsic to the new function.
8. Develop the new Kent Health and Wellbeing Strategy, which aligns with the delivery of the Sustainability and Transformation Plan for Kent and Medway.
9. Drive customer service improvements and service resilience across the authority, in our strategic relationships and through our supply chains.
10. Maximise opportunities to increase apprenticeships in Kent through the Apprenticeship Levy.
11. Continue to implement our Prevent duty ensuring all staff have the skills and knowledge they need.

The directorate priorities will be delivered through our detailed **Divisional Business Plans** which also include specific actions for individual divisions and teams.

H. Organisational development priorities

To survive and thrive through challenging times and achieve our vision through innovation and collaboration, we will need to both work and think differently.

KCC's organisational development vision builds on our history of workforce development and other ways of improving organisational performance and learning. KCC, staff and partners are equipped to improve lives of Kent residents, communities and business through:

- Delivering change in direction, skills and culture that improves our performance
- Building resilience in all our people by anticipating and adapting to the factors which affect public services
- Improving the employee deal through effective leadership and management
- Using people management processes, systems and data to empower our people

How we improve lives is equally important as the impact we make in peoples' lives. The KCC OD vision is underpinned by our values: openness, invite contribution and challenge and personal accountability.

KCC's organisational development (OD) strategic priorities are set out in the **Organisation Development Medium-Term Plan** 2017-2022. The KCC OD priorities were identified by directorate Organisational Development Groups, the Directors' Organisational Development Group and the Corporate Management Team to support the delivery of the council's vision and outcomes.

KCC OD Priorities

KCC's OD priorities for the whole council from 2017-22 are:

- Apprenticeships for all
- Leadership and management capabilities and culture
- Staff engagement for resilience
- Digitally enabled workforce
- Partnership working and integration
- Sustains transformation and new operating model
- Workforce planning, succession planning and talent management
- Workforce development

Strategic and Corporate Services Directorate OD Priorities

Our directorate OD priorities reflect and support the KCC priorities.

A key theme for our directorate is **'leading by example'** – enhancing our own approaches so we can effectively champion, promote and embed change right across the organisation, with our colleagues, partners, providers and customers.

The Strategic and Corporate Services directorate OD priorities for 2017-18 include:

1. **Personal and team resilience:** Recognise that people are our most important asset, ensuring we have the right tools and support in place to maintain a healthy and effective workforce during a time of significant change. Promoting personal responsibility for individuals and teams to maintain their own health and wellbeing, as part of a two-way accountability between staff and their managers.

2. **Identifying apprenticeship opportunities:** Taking advantage of the Apprenticeship Levy by identifying potential for converting more roles into apprenticeship opportunities for existing staff of all ages. We

also want to identify new apprenticeship opportunities, defining sustainable career pathways and growing the right skills for the future.

3. **Cultural change to enable new ways of working:** Building an effective approach to embed cultural and behavioural change, as we introduce technology and asset solutions that enable new ways of working. We need to promote more personal responsibility for people to maximise their own effectiveness and efficiency, with the right training and support to use new technology flexibly and appropriately. We also need to build an accountable and supportive management culture that leads by example, embedding behavioural change, flexibility and managing for outcomes.

4. **Client-side capabilities and relationship management:** Developing the right skills and capabilities to become an intelligent client, with robust and effective analysis, contract and performance management to manage risk and maintain service quality as we transition to new service delivery models. Setting clear accountabilities and building effective relationship management skills in our strategic commissioning arrangements, striking the right balance between robust challenge on service priorities with clear communication and support to work together with providers to resolve issues together quickly. We also need strong relationship management to work collaboratively and seamlessly with services directorates, with the right communication channels to embed a new approach for strategic commissioning and engage with other client/commissioning functions effectively.

5. **Strategic Commissioning:** Develop capabilities to support the new Strategic Commissioning function, growing professional strategic commissioning expertise, commercial leadership and judgement, evidence based decision making and analytical support.

6. **Outward focus:** Reaching out and maximising our internal and external networks to share intelligence, best practice approaches and collectively problem solve to improve outcomes across organisations and sectors.

We will develop an action plan to take this forward through the Strategic and Corporate Services Directorate OD Group. The detailed activity to put these priorities into practice will be set out in our **Divisional Business Plans**.

I. Internal and external services

Services provided by divisions

Service Name	Internal or External	If external, please provide the contract end date.
Engagement, Organisation Design and Development		
Organisational Development	Internal	
EODD Business Partners	Internal	
Human Resources	Internal	
Business Management and Client Relationships	Internal	
Health and Safety	Internal	
Engagement and Consultation	Internal	
Kent Communications	Internal	
Contact Point and Digital Services	External	December 2025
Training delivery (commissioned through Business Services Centre)	Internal	Multiple contracts
Finance		
Capital Finance	Internal	
Chief Accountant	Internal	
Client Management for BSC Services	Internal	
Finance Business Partners	Internal	
Financial Strategy	Internal	
Insurance	Internal	
Internal Audit	Internal	
Pensions Administration	Internal	
Projects	Internal	
Revenue Finance	Internal	
Systems and Support	Internal	
Treasury and Investment	Internal	
Governance and Law		
General Counsel	Internal	
Democratic Services	Internal	
Information Resilience & Transparency	Internal	
Infrastructure		
Infrastructure Client Functions		
ICT Commissioning Function	Internal	
Property Services Commissioning Function	Internal	
Infrastructure Partnerships (KPSN, Kent Connects, One Public Estate)	Internal	KPSN - 2020
Business Relationship Management	Internal	
Strategic Commissioning		
Commercial Leadership and Judgement	Internal	
Evidence Based Decision Making	Internal	
Performance Reporting and Analysis	Internal	
Strategy, Policy, Relationships and Corporate Assurance		
Strategic Policy	Internal	
Strategic Business Advisers	Internal	
Strategic Relationships	Internal	
Corporate Risk	Internal	
Corporate Equalities	Internal	
Corporate Assurance	Internal	

Services provided by alternative service delivery models

Service Name	Internal or External	If external, please provide the contract end date.
Services provided by Invicta Law (commissioned by General Counsel)		
Legal Services	External	2026
Services provided by the Infrastructure Business Service Centre		
HR Services (commissioned by EODD)		
HR transactional services	Internal	
Financial Services (commissioned by Finance)		
Assessment	Internal	
Cashiers	Internal	
Client Financial Affairs	Internal	
Data Quality and Control	Internal	
Debt Recovery	Internal	
Payments	Internal	
Infrastructure Services (commissioned by Infrastructure)		
Access to Networks	Internal	
Provision of email and secure email services	Part Internal, part commissioned	
Mobile Phone / iPad / iPhone/ 3G dongle	Part Internal, part commissioned	
ICT Service Desk	Internal	
Project Management	Internal	
Education Information Services	Internal	
Schools Personal Service	Internal	
Services provided by GEN² (commissioned by Infrastructure)		
Delivery of estates services for operational, non-operational and investment portfolios	Internal supported with specialist advice as necessary	
Managing Agent for Total Facilities Management Contract and Services	Internal	
Office Occupation and relocation management	Internal	
New build properties and major refurbishment (capital programmes)	Various	
Day to Day management of KCC's estate – Landlord premises (three TFM contracts): Including: Statutory testing of 5 year fixed electrical, boiler, oil & gas testing, lifts; water hygiene; gas kitchen catering; fire alarms	External	Amey and Skanska - October 2019 Kier - January 2020

J. Significant commissioning and service activity

The most significant commissioning and service activity for the directorate over the next three years is summarised in the table below. 'Significant activity' includes a consideration of financial value, risk, complexity and political profile. Detailed information on contracts over £50,000 is available on KCC's **contract register**.

Name	Brief description of activity	Lead service	Expected value (£)	Date for Key Decision (if required)	Public consultation required
Kent Health & Wellbeing Strategy	Development of the new Kent Health and Wellbeing Strategy	Policy	N/A	Q3 2017/18	Yes
Contract Reviews	Delivering contract reviews to improve quality of contract management practice	Strategic Commissioning	N/A	N/A	N/A
Agilisys contract	Servicing customer contact through Contact Point and supporting channel shift through digital transformation. 10 year contract, with annual value subject to change as paid on actuals.	Kent Communications	£36.3m	N/A	N/A
Finance Operating Model	Implement and review the revised finance operating model in Quarter 1 2017-18	Finance	N/A	N/A	N/A
Invicta Law	Supporting the growth and development of Invicta Law	General Counsel	N/A	N/A	N/A
Business Service Centre	Supporting the growth and development of the BSC	Infrastructure (ICT)	N/A	N/A	N/A
GEN2 (Property LATCO)	Supporting the growth and development of GEN^2	Infrastructure (Property)	N/A	N/A	N/A
Total Facilities Management 1	Contract for hard FM services in schools (both capital and revenue)	Infrastructure (Property)	£53m	Q1 2017/18	N/A
Total Facilities Management 2	Contract for soft and hard FM services in corporate buildings (both capital and revenue)	Infrastructure (Property)	£12m	Q3 2017/18	N/A
Total Facilities Management 3	Contract for building maintenance consultancy (both capital and revenue)	Infrastructure (Property)	£32m	Q3 2017/18	N/A
Asbestos Framework	Asbestos Services Framework implemented to cover surveys, removals and air testing	Infrastructure (Property)	£1m	N/A	N/A
Principle Contractor Framework	Principle Contractor Framework – new framework for property being implemented	Infrastructure (Property)	£0.15m	Q4 2017/18	N/A
Microsoft Software True-Up Licensing	Annual 'True-Up' of Software licencing agreement	Infrastructure (ICT)	£1.1m (p/a)	Q1 2017/18	N/A
Microsoft Software Licensing Agreement	Software licencing agreement, expiring in June 2018. Procurement in 2017 for new contract from 2018 to 2021.	Infrastructure (ICT)	£3.5m	Q1 2017/18	N/A

Name	Brief description of activity	Lead service	Expected value (£)	Date for Key Decision (if required)	Public consultation required
Specialist Computer Centre computer hardware	Existing contract continues roll-out for replacement devices until May 2019. Procurement during 2018.	Infrastructure (ICT)	£1.6m (p/a)	Q4 2017/18	N/A
Telephony Services	Unified Communications contract runs until July 2018, to be terminated following full roll-out of Skype for Business. Quarterly rolling contract.	Infrastructure (ICT)	£0.07m (current quarterly value)	N/A	N/A
Daisy Updata Communications Ltd (KPSN)	Current contract until May 2020. Review in 2017 to decide during 2018 whether to extend or procure a new service from 2020.	Kent Public Services Network	£3.5m (p/a)	Between Q2 2017/18 and Q1 2018/19	N/A
Northgate Information Solutions UK Ltd	SWIFT, Supply & Support of a Social Care Information System contract ends April 2018. Complex procurement taking minimum of a year.	Infrastructure (ICT)	£0.23m	Q4 2017/18	N/A
Managed Document Service	Current contract expires September 2019. Procurement in early 2018.	Infrastructure (ICT)	£0.75m	Q1 2018/19	N/A
Schools Broadband	EiS contract includes Schools Broadband, until March 2017	Business Service Centre	£2.9m	Q1 2017/18	N/A
Liberi (LCS)	Existing contract extended to April 2018. Decision in early 2017 to extend or to procure.	Infrastructure (ICT)	£0.05m	Q1 2017/18	N/A
BSC (ICT) Monitoring	Continual review to ensure delivery of specification requirements	Infrastructure (ICT)	N/A	N/A	N/A
Social Care	New Social Care System to support Adult Transformation	Infrastructure (ICT)	£8.3m	By 2020	N/A
Microsoft Cloud Navigator	Implementation of business capabilities to support new ways of working	Infrastructure (ICT)	£4.3m	By 2019	N/A

K. Resources

In 2017-18 KCC will transition to a new organisational structure to support the move towards becoming a strategic commissioning authority. This will lead to changes in the way we present our financial and staff resources information, across directorates and divisions. The current resource information reflects the 2016-17 organisational structure and will be updated in due course to reflect our new operating model.

Financial resources

The total net 2017-18 budget for the Strategic and Corporate Services Directorate is £62.8m.

Division	Staffing	Non staffing	Gross expenditure	Internal income	External income	Grants	Net cost
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Strategic Management & Directorate Budgets	543.0	2,146.4	2,689.4	-716.9	-132.0	-4,388.0	-2,547.5
Engagement, Organisation Design and Development	5,646.4	10,097.7	15,744.1	-584.0	-842.7	-89.0	14,228.4
Finance and Procurement	10,859.9	5,988.6	16,848.5	-1,116.9	-3,759.1	-904.8	11,067.7
Governance & Law	2,187.2	1,419.8	3,607.0	0.0	-1,217.4	-35.0	2,354.6
Infrastructure	2,504.0	47,136.9	49,640.9	-6,995.7	-7,768.3	-336.0	34,540.9
Business Service Centre	21,677.8	5,968.9	27,646.7	-21,626.1	-6,020.6	0.0	0.0
Strategic Business Development and Intelligence	1,078.6	127.9	1,206.5	0.0	0.0	0.0	1,206.5
Strategy, Policy, Relationships and Corporate Assurance	1,640.1	377.3	2,017.4	0.0	-42.0	0.0	1,975.4
Total	**46,137.6**	**73,263.5**	**119,400.5**	**-31,039.6**	**-19,782.1**	**-5752.8**	**62,826.0**

NB: Based on the draft budget book for February County Council, with some pressures and savings still to be allocated following the Council debate. Final resources information will be updated prior to publication, to reflect the final budget book and MTFP that is circulated to all Members before 31st March. Further details on financial resources are available in the **Medium Term Financial Plan** *and* **Budget Book.**

Staff resources

The Strategic and Corporate Services Directorate currently has 1,196.7 FTE (full time equivalent) staff.

Division	FTE
Engagement, Organisation Design and Development	132.3
Finance and Procurement	238.7
Governance and Law	175.7
Infrastructure (including BSC)	595.6
Strategic Business Development and Intelligence	22.9
Strategy, Policy, Relationships and Corporate Assurance	26.4
Corporate Director's office	5.0
Total	1,196.7

NB: The draft FTE numbers reflect actual numbers in post as at December 2016 and exclude agency staff and vacancies, as these are not recorded in the HR system. Infrastructure figures exclude GEN² staff, but include BSC staff count of 552.8 FTE. To be updated with February 2017 figures, at the end of March, prior to publication of final plan.

L. Performance indicators and targets

Targets and floor standards will be reviewed following publication of final 2016-17 outturns. Where possible, KPI's are linked to the 2017-18 Directorate Priorities (**Section G**) or reflect core business (BAU).

Key Performance Indicators

KPI Ref	2017-18 Priority Ref	Indicator Description	2016-17 Forecast[a]	2017-18 Floor	2017-18 Target
CS01	1, 9	Percentage of callers to Contact Point who rated the advisor who dealt with their call as good	98%	90%	95%
CS05	1, 9	Percentage of calls to Contact Point answered in 40 seconds	83%	70%	80%
CS07	9	Percentage of complaints responded to in timescales	88%	80%	85%
CS15	9	Percentage of written customer contact processed by Contact Point within 2 days (post and email)	NEW	63%	70%
FN01	BAU	Percentage of pension correspondence cases completed within the specified 15 day timescale from the receipt of the request	100%	95%	98%
FN02	BAU	Percentage of retirement benefit cases completed within a 20 day timescale from receipt of all the required paperwork	95%	85%	90%
FN07	BAU	Percentage of invoices received by accounts payable within 30 days of their received date	84%	80%	85%
FN08	BAU	Percentage of invoices received by accounts within 30 days of their received date which were input to oracle by the KCC due date	98%	93%	96%
FN09	BAU	% of outstanding total debt over 6 months old	NEW	60%	55%
FN10	BAU	% of outstanding debt over 6 months old which is secured	NEW	38%	45%
FN11	BAU	% of financial assessments fully completed (provision on SWIFT) within 15 days of receipt of the referral	NEW	85%	90%
SC12	7	Percentage spend with Kent-based Businesses including 2nd Tier sub-contractors (aspirational)	60%	50%	60%
SC13	7	Contribution toward delivery of procurement savings against 3 year MTFP target of £20 million	NEW	£6.5m	£8.0m
GL01	BAU	Council and Committee papers published at least five clear days before meetings	100%	96%	100%
GL02	BAU	Freedom of Information Act requests completed within 20 working days	95%	90%	95%
GL03	BAU	Data Protection Act Subject Access requests, completed within 40 calendar days	80%	85%	90%

KPI Ref	2017-18 Priority Ref	Indicator Description	2016-17 Forecast[a]	2017-18 Floor	2017-18 Target
HR09	5	Percentage of training that delivers commissioned learning outcomes	100%	90%	95%
HR11	5	Percentage of staff who feel informed (annual)	74%	70%	74%
HR22	BAU	Delivery of the Health and Safety Action Plan against stated outcomes as agreed by the H&S – Group	NEW	75%	80%
HR23	11	Percentage of staff who have completed all 3 mandatory learning events (quarterly)	NEW	85%	90%
HR24	1	Percentage of HR commissions that deliver stated outcomes	NEW	75%	80%
ICT01	9	Calls to ICT Help Desk resolved at the first point of contact	71%	65%	70%
ICT02	9	Positive feedback rating with ICT help desk	98%	90%	95%
ICT03	9	Working hours where Kent Public Sector Network available to staff	99.9%	99.0%	99.8%
ICT04	9	Working hours where ICT Service available to staff	99%	98%	99%
ICT05	9	Working hours where email are available to staff	99%	98%	99%
PI01	BAU	Percentage of rent due to KCC outstanding at 60 days	11%	15%	5%
PI03	4, 5	Percentage of annual net capital receipts target achieved	51%	90%	95%
PI04	BAU	Facilities and maintenance requests through the TFM Helpdesks resolved in accordance with SLC timings	88%	80%	90%

Activity Indicators

Ref	Indicator Description	Threshold	Q1	Q2	Q3	Q4	2017-18 Expected Total
CS08	Number of calls answered by Contact Point	Upper	180,000	185,000	155,000	170,000	690,000
		Lower	160,000	165,000	135,000	150,000	610,000
CS12	Number of visits to KCC website (000s)	Upper	1,300	1,300	1,300	1,300	5,100
		Lower	1,100	1,100	1,100	1,100	4,400
FN01b	Pension correspondence processed	Upper	1,350	1,610	1,200	1,200	5,360
		Lower	1,170	1,300	1,140	1,140	4,750
FN02b	Retirement benefits paid	Upper	550	570	700	475	2,295
		Lower	450	500	550	400	1,900
FN07b	Number of invoices received by KCC	Upper	34,600	33,700	34,500	32,500	135,300
		Lower	33,100	32,200	33,000	31,000	129,300
FN11b	Number of financial assessments completed	Upper	1,950	1,685	2,060	2,570	8,265
		Lower	1,715	1,480	1,855	2,260	7,310
GL02b	Freedom of Information Act / Environmental Information Regulations requests completed	Upper	600	558	558	595	2,311
		Lower	513	506	506	555	2,080
GL03b	Data Protection Act Subject Access requests	Upper	89	80	65	71	305
		Lower	82	78	41	66	267
HR12	Number of live change activities being supported	Upper	75	75	75	75	75
		Lower	60	60	60	60	60
HR13	Total number of E-learning training programmes completed	Upper	8,750	8,750	8,750	8,750	35,000
		Lower	6,250	6,250	6,250	6,250	25,000
HR16	Number of registered users of Kent Rewards	Upper	18,875	19,250	19,625	20,000	20,000
		Lower	18,500	18,500	18,500	18,500	18,500
HR20 and HR20a	Number and percentage of staff who responded to annual staff survey (EVP)	Upper	1200, 60%				
		Lower	1000, 50%				
HR21	Number of current people management cases being supported	Upper	85	85	85	85	85
		Lower	70	70	70	70	70
ICT01b	Calls to ICT Help Desk	See note [b]					
PI02a	Total rent outstanding (£'000s)						
PI04b	Number of TFM helpdesk requests responded to						

Notes:

[a] 2016-17 forecasts for KPI's based on December 2016 data

[b] Activity to be tracked against last year's activity

Further detail on performance is available in the Quarterly Performance Report and Directorate Dashboard.

M. Monitoring and review

The Corporate Director has robust processes in place for monitoring and review of the directorate business plan. This includes regular updates on the delivery of the Medium Term Financial Plan and the directorate business plan at the Strategic and Corporate Services Directorate Management Team (DMT), with a strong focus on financial, risk and performance monitoring. DMT also provides regular oversight and management action on internal audit recommendations.

In addition, each Director has their own monitoring and review process in place for their divisional business plan, undertaken with their Divisional Management Team and senior managers. The Corporate Director has regular 1:1's with Directors to review progress on the divisional business plan priorities.

The directorate also holds responsibility (through the Strategy, Policy, Relationship and Corporate Assurance division) for the business planning framework for the authority. As such, each summer there is a review of the previous year's business planning process to identify what works well and improvements that could be made for the coming year.

As part of this process, the Strategic and Corporate Services Directorate Management Team are kept regularly informed on the review as it progresses, and help to advise on recommendations to improve the business planning framework each year. This informs recommendations to Corporate Management Team and Policy & Resources Cabinet Committee each autumn, with subsequent updates to management guidance.

The Policy and Resources Cabinet Committee also plays an important role in providing robust oversight of significant contracts and receives regular reports from Corporate Assurance on the authority's major projects and programmes. Corporate and portfolio assurance is also provided to the Business Capability Portfolio, Strategic Commissioning Board and Budget and Programme Delivery Board to inform decision making and effective risk management.

In 2018-19, we intend to continue to report on progress on the 2017-18 directorate priorities, as part of the directorate business plan.

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

David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy & Resources Cabinet Committee – 8th March 2017

Subject: **Risk Management: Strategic and Corporate Services**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper presents the strategic risks relating to the Strategic and Corporate Services directorate, in addition to the risks featuring on the Corporate Risk Register for which the Corporate Directors are the designated 'risk owners'. The paper also explains the management process for review of key risks.

Recommendation(s):

The Cabinet Committee is asked to consider and comment on the risks presented.

1. Introduction

1.1 Directorate business plans are reported to Cabinet Committees each March / April as part of the Authority's business planning process. The plans include a high-level section relating to key directorate risks, which are set out in more detail in this paper.

1.2 Risk management is a key element of the Council's Internal Control Framework and the requirement to maintain risk registers ensures that potential risks that may prevent the Authority from achieving its objectives are identified and controlled. The process of developing the registers is therefore important in underpinning business planning, performance management and service procedures. Risks outlined in risk registers are taken into account in the development of the Internal Audit programme for the year.

1.3 Directorate risk registers are reported to Cabinet Committees annually, and contain strategic or cross-cutting risks that potentially affect several functions across the Strategic and Corporate Services directorate, and often have wider potential interdependencies with other services across the Council and external parties.

1.4 Strategic and Corporate Services Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register. The Directors in the Strategic and Corporate Services directorate are designated 'Risk Owners' (along with the rest of the Corporate Management Team) for several corporate risks. These risks and their mitigations are presented to the Committee for comment in appendix 1.

1.5 For information and awareness, the corporate risk profile as at the end of February 2017 is outlined below:

Low = 1-6	Medium = 8-15	High =16-25

Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel (since March 2016)
CRR1	Data and Information Management	Risk Closed – elements incorporated in CRR 26		
CRR2a	Safeguarding – protecting vulnerable children	20	15	*
CRR2b	Safeguarding – protecting vulnerable adults	20	15	*
CRR3	Access to resources to aid economic growth and enabling infrastructure	16	8	⇧
CRR4	Civil Contingencies and Resilience	12	8	⇔
CRR9	Health & Social Care Integration – Delivery of Sustainability and Transformation Plan	16	9	⇧
CRR10(a)	Management of Adult Social Care Demand	20	12	⇔
CRR10(b)	Management of Demand – Early Help and Preventative Services and Specialist Children's Services	20	12	⇔
CRR12	Potential implications associated with significant migration into Kent	12	8	⇔
CRR17	Future financial & operating environment for local government	20	12	⇔
CRR22	Implications of high numbers of Unaccompanied Asylum Seeking Children (UASC)	20	12	⇔
CRR23	Evolution of Strategic Commissioning Approach	12	6	⇔
CRR24	Delivery of 2016/17 savings	6	2	⇩
CRR25	Delivery of 2017/18 savings	16	2	⇔
CRR26	Cyber and information security threats	16	6	New
CRR27	Managing and working with the social care market	20	9	New
CRR28	Delivery of new school places is	20	9	New

	constrained by capital budget pressures and dependency on the Education Funding Agency			

*The current and target 'impact' ratings for the safeguarding risks CRR2a and CRR2b were amended to more accurately reflect the severity of consequences should they occur. Specifically, the current impact rating has changed from 4 out of 5 ('serious') to 5 out of 5 ('major'), while the target rating has increased from 3 out of 5 ('significant') to 5 out of 5 ('major'). The 'likelihood' ratings remain at 4 out of 5 ('likely') currently, with 3 out of 5 ('possible') as a target. This means that the total risk score is 20, with a target rating of 15.

1.6 A standard reporting format is used to facilitate the gathering of consistent risk information and a 5x5 matrix is used to rank the scale of risk in terms of likelihood of occurrence and impact. Firstly the current level of risk is assessed, taking into account any controls already in place to mitigate the risk. If the current level of risk is deemed unacceptable, a 'target' risk level is set and further mitigating actions introduced with the aim of reducing the risk to a tolerable and realistic level. If the current level of risk is acceptable, the target risk level will match the current rating.

1.7 The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management action. Further information on KCC risk management methodologies can be found in the risk management guide on the 'KNet' intranet site.

2. Financial Implications

2.1 Many of the strategic risks outlined have financial consequences, which highlight the importance of effective identification, assessment, evaluation and management of risk to ensure optimum value for money.

3. Policy Framework

3.1 Risks highlighted in the risk registers relate to strategic priorities and outcomes featured in KCC's Strategic Statement 2015-2020, as well as the delivery of statutory responsibilities.

3.2 The presentation of risk registers to Cabinet Committees is a requirement of the County Council's Risk Management Policy.

4. Risks relating to the Strategic and Corporate Services (StCS) directorate

4.1 There are currently three directorate risks featured on the Strategic and Corporate Services directorate risk register (appendix 2), all of which are rated as 'Medium' risk. Many of the risks highlighted on the register are discussed implicitly as part of regular items to the Cabinet Committee. It should be noted that the directorate register is underpinned by risk registers for each division.

4.2 Since the last report in March 2016, one risk reduced in level of severity (STCS 09 - Development of client-side arrangements across StCS Directorate) from 'medium' to 'low' and has now been closed. This risk is being revised to relate to ensuring effective ongoing operation of 'client-side' commissioning arrangements across the directorate.

4.3 Mitigations for risks are identified and implemented on a regular basis as required.

4.4 Inclusion of risks on this register does not necessarily mean there is a problem. On the contrary, it can give reassurance that they have been properly identified and are being managed proactively.

4.5 Monitoring & Review – risk registers should be regarded as 'living' documents to reflect the dynamic nature of risk management. Directorate Management Teams formally review their risk registers, including progress against mitigating actions, on a quarterly basis as a minimum, although individual risks can be identified and added to the register at any time. Key questions to be asked when reviewing risks are:

- Are the key risks still relevant?
- Have some risks become issues?
- Has anything occurred which could impact upon them?
- Has the risk appetite or tolerance levels changed?
- Are related performance / early warning indicators appropriate?
- Are the controls in place effective?
- Has the current risk level changed and if so is it decreasing or increasing?
- Has the "target" level of risk been achieved?
- If risk profiles are increasing what further actions might be needed?
- If risk profiles are decreasing can controls be relaxed?
- Are there risks that need to be discussed with or communicated to other functions across the Council or with other stakeholders?

5. Recommendation

Recommendation:

The Policy & Resources Cabinet Committee is asked to consider and comment on the directorate risk register and relevant corporate risks outlined in appendices 1 and 2.

6. Background Documents

6.1 KCC Risk Management Policy on KNet intranet site.

7. Contact details

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Relevant Director:

- David Whittle
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APPENDIX 1

Strategic and Corporate Services Directorate-led Corporate Risks

FEBRUARY 2017

Corporate Risk Register - Summary Risk Profile

Low = 1-6	Medium = 8-15	High =16-25

Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel
CRR 12	Potential implications associated with significant migration into Kent	12 (Medium)	9 (Medium)	⇔
CRR 17	Future financial and operating environment for local government	20 (High)	12 Medium)	⇔
CRR 23	Evolution of KCC's Strategic Commissioning Approach	12 (Medium)	6 (Low)	⇔
CRR 24	Delivery of 2016/17 savings	6 (Low)	2 (Low)	⇩
CRR 25	Delivery of 2017/18 savings	16 (High)	2 (Low)	New
CRR 26	Cyber and information security threats	16 (High)	6 (Low)	New

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Corporate Register. Therefore there will be some 'gaps' between risk IDs.
NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Risk ID	CRR 12	Risk Title	Potential implications associated with significant migration into Kent		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
Migration to Kent is not a new phenomenon and is an inevitable outcome of being a London-peripheral authority, symptomatic of differentials in housing markets across the country and the desirability of living in the county. Welfare reform policy changes combined with an overheating London housing market continues to drive London residents to more affordable temporary and permanent accommodation in Kent. Over the past year, a number of London Boroughs have procured large sites to place residents in temporary accommodation into Kent. KCC needs to be prepared to manage the impact on local communities, and any significant additional pressure on KCC services.	Arrival of significant numbers of vulnerable households into the county, particularly if migration is into concentrated areas. London Boroughs utilising higher per-capita funding and large capital/reserve budgets to procure sites in Kent to ease their overspend on housing/homelessness. Failure of KCC to plan with partners (Districts, Police, Health) to deal appropriately with potential consequences on Kent services. Failure of London Boroughs to provide information about incoming vulnerable households, e.g. those known to children's social services in accordance with statutory requirements and agreed protocols.	Potential impact on community cohesion in parts of the county. Additional pressure on KCC services e.g. school admissions, demand for adults and children's social care, community safety, public health. Impact on availability of accommodation for Kent residents, placing more pressure on services such as KSAS and/or displacing them outside of the county.	Corporate Management Team **Responsible Cabinet Member(s):** Graham Gibbens, Adult Social Care & Public Health Mike Hill, Community Services Peter Oakford, Specialist Children's Services Roger Gough, Education and Health Reform	Possible (3) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Welfare reform - ongoing analysis and tracking of impacts conducted by Strategy, Policy & Assurance and Strategic Business Development & Intelligence teams plus external partners to give an indication of scale of implications of reforms, feeding into a multi-agency Welfare Reform Task and Finish Group (sub-group of the Joint Chiefs) to direct any necessary co-ordinated action/response.	Vincent Godfrey, Director Strategic Business Development & Intelligence /David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance

	(SPRCA)
Policy & research updates produced periodically to aid monitoring of potential impacts	David Whittle, Director SPRCA / Vincent Godfrey, Director Strategic Business Development & Intelligence
Kent Support and Assistance Service operating as the County's local welfare assistance scheme	Mark Lobban, Director of Commissioning
A Steering Group consisting of Council Leaders, senior officers and housing leads from across all tiers of Local Government in Kent and Medway has been established to co-ordinate activity in response to London Boroughs' procurement of large sites for significant placements, including submitting amendments to the Homelessness Reduction Bill, liaising with London Councils in aspiration of better collaboration, engaging with Kent MPs for them to take this issue forward at Government level, and exploring any potential for active market intervention/disruption.	Paul Carter, Leader of the Council (KCC Lead)
Meeting held with Steering Group and Kent MPs in Westminster	David Whittle, Director SPRCA

Action Title	**Action Owner**	**Planned Completion Date**
Director of Infrastructure to identify potential commercial properties in Kent that may be in danger of being converted into residential status	Rebecca Spore, Director Infrastructure	TBC
Meeting to take place with London Councils to improve relationships	David Whittle, Director SPRCA	March 2017

Risk ID	CRR 17	Risk Title	Future financial and operating environment for Local Government		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner (s)**	**Current Likelihood**	**Current Impact**
The operating environment for local government will continue to change during the coming years, presenting both opportunities and risks for the Council and its partners / service providers. Government funding is set to continue reducing over the medium term and the business rate retention scheme due to be implemented by 2020 may present opportunities but also threat to the Council. The Local Government, Cities and Devolution Act could have wide-ranging implications, including the potential for significant Local Government reorganisation. The EU referendum result in June 2016 has added additional uncertainty to the environment.	Additional spending demands and continued public sector austerity measures threaten financial sustainability of KCC, its partners and service providers. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.	Unsustainable financial situation. Potential for partner or provider failure – including sufficiency gaps in provision. Reduction in resident satisfaction and reputational damage.	All Corporate Directors **Responsible Cabinet Member (s):** All Cabinet Members	Likely (4) **Target Residual Likelihood** Possible (3)	Major (5) **Target Residual Impact** Serious (4)

Control Title	**Control Owner**
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation.	Andy Wood, Corporate Director Finance & Procurement
Processes in place for monitoring delivery of savings and budget as a whole.	Andy Wood, Corporate Director Finance & Procurement
KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period.	Leader of the Council
KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet.	Richard Fitzgerald, Business Intelligence Manager – Performance

Ongoing oversight of implications relating to proposed Local Authority pension fund changes	Nick Vickers, Head of Financial Services
Financial analysis of medium term Kent public sector / provider landscape conducted after each Government budget statement	Dave Shipton, Head of Financial Strategy
Support being provided to the Leader of the County Council in his role as Chair of the County Councils Network.	David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance

Action Title	**Action Owner**	**Planned Completion Date**
Work proactively with Government regarding how the new business rate retention scheme can be most effectively implemented	Dave Shipton, Head of Financial Strategy	December 2016 (review)
Continual engagement regarding devolution between KCC, District Councils, other partners and Government	David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance	July 2017
Engage with Government for a fair-funding needs formula for Grant distribution	Andy Wood, Corporate Director Finance & Procurement	June 2017 (review)

Risk ID	CRR23	Risk Title	Evolution of KCC's Strategic Commissioning Approach		
Source / Cause of risk The Authority is developing a strategic commissioning approach, as it looks to transform and respond to the challenging local government environment. This includes exploring alternative service delivery models as well as embedding commissioning principles for 'internally commissioned' services. This involves the development of appropriate 'client-side' arrangements.	**Risk Event** Insufficient programme control on key change activity. Insufficient management capacity and / or capability in key skill areas to support sustained change. 'Client-side' commissioner arrangements not developed in time to drive effective relationships with, and performance management of, suppliers.	**Consequence** Potential to fall short of achieving financial and non-financial benefits if changes introduced are not fully embedded. Disproportionate effort could be spent on areas of change that do not provide the greatest return on investment. Potential implications for staff wellbeing, morale and engagement.	**Risk Owner** All Corporate Directors **Responsible Cabinet Member:** Paul Carter, Leader of the Council	**Current Likelihood** Likely (4) **Target Residual Likelihood** Unlikely (2)	**Current Impact** Significant (3) **Target Residual Impact** Significant (3)

Control Title	Control Owner
Corporate Directors are providing managerial leadership for the change agenda and ensuring resources for delivering change are sufficient.	Corporate Directors
Workforce planning strategy 2015-2020 and annual report outlines how the Council is planning for the future in terms of skills development, role definitions and employee mind-set. Includes action plan.	Amanda Beer, Corporate Director Engagement, Organisation Development and Design
Staff development and Leadership & Management Frameworks established to further develop key skills, including commercial acumen, project management and contract management, across the organisation as an essential enabler of change.	Amanda Beer, Corporate Director Engagement, Organisation Design & Development
Strategic Business Development & Intelligence function brings together activities which support effective commissioning and leads on the management of KCC's strategic contracts.	Vincent Godfrey, Director Strategic Business Development & Intelligence
Commissioning network and toolkit in place to support development of key commissioning knowledge and	Steve Lusk, Commercial

skills and sharing of good practice	Manager
Workforce and succession planning tools available to aid managers	Julie Cudmore, Head of Organisation Development
Skills transfer stipulations built into contracts of external efficiency partners / consultants to ensure internal staff develop relevant skills and build capability	Vincent Godfrey, Director Strategic Business Development & Intelligence
Roles and responsibilities for Officers charged with the strategic commissioning of services and those responsible for operational delivery of services have been clarified.	Corporate Directors

Action Title	**Action Owner**	**Planned Completion Date**
Rolling programme of reviews of contract management arrangements for major contracts.	Vincent Godfrey, Director Strategic Business Development & Intelligence	March 2017 (review)
Review Governance arrangements to clarify Member roles and responsibilities around the evolving strategic commissioning authority approach.	David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance	July 2017
Implementation of changes to strategic commissioning arrangements as approved by County Council in January 2017	All Corporate Directors	April 2017

Risk ID	CRR24	Risk Title	Delivery of 2016/17 savings		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The ongoing difficult public finances situation and economic uncertainty continue to mean significant reductions in funding to the public sector and Local Government in particular, at a time when spending pressures on councils are increasing. KCC has already made significant cost savings and still needs to make ongoing year-on-year savings in order to "balance its books."	The required savings from key programmes or efficiency initiatives are not achieved.	Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on whole-council transformation plans. Reputational damage to the council.	On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** John Simmonds, Finance & Procurement	Possible (3) **Target Residual Likelihood** Very unlikely (1)	Moderate (2) **Target Residual Impact** Moderate (2)

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Andy Wood, Corporate Director Finance & Procurement
Process for monitoring delivery of savings is in place, including a Budget Programme Board to scrutinise progress.	Andy Wood, Corporate Director Finance & Procurement
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Andy Wood, Corporate Director Finance & Procurement
Procedures for appropriate consultation in place when decisions relating to changes in services are being considered	Diane Trollope, Head of Engagement & Consultation/
Controls and mechanisms remain robust	Andy Wood, Corporate Director Finance & Procurement
Savings plans developed for all significant budget savings	Corporate Directors and Director Group
Six monthly update reports on progress against budgeted savings presented to Governance & Audit	Corporate Directors and

Committee		Director Group
Recruitment moratorium in place		Andy Wood, Corporate Director Finance & Procurement
Action Title	**Action Owner**	**Planned Completion Date**
Action plan to address overspend in Specialist Children's Services	Philip Segurola, Director Specialist Children's Services	March 2017

Risk ID	CRR25	Risk Title	Delivery of 2017/18 savings		
Source / Cause of Risk The ongoing difficult public finances situation and economic uncertainty continue to mean significant reductions in funding to the public sector and Local Government in particular, at a time when spending pressures on councils are increasing. KCC has already made significant cost savings and still needs to make significant ongoing year-on-year savings in order to "balance its books".	**Risk Event** Robust plans to achieve the required savings are not developed in time to enable implementation and realisation of benefits in 2017/18. Plans are not aligned with Cabinet Member priorities.	**Consequence** Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on council transformation plans. Reputational damage to the council.	**Risk Owner** On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** John Simmonds, Finance & Procurement	**Current Likelihood** Likely (4) **Target Residual Likelihood** Very unlikely (1)	**Current Impact** Serious (4) **Target Residual Impact** Moderate (2)

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Andy Wood, Corporate Director Finance & Procurement
Process for monitoring delivery of savings is in place, including a Budget & Programme Delivery Board to scrutinise progress.	Andy Wood, Corporate Director Finance & Procurement
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Andy Wood, Corporate Director Finance & Procurement
Procedures for appropriate consultation in place when decisions relating to changes in services are being considered	Diane Trollope, Head of Engagement & Consultation
Controls and mechanisms remain robust	Andy Wood, Corporate Director Finance & Procurement
Indicative cash limits and savings targets allocated to Corporate Directors to allow early planning.	Corporate Directors and Director Group
Six monthly update reports on progress against budgeted savings presented to Governance & Audit	Corporate Directors and

Committee		Director Group
Action Title	**Action Owner**	**Planned Completion Date**
NOTE: Level of risk is expected to decrease during the year by effective operation of existing controls.		

Risk ID	**CRR26**	**Risk Title**	**Cyber and information security threats**		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner(s)**	**Current Likelihood**	**Current Impact**
The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent. KCC repels a high number of cyber-attacks on a daily basis, although organisations across all sectors are experiencing an increasing threat in recent times and must ensure that all reasonable methods are employed to mitigate them, both in terms of prevention and preparedness of response in the event of any successful attack. KCC's ICT Strategy will move the Authority's technology to cloud based services. It is important to harness these new capabilities in terms of both IT security and resilience, whilst emerging threats are understood and managed. In information terms the other factor is human. Technology can only provide a level of protection. Our staff must have a strong awareness of their responsibilities in terms of IT and information security.	Successful cyber-attack (e.g. 'phishing' scam) leading to loss or unauthorised access to sensitive business data. Significant business interruption caused by a successful attack.	Data Protection breach and consequent Information Commissioner's Office (ICO) sanction. Damages claims Reputational Damage Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.	Corporate Management Team **Responsible Cabinet Member(s):** Gary Cooke, Corporate & Democratic Services	Likely (4) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Moderate (2)

Control Title	Control Owner
ICT Compliance and Risk Team operational	Michael Lloyd, Head of Technology Commissioning and Strategy
Continual awareness raising of key risks amongst the workforce and manager oversight	All Managers / Engagement and Consultation function / Michael Lloyd, Head of Technology Commissioning and Strategy
Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place	Michael Lloyd, Head of Technology Commissioning and Strategy
Cyber security controls in place	Kathy Stevens, ICT Compliance and Risk Manager
Mandatory Data Protection and Information Governance training	Ben Watts, General Counsel

Action Title	Action Owner	Planned Completion Date
Implementation of ICT Transformation Programme includes actions to further strengthen ICT resilience, with systems and software compliance with various UK Standards.	Michael Lloyd, Head of Technology Commissioning and Strategy	March 2017 (review)
Messages to encourage increased awareness of information security amongst staff are to be communicated to align with key implementation milestones of the ICT Transformation Programme.	Diane Trollope, Head of Engagement and Consultation	September 2017 (review)

APPENDIX 2

Strategic and Corporate Services Risk Register

FEBRUARY 2017

Summary Risk Profile

Low = 1-6	Medium = 8-15	High =16-25

Risk No.*	Risk Title	Current Risk Rating	Changes to Current Risk Level since September 2016	Target Risk Rating
STCS 03	Maintain a healthy and effective workforce across STCS through significant change	8 (Medium)	⇔	8 (Medium)
STCS 04	Full utilisation of transactional and reporting systems	9 (Medium)	⇔	6 (Low)
STCS 07	Capacity and capability challenges relating to corporate support functions	9 (Medium)	⇔	6 (Low)
STCS 09	Development of client-side arrangements across StCS Directorate	CLOSED – revised risk being developed.		

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Directorate Register. Therefore there will be some 'gaps' between risk IDs.

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Likelihood & Impact Scales					
Likelihood	**Very Unlikely (1)**	**Unlikely (2)**	**Possible (3)**	**Likely (4)**	**Very Likely (5)**
Impact	**Minor (1)**	**Moderate (2)**	**Significant (3)**	**Serious (4)**	**Major (5)**

Risk ID	STCS 03	Risk Title	Maintain a healthy and effective workforce across STCS through significant change		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Strategic and Corporate Services (STCS) workforce plays a vital role in supporting the organisation to run effectively and efficiently. The staff across the directorate need to be healthy, motivated and have the right skills to help the organisation develop.	Low morale or stress related to organisational change or other factors. Increased sickness levels. Failure to develop the right skills in staff. Lack of depth/resilience in key staff. Ineffective workforce/succession planning.	Negative impact on organisational effectiveness and service levels.	StCS Directorate Management Team	Unlikely (2)	Serious (4)
				Target Residual Likelihood	**Target Residual Impact**
				Unlikely (2)	Serious (4)

Control Title	Control Owner
Attendance management policies and training for managers in place.	Paul Royel, Head of HR
Wellbeing initiatives and health promotions for staff	Paul Royel, Head of HR
Employee Engagement Strategy	Paul Royel, Head of HR
Staff Care Services	Flavio Walker, Head of Health & Safety
Coaching and mentoring network in place	Serena Cunningham
Managing Stress at Work Policy	Flavio Walker, Head of Health & Safety
Suite of KPIs being monitored as early warning indicators e.g. retention, absence	Amanda Beer, Corporate Director EODD
iResilience tools	Amanda Beer, Corporate Director EODD
Arrangements in place for active monitoring and response to absence	Paul Royel, Head of HR
Directorate Organisational Development Group shares best practice and facilitates communication on key OD issues	Julie Cudmore, Head of OD / Mark Scrivener, Chair of

		Directorate OD Group
Directorate feeds in to KCC Training Plan		Julie Cudmore, Head of OD
KCC Staff Health and Wellbeing Group in place		Julie Cudmore, Head of OD
Public Health supporting and advising on the commissioning of Mental Health First Aid training.		Andrew Scott-Clark, Director Public Health
Attendance policy and practice reviewed, updated and communicated. Ongoing review as required		Paul Royel, Head of HR
ST Succession Plan created.		Paul Royel, Head of HR
Action Title	**Action Owner**	**Planned Completion Date**
NB: Risk being contained at current level		

Risk ID STCS 04	Risk Title	Full utilisation of transactional and reporting systems			
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
KCC is dependent on the ongoing development and use of systems, such as those on the Oracle platform, to maximise the efficiencies to be achieved from moving away from manual or less efficient processes and to aid the concept of the 'self-sufficient manager' in KCC. Effective systems are also necessary to extract and report on data for the purposes of making better, more informed decisions.	Key stakeholders do not engage with the processes supported by those systems and therefore the systems are not utilised. Lack of resource to enable further development of systems.	Development will cease/be reduced which will limit opportunities to replace manual and other less efficient systems. This will result in more manual processes across the organisation limiting the potential to achieve efficiencies. The availability and reliability of the data used for business intelligence purposes could be compromised. KCC fails to improve efficiency of intelligence and makes poor decisions. Threat to the organisation's self-sufficiency agenda.	Amanda Beer, Director EODD, Vincent Godfrey, Director SBDI, Rebecca Spore, Director Infrastructure, Andy Wood, Corporate Director, Finance & Procurement	Possible (3) **Target Residual Likelihood** Unlikely (2)	Significant (3) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Significant numbers of staff/managers are using HR self-service, i-procurement, Collaborative Planning, Oracle Business Intelligence and e-learning tools.	Amanda Beer, Corporate Director EODD Richard Hallett Andy Wood, Corporate Director Finance & Procurement

HR, Highways and Waste dashboards now live. Procurement pilot dashboards also available.	Amanda Beer, Corporate Director EODD, Andy Wood, Corporate Director Finance & Procurement, Richard Fitzgerald, Business Intelligence Manager - Performance
Comprehensive suite of finance dashboards now available including budgets, summary and detailed transactions, payroll, debt and commitments	Andy Wood, Corporate Director Finance & Procurement
iProcurement system is live ensuring that payments to suppliers associated with an order/invoice will not be processed without an i-Procurement-generated purchase order (PO).	Andy Wood, Corporate Director Finance & Procurement

Action Title	Action Owner	Planned Completion Date
Further roll-out of Collaborative Planning to achieve full coverage	Andy Wood, Corporate Director Finance & Procurement	September 2017
Implement new version of Oracle Business Intelligence reporting tool to provide improved functionality	Nancy Seaton, Oracle Systems Administrator	March 2017

Risk ID STCS 07	**Risk Title**	**Capacity and capability challenges relating to corporate support functions**			
Source / Cause of risk Support services across the directorate are facing the challenge of achieving challenging budget savings, maintaining day-to-day operations and playing a key role in helping the organisation through significant change. This is in addition to developing the internally commissioned Business Service Centre.	**Risk Event** Insufficient capacity to maintain day-to-day delivery on top of supporting change. Lack of appropriate skills and competencies as the Directorate moves forward and transforms.	**Consequence** Levels of service drop or support for key change initiatives cannot be given in timescales. ICT resilience suffers.	**Risk Owner** StCS Directorate Management Team	**Current Likelihood** Possible (3) **Target Residual Likelihood** Unlikely (2)	**Current Impact** Significant (3) **Target Residual Impact** Significant (3)
Control Title				**Control Owner**	
Resource requirements reviewed regularly in light of projected workload.				StCS Directorate Management Team	
Business Capability Portfolio Board in place to oversee allocation of resources to key change initiatives.				David Cockburn, Corporate Director StCS	
Corporate Assurance team and Portfolio Delivery Managers working with project / programme managers to highlight interdependencies, including demand on corporate support services.				Mark Scrivener, Corporate Risk and Assurance Manager/Change Portfolio Delivery Managers	
Service redesigns take account of capacity and capability issues				StCS Directorate Management Team	
Bids put forward to transformation budget for additional resource				StCS Directorate Management Team	
Project based approaches being adopted and resource mapping in place where required to aid capacity planning.				StCS Directorate Management Team	

Action Title	Action Owner	Planned Completion Date
Additional actions being discussed at DMT 22nd Feb		

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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 March 2017

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 September 2016 to February 2017.

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 that the Corporate Assurance function continues to evolve to remain relevant and ensure it aligns effectively with the governance arrangements of the Council. Therefore it will be necessary to see if changes are required post April 2017, once the recently agreed changes to the directorate and strategic commissioning structures have been implemented.

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 established a Project and Programme Manager (PPM) Network with colleagues in the Engagement, Organisation Design & Development (EODD) Division. This is a monthly forum, facilitated by an independent industry expert, covering core competences such as scheduling, business case development, including options appraisals and cost/benefit articulation.

2.6 The current ‘tiering’ of projects by financial value provides helpful and objective criteria for prioritisation. However, an alternative method has been successfully piloted that takes other factors into consideration such as complexity of the delivery environment, including reputational considerations for example. This new approach, adapted from a National Audit Office tool, will enable a collaborative ‘triage’ assessment of importance of projects and programmes that enter change portfolios from April 2017 onwards.

3. KEY FINDINGS – SEPTEMBER 2016 TO FEBRUARY 2017

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

a. There are currently 66 projects / programmes within the four change portfolios, which is 1 less than August 2016. Sixteen of these are designated as ‘Tier 1’ projects (this means expected costs are over £750k and / or expected benefits are over £2m).

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 45% 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 40% of current Tier 1 projects, 36% of all current projects within portfolios (Tiers 1 to 3) and 56% of potential projects.

d. The overall volume of current portfolio projects has remained stable during this period, and there are a reduced number of potential projects emerging as we head into 2017-18 (16 identified as at February 2017compared with 36 identified in August 2016).

3.2 Since August 2016 the Corporate Assurance function has conducted assurance activity on several Tier 1 projects / programmes, including the Adults ‘Your Life, Your Wellbeing Transformation’ assessment phase; Education Services Company; Health Visiting Transformation programme and the Education and Young People’s Service Systems Rationalisation Programme.

3.3 Although there have not been a large number of projects / programmes subject to Corporate Assurance activity, there are some key points emerging of note, including:

- The strategic case for change is well made, with good alignment to KCC’s Strategic Outcomes, strategies and objectives.
- Non-financial benefits are being defined more clearly, which is an area previously outlined as requiring improvement.
- Risks, assumptions and dependencies are being defined at a high level, but require further detail in some cases to give assurance that they are / will be managed effectively.
- Where analysis or problem definition is being conducted, it is important to explicitly reference sources of underpinning data

and ensure that relevant expertise is involved to aid this process where required.

- There is a continued need to ensure that analysis of equality considerations is proactively demonstrated at project / programme inception.

- As part of the costing and benefit articulation process, there is still a need in some cases to provide a more explicit view of total cost verses total benefit (taking into consideration the challenges of quantifying non-financial benefits).

3.4 Further assurance activity is planned in the coming months relating to the Asset Utilisation Programme; Coroners and Medical Examiners modernisation; the Integrated Children and Young People's Service Programme; Projects within the ICT Transformation Programme; Mental Health and Learning Disability Housing Related Support Projects; and the Your Life, Your Wellbeing Projects.

3.5 A follow-up audit of Corporate Assurance and Programme and Project Management is in progress and key findings will be fed back to this Committee as part of the next update.

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 bi-annual Report.

Appendices:
Appendix 1: Corporate Assurance bi-annual Report

Author:
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Relevant Director:
David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance
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Overview of major projects and programmes in change portfolios

Corporate Assurance Bi-annual Report:

September 2016 to February 2017

A: Key facts

20	66	29%
Tier 1 projects/ programmes (February 2017)	Total Number of current projects/ programmes across the four Portfolios (February 2017)	Projects scheduled to complete within 2016-17 financial year.

23	Tier 1 projects added to the portfolios during this period.
12	Tier 1 projects have completed during this period
40	Projects in total have stopped, completed or transferred this period.
16	Potential projects in February 2017 (have either not yet been formally approved or started yet, and may or may not progress into the Portfolios).
70%	Current Tier 1 Activity that is in the 'Analyse' or 'Plan' stages.
30%	Current Tier 1 Activity that is in the 'Do' stage.
0%	Current Tier 1 Activity is in 'Review' stage as at 14/02/17.

B: Key findings

General findings

- The majority of portfolio activity continues to be projects to transform the way that public services are delivered (40% of current Tier 1 projects, 36% all current projects within portfolios and 56% of potential projects).
- As we explore opportunities to use new technology, the volume of emerging major infrastructure and systems projects is decreasing slightly for current Tier 1 projects (54% of current Tier 1 projects in August but by February 2017 this had decreased to 45% of current Tier 1 projects and 25% of all potential projects.
- The number of current and potential portfolio projects has decreased by 19 since the last report in September 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.
- Strategic Commissioning Board (SCB) and Budget and Programme Delivery Board (B&PDB) are continuing to help 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 continue to give project managers the opportunity to respond to feedback and helped to enhance the quality of business case development. For example:
  - Your Life, Your Wellbeing (Adults Phase 3 Transformation) - Joint feedback was provided with Strategic Business Development and Intelligence colleagues to the Programme Director, to aid the business case development.
  - Education Services Company – Fortnightly assurance of the business case is being carried out working with the Project Manager to aid the development of the business case in order to inform decision making.
  - Integrated Children and Young Peoples Service Programme – Corporate Assurance representation at the Delivery Group meetings to gather context ahead of assurance review.
- Continuous Professional Development (CPD) is still being offered at the Project & Programme Management Network. Recent sessions have focused on, options appraisal, project costing and benefits.

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- Asset Utilisation Programme – Corporate Assurance attending Board to gather information on the direction of the programme and establish best timing for assurance activity.
- Alternative methods to the current 'tiering' system are being investigated that will take a risk-based approach to oversight, focusing on the complexity of projects and their delivery environment, regardless of how they are funded. A successful pilot has been carried out on current Tier 1 projects, with Tier 2 and 3 projects to be evaluated by end of March 2017. The new approach will be in place for 2017/18.

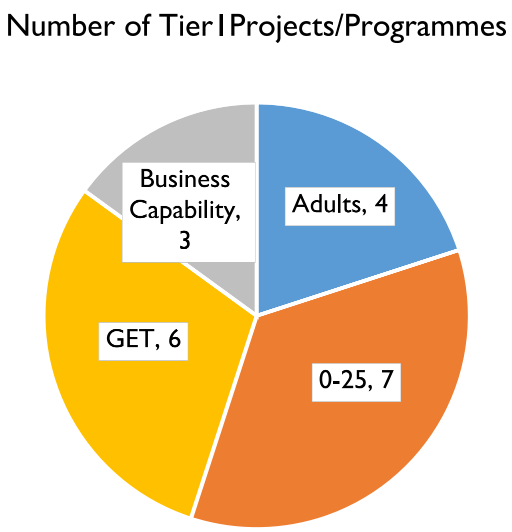
Areas for development

- The quality and consistency of financial information for projects still remains a priority for development, although there has been some recent improvement.
- Indicative cost/benefits including any non-financial benefits need to be defined earlier making the case for change clearer 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.
- It is important to ensure Equality analysis is carried out at the earliest stages in the project life cycle, and revisited as necessary.

Areas for consideration

- The capacity and capability to support both the current and future volume of project activity needs to be considered and monitored carefully.
- In particular demand and capacity for corporate services to support a wide range of substantial change activity is a potential issue.
- The current 'tiering' of projects by financial value has provided helpful and objective criteria for prioritisation. However, this could miss other factors of importance, and has led to an alternative method of prioritisation to be devised.

C: Portfolios Summary – February 2017



	Tier1
Adults	4
0-25	7
BC	3
GET	6
TOTAL	20

Adults
30 Total

4	Tier 1
10	Tier 2
16	Tier 3
0	TBC
6	Potential
5	Stopped/ Completed

0-25
16 Total

7	Tier 1
6	Tier 2
3	Tier 3
0	TBC
0	Potential
0	Stopped/ Completed

BC
5 Total

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

GET
15 Total

6	Tier 1
3	Tier 2
5	Tier 3
1	TBC
10	Potential
0	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
MAR 16	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
SEPT	77	28	18	4	43	13	7	14
OCT	73	27	23	7	41	13	6	13
NOV	73	29	21	5	40	15	6	12
DEC	64	17	21	14	31	15	5	13
JAN 17	62	16	21	4	28	16	5	13
FEB	66	20	16	5	30	16	5	15

The overall trend has been that the numbers of projects continue to remain stable as portfolios have prioritised business critical projects. 66 projects being reported in February 2017 compared with 65 projects reported during the last period.

The volume of projects in each portfolio is becoming more stable and consistent, across all portfolios. The exception to this has been within the Adults portfolio. During September 2016, 13 new Tier 1 projects entered the portfolio of which 10 of these projects were part of the 'Your Life, Your Wellbeing' Programme.

The number of potential projects has decreased from 36 in August 2016 to 16 in February 2017.

The number of stopped/completed projects (paused, stopped prematurely, transferred to divisional management or fully completed) has increased this period, from 27 reported in August 2016 to 40 in February 2017 of which 65% are projects completed.

E: 'Snapshot' summary of Major Tier 1 Projects & Programmes (as at February 2017)

T1 Projects by Portfolio	Stage	Project Cost	Project Benefit	Variation to Costs/Benefits/End Dates - Feb 17	Next Key Milestones	End Date
Adults						
Systems Replacement Project	Analyse	£1.25m	£0 – Benefits are non-financial		New Tier 1 project this month – milestones to be defined	Jan 19
LD – Housing Related Support	Analyse	£135k	£3m		Design complete – May 17	Nov 17
MH – Housing Related Support	Analyse	£64k	£500k			Oct 17
Your Life Your Home	Do	£2.404m	£3.74m (Target)		Internal review – Mar 17	Sept 18
0-25						
Health Visiting Transformation	Analyse	£584k	£2.3m	End date revised by 10 months due to two programmes merging.	Contract variation – Mar 17	Mar 18
Integrated Children and Young People's Service Programme	Analyse	TBC	TBC		Detailed assessment & OBC sign off – Jun 17	Sept 18
Education Services Company	Plan	£500k+	TBC		Business Case decision – Mar 17	Jan 18
HeadStart Phase 3	Plan	£11m (£10m external funding)	£0 – Benefits are non-financial		Schools complete resilience toolkit & gain quality check mark – Feb 17	Aug 21
EYPS Systems Refresh	Do	£1.8m	£0 – Benefits are non-financial		Phase 1 complete – May 17	Feb 18
ContrOCC	Do	£1.3m	£0 – Benefits are non-financial		Project closure – Feb 17	Feb 17
Early Help Module	Do	£1.2m			Project Closure – Mar 17	Mar 17

+Costs to date and forecast costs to end of March 17.

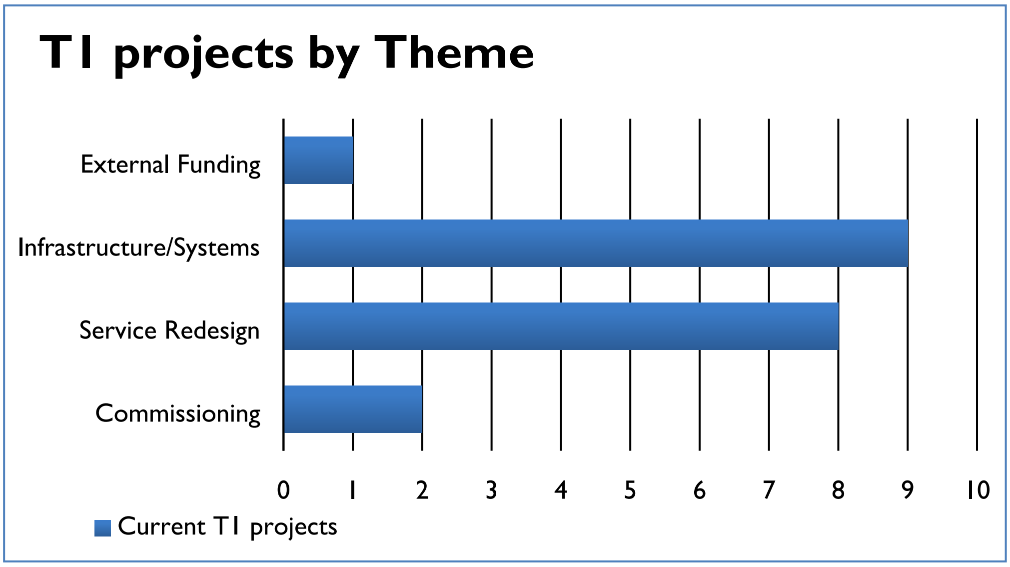
T1 Projects by Portfolio	Stage	Project Costs	Project Benefit	Variation to Costs/Benefits/End Dates - Feb 17	Next key Milestones	End Date
Business Capability						
Asset Utilisation	Analyse	Various mini projects	£1.688m(Target)		Project plan being developed -Feb 17	Mar 18
ICT Transformation Programme	Plan	£2.3m (Phase 1)	Business continuity and performance upgrade.	Increase in costs of £500k and end date has revised by 9mths due to re-defined project scope.	Contract in place – Feb 17 Mobilisation – Mar 17	Mar 18 – Phase 1
Legal Services Transformation	Do	£3.8m	£7.6m (over 10yrs)		Commence trading – Jun 17	Jun 17
GET						
Coroners Service & Medical Examiners Modernisation	Analyse	£3.977m - £13m	£600k (minus borrowing costs – excludes potential income).		Project Appraisal Group – Mar 17	Apr 18
Faversham Creek Bridge	Analyse	TBC	£0 non-financial benefits		Revised cost assessment – Feb 17	Aug 18
Highways Term Maintenance Review	Analyse	£6k project implementation	TBC		Outline Business Case review – Apr 17	Dec 18
Jasmin Vardimon Company	Analyse	£6m	£0 non-financial benefits		Arts Council England announcement for stage 1 – May 17	Mar 19
Turner Contemporary	Analyse	£5.3m	£485k		Arts Council England announcement for stage 1 – Jun 17	Apr 21
SEN Transport Phase 2	Do	Nil	£2m		Round 2 – Launch January 17 contracts – Feb 17	Dec 18

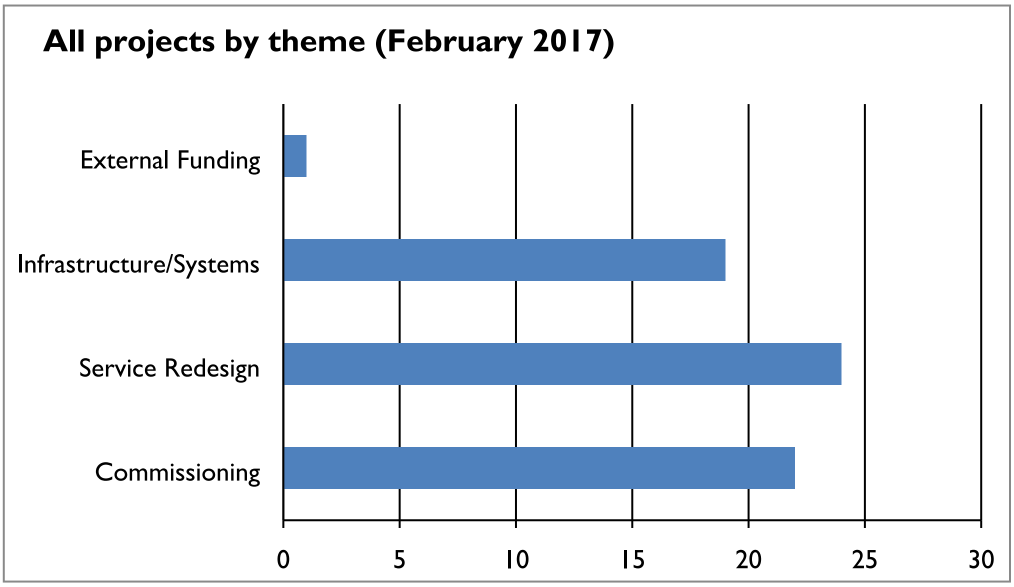
F: Tier 1 by Theme

Change activity is now being analysed by both portfolio and by theme.

40% of current Tier 1 projects (8 of 20 projects) are predominantly Service Redesign activity, a decrease of 10% since August 2016.

During February 2017, an analysis of all 66 projects within the portfolios at that time indicated that 36% (24 of 66) of projects were predominantly Service Redesign activity.





G: Tier 1 by Project Stage

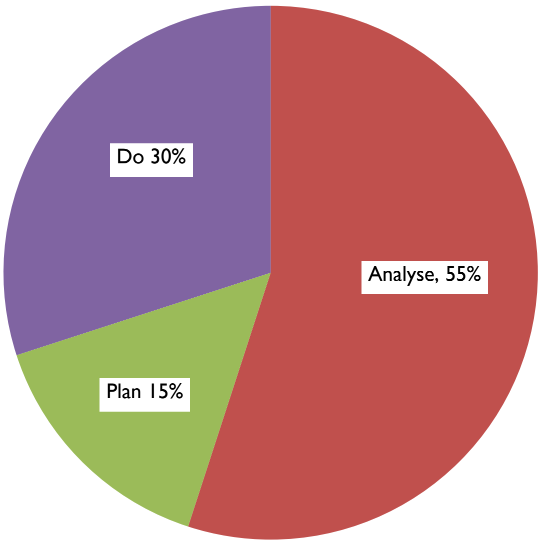
Activity within the Analyse and Plan stages has recently increased by 14% (56% in January to 70% in February), which will increase the opportunity for more corporate assurance activity to be undertaken during the next period.

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

30% of projects are within the 'Do' stage, a decrease of 8% from January 2017. Of these, 2 projects will be completed this financial year (2016-17). 50% of projects will complete in 2017-18 financial year.

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

Tier1 Activity by Project Stage - February 2017



Analyse	**55%**
Plan	**15%**
Do	**30%**
Review	**0%**

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H: Corporate assurance activity this period

Governance & Decision Making

Regular meetings have been established between Corporate Assurance and Strategic Commissioning Board and Budget & Programme Delivery Board co-ordinators to share intelligence and aid forward agenda planning, including appropriate assurance checkpoint review dates.

Education Services Company

Regular assurance has been carried out on the draft business case as requested by the Project Manager. Feedback provided is being incorporated into the full business case.

Informal Assurance

Informal assurance carried out on the Headstart Kent Phase 3 and the Southborough Hub project. Feedback given has had a direct influence on the business case development.

Corporate Assurance representation at the Integrated Childrens and Young People's Service Programme 0-25 Delivery Group meetings to gather context ahead of any checkpoint review.

EYPS Systems Transformation

Following the informal advice previously given to this project, a further checkpoint review has been carried out which helped inform the decision making at Strategic Commissioning Board to proceed with the procurement and implementation of a new system.

Project and Programme Managers Forum:

Collaborative approach with Organisational Development, Portfolio Delivery Managers and external facilitator to plan the forward agenda and deliver content.

Adults Your Life, Your Wellbeing Transformation Programme

Early checkpoint feedback provided to the Programme Director in collaboration with Strategic Business Development and Intelligence and Finance Special Projects teams.

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, specifically around the Apprenticeships Levy project.

Project Prioritisation Tool

Alternative methods to the current 'tiering' system have been investigated that will take a risk-based approach to oversight, focussing on the complexity of projects and their delivery environment, regardless of how they are funded. A National Audit Office tool has been used for all current Tier 1 projects with Tiers 2 and 3 to be trialled by end March 2017 and findings to be presented to Corporate Directors.

Health Visiting Transformation

Checkpoint assurance carried out and feedback provided to the Project Manager and Portfolio Delivery Manager, to inform the development of the full business case.

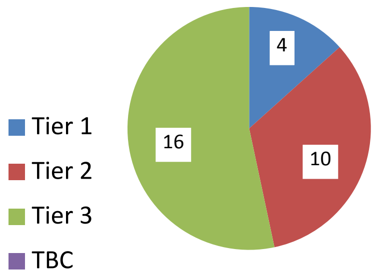
Other

Assurance is being planned for the ICT Transformation Programme, including further assurance planned for Adults Your Life, Your Wellbeing Transformation and the Education Service Company programmes.

I: Portfolio by Portfolio: February 2017

Adults Portfolio

Since August 2016, 22 projects have completed and 8 projects have been stopped. Out of the 22 completed 10 of these were Tier 1 projects all of which were part of the Your Life, Your Wellbeing Transformation Programme, having completed the assessment stage and exiting the portfolio pending a decision on a start date for design.



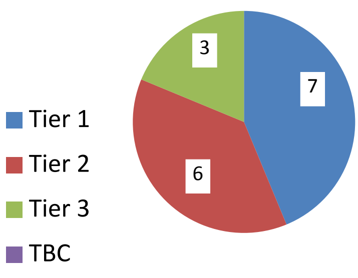
The costs and benefits for these 10 projects did not meet the T1 criteria individually, but did collectively, and were of strategic importance to the directorate and KCC. Therefore they were all reported as T1 projects and will continue to do so if a decision is given to proceed with the design stage.

Eight projects have been stopped due to insufficient evidence to back up the savings, no longer meets strategic needs or to be re-scoped and to re-enter the portfolio in due course.

Of the 40 projects stopped, completed or transferred across all four portfolios the majority of this activity has been within the Adults portfolio totalling 75% (30 out of 40).

0-25 Portfolio

The 0-25 Portfolio has increased from 12 projects in August 2016 to 16 projects in February. The Tier 1 count has increased by 2 in this period with Health Visiting Transformation and Integrated Childrens and Young People's Service Transformation Programmes entering the portfolio.

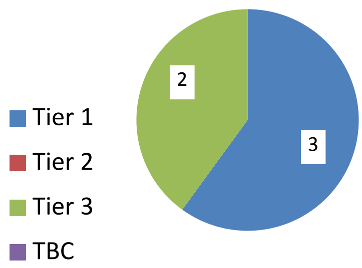


Two projects have been stopped - 0-5 Integrated Services having merged with Health Visiting Transformation and Residential Future Services Options pending the review of another project: Children in Care & Care Leavers Accommodation. No projects have completed during this period.

I: Portfolio by Portfolio: February 2017

Business Capability Portfolio

In October two of the Tier I programmes – User Access Programme and ICT Infrastructure Programme have been incorporated in to a new Tier I programme - ICT Transformation Programme which brings together the projects within the two programmes into a single integrated delivery vehicle.



New Ways of Working, a Tier I project, completed in December 2016.

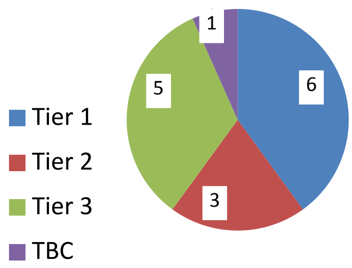
The portfolio could see changes within the coming months with a number of projects being considered whether to enter the portfolio and the proposed structure changes to the organisation.

GET Portfolio

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

A new Tier I project has entered the portfolio – Coroners Service and Medical Examiners Modernisation.

Two projects have completed during this reporting period – Highways Transport and Waste Service Resign – Phase 2 and Waste Transfer for Disposal. Public Service Vehicle Framework (Home to School Transport) 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 one project waiting for the Tier to be confirmed along with 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.

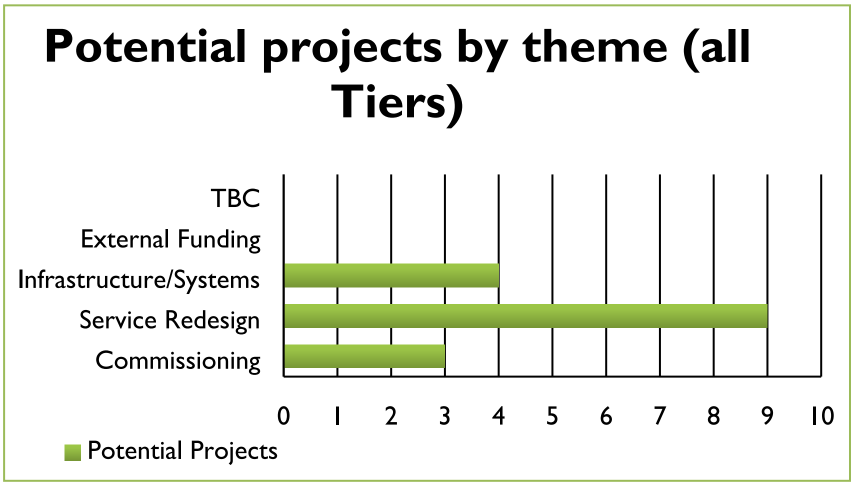
It is an important indication of change activity 'coming over the hill' which may have an impact on demand for corporate support, or need to be considered in the new governance arrangements.

16

Potential projects reported February 2017

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 decreasing the number of potential projects from 36 in August 2016 to 16 in February 2017.

The majority of potential projects this period remain to be Service Redesign 56% (9 out of 16).



K: Corporate assurance activity next period

ICT Transformation 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 Your Life, Your Wellbeing Transformation Programme	Further checkpoint reviews to be carried out as and when the programme is approved to proceed with the design stage.
Asset Utilisation	Checkpoint timing and approach is being discussed with the PDM. Likely to be undertaken Spring 2017.
Education Services Company	Ongoing regular assurance to be provided as the business case develops.
Public Health Transformation Programmes	The Assurance approach for both the Children's and Adults Health Improvement Transformation Programmes has been discussed with Public Health. The main transformation activity has dependencies with 0-25 and Adults portfolios and these will be managed with the relevant Portfolio Delivery Managers.
Integrated Childrens and Young People's Service Programme	Approach to be agreed with the relevant Portfolio Delivery Manager and Stakeholders.
Coroners Services and Medical Examiners Modernisation	Meeting being arranged between Corporate Assurance Manager, Portfolio Delivery Manager and Portfolio SRO to discuss approach.
Mental Health and Learning Disability Housing Related Support Projects.	Approach to be agreed with the relevant Portfolio Delivery Manager and Stakeholders.

L: Current Tier 1 projects

Asset Utilisation Programme

Portfolio:	End Date:	Start Date:	Stage:
Business Capability	March 2018	January 2016	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 an integral part of the Asset Management Plan and 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 (New)

ICT Transformation Programme

Portfolio:	End Date:	Start Date:	Stage:
Business Capability	March 2018	October 2016	Plan – Phase 1

What will the programme deliver?

The programme will provide:

- Resilient and scalable infrastructure that meets the needs (and future needs) of our business.
- Infrastructure to support our mobile workforce, and service transformation programmes.

Background

The ICT Transformation Programme brings together a number of projects delivering infrastructure to provide a robust and resilient platform underpinning the delivery of our services.

Phase 1 consists of the following projects:

- KCC Governance – Microsoft Programme and Project Management
- Adoption and Change Management - EODD
- Identity Assessment and Remediation
- Office365 On boarding (Email and OneDrive for Business)
- SharePoint Portfolio Assessment
- Azure Foundation
- Server Migration to Azure
- Windows 10
- Active Directory B2C
- Service Management

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?

Phase 1 is in the Plan phase of delivery, working with our strategic partner, Microsoft to completely review our ICT estate, defining the roadmap to support us in delivering our ICT strategy.

L: Current Tier 1 projects

Legal Services Transformation – Legal Alternative Business Structure

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 mid-March 2017 and staff transferred from Canterbury and Sessions House
- Infrastructure in place
- Staff TUPE transfer to new Alternative Business Structure (ABS)
- Solicitors Regulation Authority (SRA) licence granted to enable trading from April 2017

By end of May 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; Solicitor Regulation Authority application; Recruitment; Marketing and branding; Culture change; Human Resources, Finance and ICT; Process review and redesign; Communications; Commissioning and governance arrangements; financial controls.

L: Current Tier 1 projects (New)

Integrated Children and Young People's Service Programme

Portfolio:	End Date:	Start Date:	Stage:
0-25	TBC	October 2016	Analyse

What will the programme deliver?

This programme will improve outcomes for children and young people and value for money by exploring and exploiting opportunities for improvements to:

- working practices
- supporting architecture (technology and governance)
- service delivery models
- culture across services and partners

Background

This programme builds in the foundations laid in the 0-25 Unified programme and will draw on Newton Europe expertise as and when their specific skillset/additional capacity is required.

Where do we want to be?

KCC aspires to deliver the best Children and Young People's Services in the country in order to help children and young people to grow up, be educated, supported and safeguarded so all can flourish and achieve their full potential.

How will we get there?

Work has been undertaken to define the vision, engage with staff, request data, plan workshops and define lines of enquiry. A joint Newton Europe and KCC assessment is due to start mid-February and will be completed by mid-April.

Opportunities which are identified within the assessment will then be worked up in more detail. These will ultimately be the projects that make up the programme.

Timescales cannot be confirmed until we have agreed what we want to deliver and have assessed how best to do this.

More detail will be shared in the next report.

L: Current Tier 1 projects (New)

Health Visiting Transformation

Portfolio:	End Date:	Start Date:	Stage:
0-25	March 2018	July 2016	Analyse

What will the programme deliver?

The service continues to be delivered within the financial envelope and alongside Early Help it provides holistic 0-5 provision which makes a significant contribution to the Council's strategic objective to give every child in Kent the best start in life.

Background

Health Visiting is a universal service which makes a significant contribution to improving outcomes for children in Kent. KCC has a statutory obligation to secure the provision of five mandated development checks for children under 5. Reduction in the Public Health grant means that the service will require a cashable saving of at least £2.3m over two years (2016/17 and 2017/18). Alongside this, we want to improve performance and effectiveness of 0-5 provision.

Where do we want to be?

The Health Visiting Service delivers a proportionate, effective and quality service to children across Kent; reducing inequality and improving the health and wellbeing of children and their families within a reduced budget.

How will we get there?

Reduced process and improved structures will ensure the service runs more efficiently, whilst options will be explored to offer a more holistic approach that will drive savings, provide better outcomes and improve customer experience.

L: Current Tier 1 projects

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

Education Services Company (ESC)

Portfolio:	End Date:	Start Date:	Stage:
0-25	April 2018	January 2016	Plan

What will the project deliver?

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 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?

A full business case is currently being taken to the appropriate governance meetings for consideration. If permission is given to proceed, work will be initiated to set up an ESC legal entity, start recruitment of board members and engage further with stakeholders. Detailed plans are being drawn up which will include all activities to enable the company to launch early 2018.

L: Current Tier 1 projects

ContrOCC

Portfolio:
0-25

End Date:
February 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 broadened the scope of the external foster care providers to include block contracts and 18+.
- Phase 4 has incorporated 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.
- The project is due to be closed soon as phase 4 draws to an end.

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L: Current Tier 1 projects

EYPS Systems Refresh

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

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 was used to develop a specification and tender for the procurement of a future solution. The contract has been awarded and work is being undertaken to agree 'to be' processes, plan data migration and roll out functionality across the in scope services over the next 12 months.

L: Current Tier 1 projects

Early Help Module

Portfolio:	End Date:	Start Date:	Stage:
0-25	April 2017	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 Help and Preventative Services (EHPS) 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	Troubled Families Workspace - September 2016
	Project closure – April 2017

L: Current Tier 1 projects (New)

LD – SIS / Housing Related Support

Portfolio:	End Date:	Start Date:	Stage:
Adults	October 2017	July 2016	Analyse

What will the programme deliver?

Re-let of the Supporting Independence Service (SIS) Learning Disability (LD) and Housing Related Support (HRS) LD contracts, commissioning a service that brings together SIS LD, HRS LD and support for Children with a Disability.

Background

SIS enables people to live independent lives in the community it is provided for people with learning disabilities, mental health needs, older people and people with physical disabilities. People can choose how and when they are supported, giving choice and control over the type of care and support received. SIS can be purchased on a one to one basis or for two or more people as a shared service. In either case SIS will be delivered in the person's home or within the community, as required.

The current SIS contract must be re-let by 1st Oct 2017. Other individual projects are delivering the re-let of the SIS contract for Mental Health, Physical Disabilities and Older people.

Where do we want to be and how will we get there?

The Social Care Health and Wellbeing Directorate Management Team is currently considering options.

L: Current Tier 1 projects (New)

MH – Housing Related Support

Portfolio:	End Date:	Start Date:	Stage:
Adults	September 2017	September 2016	Analyse

What will the programme deliver?

A new service designed to support outcomes that matter to people and that will improve access and flow in the health and social care system.

Background

Kent County Council has a statutory responsibility under The Care Act to meet people's eligible needs, currently we support people living with mental health issues by providing a range of services and different types of support. This commissioning plan is in relation two specific services:

- Supporting Independence Service (SIS) current contract
- Housing Related Support (HRS) service current contract

Both services enable us to discharge our statutory responsibility and ensure that people with mental health needs are supported with community based services.

There is an opportunity with contracts ending in September 2017 to create a new service which will better meet the needs of people with mental health needs.

Where do we want to be?

Historically these two services have worked in silo and were commissioned independently of each other. We have been working with people who use or have used support, providers and other stakeholders to develop a more integrated and outcome focussed approach. We need to modernise this support in order to promote independent living and enable people to have their own front door. Key to achieving this is the continued development of a better range of housing options for people with mental health needs in order to realise the aspirations of Kent's Accommodation Strategy

New service to be implemented on 1st October 2017.

How will we get there?

Our recommended approach is to commission a new outcome focused model of support working closely with our strategic partners Porchlight and Shaw Trust. The new services will become part of the existing Live Well Kent delivery network.

L: Current Tier 1 projects (New)

Adults Systems Replacement Project

Portfolio:	End Date:	Start Date:	Stage:
Adults	January 2019	January 2017	Analyse

What will the programme deliver?
An updated client system for Adult Social Care - More efficient data input and reporting process; which will save them time and confusion. Better oversight of business, more sophisticated reporting, integration with health and meeting information governance and IT requirements.

Background
Kent County Council (KCC) originally procured SWIFT as its Children's and Adults Social Care System in 2004. The system was implemented in August 2006 although Children's social care migrated off SWIFT in January 2008. As part of the last SWIFT contract extension to April 2018 with the option for two further six month extensions to April 2019, an outline timescale for a re-procurement and implementation project was developed.

Where do we want to be?
The way social care is delivered is changing rapidly. The Care Act 2014 redefined the agenda for Adult social care. Adult Social Care has just initiated a major transformation programme which will have a major impact on its use of systems and technology to deliver efficiencies. There is a greater focus on prevention and re-enablement and commissioners wish to incentivise providers based on delivery of outcomes for clients rather than rigidly defined tasks delivered at prescribed times. The drive to work in a more integrated way with colleagues in health is increasing with the development of a Sustainable Transformation Plan (STP) for Health and Care in Kent and phase 3 of the Adults Transformation Programme; this will require greater data sharing across organisations. The boundary between Children's and Adults Social Care is less rigid with disabled young people being looked after to aged 25. The programme will design what we need from a new system and how we want the system to work for our staff and interact with our partners and providers.

How will we get there?
A Systems Programme Board has been established to oversee all phases of the programme. This is due to meet in March 2017 for the first time.

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 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.

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?

Following a pilot phase the project rolled out across the county reviewing people currently living in residential care, to see if they 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 (New)

Faversham Creek Bridge

Portfolio:	End Date:	Start Date:	Stage:
GET	August 2018	September 2016	Analyse

What will the programme deliver?

A replacement for the existing opening bridge on Bridge Road Faversham. Option 1 is a fixed bridge; Option 2 is an opening bridge. Subject to available funding and other consideration an option will be chosen and implemented.

Background

In 2012/13 KCC was advised that the Brent swing bridge carrying the Bridge Road over Faversham Creek would need significant repairs within 5 years. The bridge has not used its 'swing' mechanism for several decades.

KCC has the responsibility to maintain the bridge's deck structure and the carriageway, although Peel Ports owns the abutments, the bridge mechanism and the lock gates beneath the bridge.

Under the aegis of a "Bridge Steering Group", local stakeholders (including Faversham Town Council and a group of residents) have campaigned to repair or replace the 'swing' mechanism to allow boats to enter the Creek which will help regenerate the area. They have started to generate the funding required to achieve this vision which is ongoing.

KCC is currently managing a process to understand the implications of a swing bridge and is developing a business case for the various options. A revised outline design and specification has been drawn up in preparation for a tendering process to establish price and potential contractors.

Once market prices for the 'swing' bridge have been established, an award of tender would only proceed if full funding was achieved, along with a satisfactory outcome of discussions on the future maintenance of the structure and funding for the opening and closing of the bridge.

The market pricings would also provide information on the cost of replacing the lock gates, which the Bridge Steering Group sees as vital to the management of the water levels within the creek. This is a wider issue and out of scope for this project.

Where do we want to be?

An assessment of the funding available will determine which option to progress and either an opening or fixed bridge will be implemented.

How will we get there?

Development of a business case and negotiations with interested parties, potential external funders/donors and Peel Ports will determine the overall funding available and inform the decision on which Option proceeds to tender.

L: Current Tier 1 projects (New)

Jasmin Vardimon Company

Portfolio:	End Date:	Start Date:	Stage:
GET	March 2018	February 2017	Analyse

What will the project deliver?

The proposal will see a new dance studio provided for the Jasmin Vardimon Company (JVC) in Ashford with funding coming from a £3M grant from the Arts Council England and a KCC enabling development on an adjacent piece of land.

The outcome will secure JVC for the long term future and will seek to generate a financial return to KCC whilst also delivering one of Ashford Borough Council's top eight priorities.

Background

Jasmin Vardimon Company is an international dance organisation which tours nationally and internationally performing at high profile theatres throughout the UK, across Europe, Asia, the Middle East and the USA. The Company moved into Ashford in 2012 and has now developed a successful business model to the extent that it has outgrown its current home in the Stour Centre. Demand for JVC's offer is outstripping resources and their facilities are working at full capacity.

Having pursued a number of options to relocate them with Ashford Borough Council, vacant land has now been identified adjacent to the KHS Highway depot off Javelin Way which is owned by KCC and could be used to provide a larger, purpose built space to enable them to develop further and grow their sustainable business model. A bid to the Arts Council England seeking a £3M grant has been submitted with outcomes expected in July 2017 with match funding being found from KCC.

Where do we want to be?

This project seeks to deliver a viable purpose built facility for JVC that will secure their presence in Ashford and deliver on one of Ashford Borough Council's eight main priorities.

This outcome will be achieved by KCC securing a £3M grant from the Arts Council England and bringing forward the adjacent enabling development to secure sufficient funding to build the facility. The final outcome for KCC will seek to secure an improved capital and or revenue position to the council.

How will we get there?

The project is currently putting in place the relevant governance and delivery vehicles needed to progress the development. As part of this, a number of options will be brought forward in terms of maximising the enabling development and working with JVC and the necessary consultants, KCC will seek to drive forward a cost effective solution that is viable to all parties both in terms of capital and revenue.

L: Current Tier 1 projects (New)

Turner Contemporary

Portfolio:	End Date:	Start Date:	Stage:
GET	April 2021	September 2016	Analyse

What will the project deliver?

The proposal will see a new build to the side of the current facility along with some refurbishment to the current facility in order to increase revenue income and lower costs. Funding will come from a £3M grant from the Arts Council England and a KCC contribution currently envisaged to be c£3M. There is also the potential for an adjacent development to be progressed on an adjacent piece of land.

Background

Turner Contemporary has outgrown the space in its current building and over the last five years of operations, staff have been able to highlight the strengths and weaknesses of the current facility which is based in Margate facing the North Sea.

KCC currently subsidies the facility along with the Arts Council England (ACE) both of whom are looking to cut their ongoing revenue subsidy. In order to achieve this, a bid for £3M capital has been submitted to ACE which once combined with KCC's contribution see a c£6M project being proposed. The outcome of the ACE bid is expected in July 2017.

The project seeks to bring forward new build and refurbishment options for the Turner Contemporary while at the same time potentially exploring the opportunities for the adjacent Rendezvous site.

Where do we want to be?

The outcome will be to cut running costs on the facility and increase income generating capacity for the Trust in order to allow ACE and KCC to cut current subsidy levels to more manageable levels.

How will we get there?

Project will seek to look at options for driving revenue income and cutting revenue costs in the building. This will include detailed work on income projections from food and beverage, retail, car parking, membership, venue hire and donations.

The project is currently putting in place the relevant governance and delivery vehicles needed to progress the development. As part of this, a number of options will be brought forward in terms of refurbishment and new build and the adjacent Rendezvous site will also be considered.

KCC will seek to drive forward a cost effective solution that is viable to all parties both in terms of capital and revenue. The project will also work closely with ACE and the Turner Trust given the latter's ability to leverage additional capital funds from other grant funding organisations.

L: Current Tier 1 projects (New)

Highways Term Maintenance Contract

Portfolio:	End Date:	Start Date:	Stage:
GET	December 2018	September 2016	Analyse

What will the programme deliver?

Our ambition is to ensure that people can travel safely, efficiently and pleasantly throughout the County. Furthermore it should maximise the lifespan and minimise the lifecycle costs of the highway and its assets. This project will enable a delivery model that will meet the needs of its customers by providing services under the Authority's duty of maintaining the highway of Kent.

Background

Kent County Council is the statutory Authority responsible for the delivery of a highways service for the residents of Kent (excluding Medway). This large scale service is currently commissioned externally with Amey and the contract is managed by the Authority. This commenced on 1st September 2011 and is due to end on the 31st August 2018 following the agreement of a two year extension. This contract is currently worth approximately £40m per annum and delivers a number of key services on behalf of the Authority's duty to ensure the highway is safe for Kent residents. This includes the following:

- Winter Service Provision – i.e. gritting of our major routes during freezing conditions
- Drainage Maintenance and Capital Projects – i.e. gully cleansing and drainage repairs
- Street Lighting Maintenance – i.e. investigate and repair of lanterns and installation of new columns
- Structures Maintenance – i.e. bridge repairs and construction
- Patching and Small Resurfacing Services – i.e. potholing and patching of the highway
- Surface Treatments – i.e. small highway and footway resurfacing
- Emergency Response – i.e. respond to emergencies across the network due to weather, crashes or structure failure
- Highway Schemes Delivery – i.e. construction of smaller schemes for crash remedial measures and s106 requirements.

Where do we want to be?

The business requires an improved arrangement that helps deliver the right service first time, by ensuring it meets the Authority's outcomes. It will also seek to put in place financially advantageous arrangements which not only deliver flexible services to quality standards, but also more efficiently, thus delivering savings to KCC.

With the contract due to expire on the 31st August 2018, any new delivery model will need to be in place before then. Due to the scope of services, a mobilisation period of up to six months will be required before commencement of the contract.

How will we get there?

This project will review the delivery arrangements for the various services and contracts in scope and put in place new mechanisms for the ongoing service delivery. Working with internal stakeholders and the external market, delivery arrangements will be evaluated prior to approval of the preferred model.

L: Current Tier 1 projects (New)

Coroners Service & Medical Examiners Modernisation

Portfolio:	End Date:	Start Date:	Stage:
GET	April 2018	July 2016	Analyse

What will the programme deliver?

A two part approach to the programme will look to find a co-located long term property solution for the Coroner, Courts and Medical Examiners and also explore a public/disaster Mortuary; either on the same site or in the near vicinity. There is a possibility of income generation through a public/disaster mortuary.

The programme will also be establishing a new Medical Examiner Service from the ground up, putting in place a new case management system and also explore the potential for cultural change activity within the Coroner Service.

Background

The Coroners Service is responsible for delivering the 4 coronial areas that cover Kent and Medway. It is the largest in the UK and has a budget of £2.9m, nearly 50% of which is spent on commissioning mortuary and post mortem provision from the NHS.

New legislation will be introduced in the coming months which will introduce the creation of a Medical Examiner function to be provided by local authorities from April 2018.

The properties that are currently being used to accommodate the Coroners Service are not fit for purpose and are impacting on the delivery of inquests. Recent attempts have been made to co-locate three of the four teams in Maidstone, but the property in use is unsuitable for the size and scale of activities being conducted by the service.

Where do we want to be?

A single co-located Coroners service together with a newly established Medical Examiners Team. In addition the inclusion of a Public Mortuary.

How will we get there?

The programme is currently seeking an interim solution to provide immediate alleviation for the office provision and accompanying operational issues that are impacting on service delivery with a view to expanding this to the full co-located offices and courts.

L: Current Tier 1 projects

Special Educational Needs (SEN) Transport Phase 2

Portfolio:	End Date:	Start Date:	Stage:
GET	December 2018	April 2016	Do

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 – 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.

Quarterly Overview – 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.

Checkpoints – 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

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From:	**Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation** **Matthew Balfour, Cabinet Member for Environment and Transport** **David Cockburn, Corporate Director of Strategic & Corporate Services** **Barbara Cooper, Corporate Director Growth, Environment and Transport**
To:	**Policy and Resources Cabinet Committee** **8 March 2017**
Subject:	**Housing White Paper Briefing**
Classification:	**Unrestricted**
Past Pathway of Paper:	None
Future Pathway of Paper:	Growth Economic Development and Communities Cabinet Committee
Electoral Division:	All

Summary: This paper outlines the main provisions of the recent Housing White Paper, and presents an analysis of its potential Impacts, Challenges and Opportunities.

Recommendation: The Policy & Resources Cabinet Committee is asked to consider and make recommendations on the White Paper.

1. Introduction

1.1 The Government published the Housing White Paper – ‘Fixing our broken housing market’ on 7 February 2017. This focuses on housing, but the proposed changes in policy will affect planning (plan making and decision taking) more generally. It is open for consultation until 2 May 2017.

1.2 One of the biggest policy challenges facing Government, Local Government, and communities is housing, and the Secretary of State for the Department for Communities and Local Government (DCLG), Sajid Javid - has said that the issue is his “*number one priority*”. Housing is also a priority for Kent County Council, and a supporting outcome of our Strategic Statement is that we “*support well planned housing growth so Kent residents can live in the home of their choice*”.

1.3 Sajid Javid has reiterated the Government’s September 2015 pledge that the Government would like to see a million new homes built by 2020. The 2004 Barker Review (which is referenced in the White Paper) recommended that 250,000 houses a year needed to be constructed to prevent house price inflation exacerbating the affordable housing shortage. This figure has not been achieved, and according to recent Government figures, there was a net housing increase of 189,900 in 2015-16, a rise of 11% on the previous financial year, and an additional 893,000 homes built since 2010 – the highest level since the 2007-08 financial crash. Government figures have also concluded that the number of affordable homes built in England in 2015-16 fell to its lowest level for 24 years.

1.4 The Office for National Statistics (ONS) has reported that, as of December 2016, national house price affordability was 9.38 times average earnings, with 2.2 million working households with below-average incomes spending a third or more of their disposable income on housing. The number of households who own their own house has fallen by 200,000 since 2010, with the number of under-35s having fallen by 344,000 since 2010. The Local Government Association (LGA) has further reported that only 20% of 25-year-olds own their own homes, compared to 20 years ago when this was 46%.

1.5 Since 2010 around 1 million more households now rent from private landlords, with the proportion of people living in private rented accommodation doubling since 2000. However, a Royal Institution of Chartered Surveyors (RICs) survey has predicted that rents will increase by just over 25% in the next five years, compared to 20% for property values.

1.6 During the year ending 31st March 2016 there were 6,704 dwellings completed (net) in the twelve local authorities in the KCC area. This is 46% higher (2,100 dwellings) than the previous year (2014/15) when the number of dwelling completions was 4,604 (net). The figure for 2015/16 includes 1,060 affordable housing completions. The ratio of median house price to median gross annual salary ranges from 10.78 in Tonbridge and Malling to 8.20 in Swale during 2015.

2. The Housing White Paper

2.1 Prior to the White Paper, the 2016 Autumn Statement heralded a change in emphasis from the Coalition Government's economic policy of concentrating on deficit reduction, to borrowing to invest for infrastructure to improve growth and productivity, and this included several housing related announcements.

2.2 In summary these included several funds and initiatives:

- Home Building Fund
- National Productivity Investment Fund (NPIF)
- Housing Infrastructure Fund
- Capacity Fund
- New housing zones – although none of these are in Kent
- Accelerated construction on public sector land
- Right-to-Buy for Housing Association tenants
- A Starter Homes Land Fund
- The announcement of new Garden Towns and Villages

2.3 Although this is a White Paper, it is more akin to a Green (consultation) Paper – with many future proposed consultations referred to in the document – these are detailed in section 5 of this report. However, there are sections that are not open for consultation, particularly where there has been previous consultation, and several proposals build on consultations and reviews conducted over the last year: the report of the Local Plans Expert Group; consultations on changes to the National Planning Policy Framework (NPPF), technical changes to planning and 'building up' in London; and the Rural Planning Review call for evidence. A summary of the responses to each consultation is published alongside the White Paper.

2.4 Many of the changes will also involve amendments to the NPPF, and the Government intends to publish a revised Framework later this year, which will consolidate the outcome from the previous and current consultations. It will also incorporate changes to reflect changes made to national policy through Written Ministerial Statements since March 2012.

3. Key provisions in the Housing White Paper

3.1 Local Plans

- **Following consultation, the Government will introduce a new 'Housing Delivery Test', through changes to the NPPF that will look at a standardised way of calculating demand. Where under-delivery is identified as a result of monitoring, the Government proposes a tiered approach to addressing the situation:** From November 2017, a local authority will be required to publish an action plan if delivery of housing falls below 95% of the annual housing requirement and if delivery falls below 85%, local authorities must also plan for a 20% buffer on their five-year land supply; from November 2018, if delivery is below 25% the presumption in favour of sustainable development would automatically apply; from November 2019, the presumption will apply if delivery falls below 45% and from November 2020, it will apply if delivery falls below 65%.

- All Local Planning Authorities (LPAs) are covered by a "*realistic*" Local Plan – using existing powers and those proposed in the Neighbourhood Planning Bill currently before Parliament - to be reviewed every five years, or face intervention. The White Paper says that 40% of LPAs do not have an up-to-date Plan. In February 2016 DCLG consulted on their proposed criteria for making decisions on whether to intervene in plan-making. Government intends to make decisions on intervention on the basis of these criteria.

- Housing land supply would also be able to be agreed on an annual basis. It is proposed that LPAS who wish to take advantage of this will need to provide for a 10% buffer on their 5 year land supply.

- LPAs will be required to plan for higher densities, and focus in areas where there is a shortage of land on locations that are well connected to public transport.

- **The NPPF will be revised to remove the policy expectation that each LPA should produce a single Local Plan**. The Neighbourhood Planning Bill, currently before Parliament, **would allow the Secretary of State to direct a group of authorities to work together to produce a Joint Local Plan**. **Government will also consult on changes to the NPPF, so that authorities are expected to prepare a 'Statement of Common Ground'**. This would set out how they will work together to meet housing requirements and other issues that cut across authority boundaries, and would replace the 'Duty to Cooperate' – which the Government say has not worked in practice.

- Devolution deals have allowed housing to be considered at a wider scale than individual authorities via 'Spatial Development Strategies'. Building on measures in the Neighbourhood Planning Bill, the White Paper proposes that Combined Authorities or areas with an Elected Mayor will be able to allocate strategic housing sites.

3.2 **Infrastructure**

- **An independent review of the Community Infrastructure Levy (CIL) and its relationship with Section 106 planning obligations is published alongside this White Paper**. The report recommends that the Government should replace the CIL with a hybrid system of a broad and low level Local Infrastructure Tariff (LIT). Under this system: all development would be liable for a LIT - a low level tariff aimed at meeting an area's wider cumulative infrastructure needs; and larger development would be required to deliver site specific mitigation secured by a section 106 agreement. In addition, the review has recommended legislating to enable Combined Authorities to establish an additional Strategic Infrastructure Tariff (SIT) to contribute to major infrastructure. This would be similar to the Mayoral CIL which has been applied in London.

- The Government has confirmed that it is exploring an improved and simplified approach to developer contributions, including ensuring direct benefit for communities, and will make an announcement on any reform in the 2017 Autumn Budget.

- **The Government say that they will work with local Leaders and Mayors on infrastructure** and "*take a more coordinated approach across Government to make sure the right infrastructure is provided in the right places at the right time to unlock housing delivery".*

3.3 **Speeding up housebuilding and Planning**

- The Government will make it easier for LPAs to issue 'Completion Notices', reducing the developing envelope time from three to two years.

- Developers will be required to be more transparent about their pace of delivery, so that councils can take this into account when planning. There are also measures to boost the transparency of the identity of landowners.

- The Government say that the £3 billion 'Home Building Fund' will broaden out the number of housing providers from the 10 companies who build 60% of all new homes. The Government say that this will help facilitate the building of 25,000 new homes this Parliament and up to 225,000 in the longer term by engaging SME builders, custom builders, offsite construction and the associated infrastructure.

- Government will support the delivery of existing and future 'Garden' communities by legislating to enable the creation of 'New Town Development

Corporations', and amending policy to encourage a more proactive approach by authorities to bringing forward new settlements in their plans.

- Neighbourhood planning groups will have access to Government funding to pay for support required in preparing plans, and housing requirement figures from their LPA.

3.4 **Green Belt**

- The Government has reaffirmed its commitment to the Green Belt, that "*only in exceptional circumstances*" can it be built on, and only then after consulting communities and submitting a revised Local Plan for examination. The Housing Minister – Gavin Barwell has said that councils "*can take land out of the green belt in exceptional circumstances but they should have looked at every other alternative first*", like brownfield land, surplus government land, increasing the density of projects, or partnering with neighbouring councils. In reality it is an unlikely scenario where mass building on the Green Belt will be facilitated. A revised NPPF will set out the processes LPAs must take before considering building on the Green Belt, and it will also be amended to reflect a 'de-facto' presumption in favour of housing on brownfield land.

3.5 **Housing Affordability**

- **There is a range of Housing Affordability measures in the White Paper. Although the target for the number of new houses the Government wants to see built by 2020 is absent from this document, the Government do commit to saying that they expect to help over 200,000 people to become homeowners by the end of this Parliament.**

- It is of note that Theresa May's Government has a different emphasis towards housing compared to the approach of David Cameron's administration, which concentrated more on home ownership rather than alternative tenures.

- As such, the White Paper presents a "*change of tone*" from home ownership to affordable and secure rents, relaxing restrictions on funding for the £7.1bn 'Affordable Homes Programme' - which was originally focused on delivering Shared Ownership schemes - and refocussing incentives for developers to build affordable homes for rent, and Rent-to-Buy schemes alongside shared ownership. Government want to encourage institutional investors, lenders and Capital Markets Participants to the private rental sector. A 'Rent-to-Buy consultation has been launched alongside this White Paper so that developers can offer affordable rent options.

3.6 **Government is proposing changes to planning policy to support households who are currently priced out of the housing market**:

- **Changing the definition of affordable housing**: The Government intend to take forward proposals, in the NPPF, to expand the definition of affordable housing in planning policy, and propose to:

    - To introduce a household income eligibility cap of £80,000 (£90,000 for London) on 'Starter' homes. Previously the 2015 Conservative manifesto pledged 200,000 new ‘Starter’ homes that could be bought by first-time buyers at 20% discounts. There will also be a 15 year repayment period for a ‘Starter’ home so when the property is sold to a new owner within this period, some, or all, of the discount is repaid.

  - To introduce a definition of affordable private rented housing, which is a suitable form of affordable housing for Build to Rent Schemes.

  - Subject to the Built to Rent consultation, the Government intend to publish a revised definition of affordable housing as part of changes to the NPPF.

- **Increasing delivery of affordable home ownership products**: The NPPF requires LPAs to plan proactively to meet as much of their housing needs in their area as possible, including market and affordable housing:

  - **‘Starter’ homes**: The White Paper confirms that the Government will not introduce a statutory requirement for ‘Starter’ homes at the present time. This is because of concerns expressed in response to their consultation last year that this would not respond to local needs. Instead ‘Starter’ homes are to be decided locally, with LPAs to deliver these as part of a mixed package of affordable housing of all tenures that can respond to local needs and local markets. Government will look for LPAs to work with developers to deliver a range of affordable housing products, which could allow tenants to become homeowners over a period of time. These include ‘Starter’ homes, shared ownership homes and discounted market sales products.

  - **10% of all new housing sites should be ‘affordable’ – from a previous target of 20%**: To promote delivery of affordable homes to buy, it is proposed that national planning policy will reflect that local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products. This will form part of the agreed affordable housing contribution on each site. It is proposed that this policy should apply to sites of 10 units or more (or 0.5+ hectares). This aligns with the planning definition of ‘major development’ for development management purposes. A lower threshold would be contrary to existing national planning policy.

    The Government say that there are a number of schemes for which such a policy may not be appropriate, either on viability grounds or because the nature of the proposal makes it difficult to provide affordable home ownership products. For example:

    - Build to Rent schemes
    - Proposals for dedicated supported housing, such as residential care homes.
    - Custom Build schemes.
    - Development on Rural Exception Sites.

3.7 Starter Homes & Brownfield land

- DCLG will change the NPPF to allow more brownfield land to be released for developments with a higher proportion of ‘Starter’ homes by:

  - Bringing forward a proposal for retaining employment land that has been vacant, unused or unviable for a period of five years, and is not a strategic employment site, should be considered favourably for ‘Starter’ home- led development.

  - Extending the current ‘Starter’ home exception site policy to include other forms of underused brownfield land – such as leisure centres and retail uses – while retaining limited grounds for refusal.

  - Allowing development on brownfield land in the Green Belt, but only where it contributes to the delivery of ‘Starter’ homes, and there is no substantial harm to the openness of the Green Belt.

- It will be clarified that ‘Starter’ homes, with appropriate local connection tests, can be acceptable on Rural Exception Sites. Government will also look to support ‘Starter’ home development in rural areas by working in partnership with councils to bring forward land for locally supported development.

- The £1.2 billion ‘Starter Home Land Fund’ will be invested to support the preparation of brownfield sites. Sites will include both ‘Starter’ homes and other types of affordable home ownership products such as shared ownership, and products like Rent-to-Buy.

3.8 Backing Local Authorities to Build

- The White Paper says that the Government will work with local authorities to understand all the options for increasing the supply of affordable housing, and they are interested in the scope for bespoke housing deals with authorities in high demand areas. They will look to promote the alignment of decisions on infrastructure and housing at higher spatial levels, including via Joint Local Planning and Statutory Spatial Plans.

- DCLG say they welcome innovations like Local Development Corporations, local housing companies and/or joint venture models building mixed sites, which include new market housing for sale or private rent, as well as affordable housing.

3.9 Housing Associations

- The Government also say that they want to support Housing Associations and Local Authorities to start building again, and will:

  - Set out a rent policy for social housing landlords (housing associations and local authority landlords) for the period beyond 2020 to help them to borrow against future income, and will undertake further discussions with the sector before doing so. The Government also confirms that the 1% rent reduction will remain in place in the period up to 2020.

- They will make the Social Housing regulator a stand-alone body.

- Government say they are committed to implementing the necessary deregulatory measures to allow Housing Associations to be classified as private sector bodies.

3.10 Renters and Leaseholders

- **Banning Orders**: The Government will implement measures introduced in the Housing and Planning Act 2016, which will introduce banning orders to remove the worst landlords or agents from operating, and enable local councils to issue fines as well as prosecute.

- **Lower tenancies**: DCLG are proposing to make the private rented sector more family-friendly by taking steps to promote longer tenancies on new build rental homes.

3.11 Community Housing Fund

- In April 2016 higher rates of Stamp Duty Land Tax have been payable on purchases of additional residential properties, including second homes. Some of the additional receipts have been used to form the 'Community Housing Fund', which is supporting communities to take the lead in developing homes, including in areas particularly affected by second homes. Government will consider whether any additional measures are required to support this policy.

3.12 Older People

- The Government is introducing a new statutory duty through the Neighbourhood Planning Bill on the Secretary of State to produce guidance for LPAs on how their local development documents should meet the housing needs of older and disabled people. The White Paper says that – "*Helping older people to move at the right time and in the right way could also help their quality of life at the same time as freeing up more homes for other buyers*". The Government say they are committed to exploring these issues further and will draw on the expertise of a wide range of stakeholders including housebuilders (both specialist and mainstream); mortgage lenders; Clinical Commissioning Groups; housing associations and local authorities and older people and the groups that represent them.

3.13 Financing a property purchase

- **'Help To Buy: Equity Loan':** The Help to Buy Equity Loan was originally established in 2013. DCLG has committed £8.6 billion for the scheme to 2021.

- **'Lifetime ISA'**: Government will introduce the Lifetime ISA in April 2017. It is aimed at supporting young adults to save, giving them a 25% bonus on up to £4,000 of savings a year. Savings and the bonus can be used towards purchasing a first home, or withdrawn once they reach the age of 60.

4. Impact; Challenges and Opportunities of the White Paper

4.1 **Will this White Paper achieve its aim of facilitating more houses being built?** Liam Booth-Smith, Chief Executive of the think tank Localis, has commented that "*The real test of the Government's Housing White Paper will be whether they can diversify and disrupt the developer market",* adding that *"Large house builders are close to capacity*". While, David Orr - Chief Executive at the National Housing Federation, has added that "*what the nation needs now is unwavering political will and courage to see this through*".

4.2 **There is no explicit role for the County Council in the White Paper**: This housing paper does not reiterate the proposals in the Neighbourhood Planning Bill to enable strategic planning across county areas. The Bill would enable the Secretary of State to invite a county council to prepare or revise a Development Plan document in a case where the Secretary of State thinks that a district council in a county council's area is failing to prepare, revise or adopt such a document. It is not clear whether the Government sees a formal role for county councils in strategic planning arrangements, and whether this may also include options for plans which cut across county boundaries.

The County Councils Network (CCN) is lobbying to make the point that strategic planning arrangements must integrate planning functions with other relevant growth and service functions, particularly those that relate to infrastructure provision. Their position is that in two-tier areas county councils would need a formal role in strategic plan-making, and that allowing district councils to prepare joint plans will not address the core challenge of infrastructure provision.

Local Plans

4.3 **A centralisation of local planning?** The existing NPPF guides Local Planning Authorities (LPAs) to significantly boost the supply of housing. The Government has subsequently said that any LPA that does not have an up-to-date Local Plan could face Government intervention, but until now this has not been defined. The suggestion in this White Paper is that central Government is intent on mandating LPAs to increase the number of homes in their Local Plan – which is a centralisation of the planning process. If this is the case where does this leave local democracy in the planning process?

Martin Tett, the Leader of Buckinghamshire County Council and housing spokesman for the LGA has commented that "*If you get into a situation with central government effectively imposing top-down targets, you are back to a situation where local communities will really resent these housing numbers*".

Jonathan Carr-West, Chief Executive, LGiU has said that the think tank is "*not convinced that this White Paper goes far enough to address the democratic deficit in our planning system. In a recent survey, we found that seven out of ten local councillors believe that the system is weighted in favour of developers at the expense of local communities. They also told us the system was too dominated by central Government: a trend this White Paper looks set to exacerbate rather than reverse*".

4.4 **There is a spatial disparity in the housing powers given to councils across the country – particularly those councils that have an elected mayor**: The 2016 Autumn Statement announced that northern councils and councils with elected mayors will receive greater housing powers. London will be given £3.15 billion to deliver over 90,000 housing starts by 2020-21. Authorities with mayors will also be given powers to borrow to invest in "*economically productive infrastructure*". Building on measures in the Neighbourhood Planning Bill, the White Paper proposes that Combined Authorities or areas with an elected mayor will be able to allocate strategic housing sites. This is not a level playing field within which to work.

Infrastructure

4.5 **One of the biggest issues with new housing is the infrastructure that is required**: It is welcome that the White Paper says the Government will work with local Leaders and Mayors on infrastructure. It is also encouraging that the Independent review of the Community Infrastructure Levy (CIL) highlights the importance of the two-tiers working together in county areas – *"In two tier authorities, it is particularly important that there are early discussions to identify and plan for the infrastructure needed to support growth and to identify how that will be funded*".

The Kent and Medway Growth and Infrastructure Framework (GIF) presents a clear picture of the county's housing and economic growth planned to 2031, but crucially also sets out the total cost for the fundamental infrastructure needed for this growth at £7billion and identifies a likely funding gap of £2.25 billion. The GIF is being used to provide robust evidence to attract investment and engage with London, southeast partners and key infrastructure providers.

Kent County Council, along with Essex County Council, is also part of a pilot set-up by the Housing & Finance Institute (HFI) that will aim to identify, assess and then unblock infrastructure problems in order to speed up house building. It will pay particular attention to delays caused by lack of utilities or transport connections. The scheme will run until May 2017 and will potentially roll out across the UK later in the year. Other partners in the scheme are: SELEP, the Home Builders Federation, developers Laing O'Rourke and Keepmoat, Anglian Water, and the DCLG.

4.6 **The White Paper also only mentions the 'New Homes Bonus' briefly, signalling that this had been downgraded as a means to encourage acceptance of development**. The draft Local Government Finance Settlement announced that £240 million of New Homes Bonus monies would be diverted to the social care budget. From 2017-18 councils will only receive New Homes Bonus (NHB) payments on housing built above a baseline of 0.4% growth. Legacy payments of the Bonus have also been cut from six years to five in 2017-18, and only four years in 2018-19. In submissions, District and County Councils networks have criticised this change, pointing out that NHB largely benefit Districts in two-tier areas, while counties deliver social care.

Speeding up planning

4.7 **There is a lack of detail in the White Paper on encouraging new Towns or Garden Cities:** The Paper says that the Government will introduce new legislation to allow locally accountable New Towns Development Corporations to be set up in order to better support new garden towns and villages, which the Town and Country Planning Association says is welcome. But they also comment that "*Changes to the New Towns Act will need to be accompanied by a new approach to Government investment in new development, channelling new and existing funds to support up-front infrastructure and affordable homes*".

In January 2017 the Government announced the creation of 14 new 'Garden Villages' of between 1,500 to 10,000 homes to be built outside existing settlements, and three new 'Garden Towns'. This is in addition to the Government's announcement in November 2016 confirming the creation of Otterpool Park Garden Town in Shepway, which will deliver up to 12,000 homes with infrastructure such as schools and other essential facilities; the Government will provide £750,000 to 'kick-start' work to take forward this development. The Government reportedly intends to issue a further call for expressions for Garden Village proposals in 2017. **This presents the opportunity for other 'Garden' developments in Kent**.

Green Belt

4.8 While the Government has pledged to maintain the protections one the Green Belt, there are clearly pressures on those parts of the country, and counties that are surrounded by the Green Belt. David Orr - Chief Executive at the National Housing Federation, has commented that "*Land remains a critical barrier; we know that brownfield land alone is not enough. We urgently need to have honest conversations about how green belt land is used*".

Housing Affordability

4.9 **There is nothing in the White Paper on relaxing borrowing freedoms for councils, so that they can finance house building:** Speaking at the recent District Councils Network (DCN) conference, Gavin Barwell suggested that areas that deliver on their Local Plans could be granted more flexibility over the borrowing cap for housing. But this is not included in this White Paper. Cllr Martin Tett - Housing Spokesman at the Local Government Association (LGA) has commented that LPAs need access to funding in order to "*resume their historic role as a major builder of affordable homes*", and that "*This means being able to borrow to invest in housing and to keep 100% of the receipts from properties sold through Right to Buy to replace homes and reinvest in building more of the genuine affordable homes our communities desperately need*".

4.10 **Affordable homes built by local authorities through housing companies will possibly be subject to right-to-buy rules**. The White Paper states that the Government "*want to see tenants that local authorities place in new affordable properties offered equivalent terms to those in council housing, including a right to buy their home*".

Lord Porter, Chair of the LGA, has said that "*The amount of aggravation* [the Government] *had extending the right-to-buy to* [housing association] *properties would be nothing with trying to do it across private companies*", and that councils would "*just build to sell… if they are threatened with right-to-buy*". While, John Bibby - Chief Executive of the Association of Retained Council Housing, has said that "*Most local housing companies have been set up to provide homes for market sale* *or private rent but some have a bit of affordable housing incidental to that and in those cases this could drive a coach and horses through their business plans*".

Barking & Dagenham LBC became one of the first councils to set up a housing company – 'Barking and Dagenham Reside' with 620 properties which it rents out at sub-market rates. John East - Barking & Dagenham LBC's Director for Growth and Homes has said that "*If Government were to impose this it would undoubtedly affect the business model of many local authority housing companies set up*".

4.11 **'Starter' homes**: In January 2017, the Government announced the first wave of 30 local authority partnership areas where 'Starter homes' will be constructed, which included the Ebbsfleet Development Corporation. At that time, the houses were to be targeted at first-time buyers between the ages of 23 and 40 years old, at a discount of 20% below market value, and apply to properties worth up to £250,000 outside London, or £450,000 in London. Crucially, this will allow developers to build 'Starter' homes without having to contribute towards local social and community infrastructure under the existing Section 106 regime. **This has implications for KCC – for example, in view of its statutory responsibilities as Local Highway Authority and Local Education Authority**.

5. Consultations related to the White Paper

5.1 There is a specific consultation that is separate to this White Paper on 'Planning and affordable housing for Build to Rent', which runs until 1 May 2017. The key proposals are to:

- Change the NPPF so authorities know they should plan proactively for Build to Rent where there is a need, and to make it easier for Build to Rent developers to offer affordable private rental homes instead of other types of affordable housing.

- Ensure that family-friendly tenancies of three or more years are available for those tenants that want them on schemes that benefit from our changes.

5.2 **There are also a range of future consultations detailed in the White Paper**:

5.3 **Methodology for Assessing Housing Requirements:** The NPPF sets out clear criteria but does not prescribe a standard methodology. DCLG will publish a consultation this year, with the outcome reflected in changes to the NPPF. This will consult on what constitutes a reasonable justification for deviating from the standard methodology, and make this explicit in the NPPF.

5.4 **Compulsory Purchase:** The Government will prepare new guidance to LPAs following separate consultation, encouraging the use of their compulsory purchase powers to support the build out of stalled sites.

5.5 **Improving arrangements for capturing uplifts in land value for community benefit**. The Government will explore whether higher contributions can be collected from development as a consequence of land being released from the Green Belt.

5.6 **Planning Fees**: DCLG will increase nationally set planning fees. Local authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department. Government are minded to allow an increase of a further 20% for those authorities who are delivering sufficient new homes, and they will consult further on the detail. DCLG will also consult on introducing a fee for making a planning appeal.

5.7 **Disposal of Land:** The White Paper proposes amending regulations so that all LPAs are able to dispose of land with the benefit of planning consent which they have granted to themselves. This is currently restricted to unitary authorities and Urban Development Corporations (UDCs). Government will consult on using powers in the Growth and Infrastructure Act 2013 to issue a new General Disposal Consent, which would enable authorities to dispose of land held for planning purposes at less than best consideration without the need for specific consent from the Secretary of State. The consultation will seek views on a threshold below which specific consent would not need to be obtained. They will also consult on revising the existing £2m threshold for the disposal of other (non-housing) land.

5.8 **Renters and Leaseholders:** There will be a consultation early this year, ahead of bringing forward legislation as soon as Parliamentary time allows, banning letting agent fees to tenants. The Government will also consult on a range of measures to tackle unfair and unreasonable abuses of leasehold.

6. Next Steps

6.1 The Housing White Paper is open for consultation until 2 May 2017, and a consultation response will be coordinated by the Growth, Environment and Transport (GET) Directorate.

7. Recommendation

The Policy & Resources Cabinet Committee is asked to consider and make recommendations on the White Paper.

8. Background Documents

The Housing White Paper – 'Fixing our broken housing market' published on 7 February 2017.

9. Contact details

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