

# **POLICY AND RESOURCES CABINET COMMITTEE**

**Tuesday, 13th July, 2021**

**10.00 am**

**online**







## **AGENDA**

### **POLICY AND RESOURCES CABINET COMMITTEE**

**Tuesday, 13 July 2021, at 10.00 am  
online**

Ask for: **Theresa Grayell**  
Telephone: **03000 416172**

#### **Membership (16)**

- Conservative (12): Mr R J Thomas (Chair), Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr T Cannon, Mr N J D Chard, Mr G Cooke, Mr P C Cooper, Mr M Dendor, Mr R C Love, OBE, Mr R A Marsh and Mr J P McInroy
- Labour (2) Mr A Brady and Dr L Sullivan
- Liberal Democrat (1): Mr A J Hook
- Greens and Independents (1) Mr P Stepto

#### **UNRESTRICTED ITEMS**

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

- 1 Introduction
- 2 Membership - the committee is asked to note its new membership
- 3 Apologies and Substitutes
- 4 Election of Vice-Chair
- 5 Declarations of Interest by Members in items on the Agenda
- 6 Minutes of the meetings held on 3 March 2021 and 27 May 2021 (Pages 1 - 10)
- 7 Covid-19 Financial Monitoring (Pages 11 - 44)
- 8 Strategic and Corporate Service Directorate Dashboard (Pages 45 - 66)

- 9 Kent Public Service Network Update (Pages 67 - 72)
- 10 Construction Partnership Framework Commission (Pages 73 - 78)
- 11 21/00041 - Total Refresh Programme (Pages 79 - 86)
- 12 21/00059 - Dover Discovery Centre Community Hub Redevelopment (Pages 87 - 104)
- 13 21/00061 - Kent County Council / Tonbridge and Malling Borough Council Internal Audit and Counter Fraud Service (Pages 105 - 110)
- 14 Work Programme 2021/22 (Pages 111 - 114)
- 15 21/00060 - Disposal of Land at Langton Field, Langton Lane (off Nackington Road), Canterbury, Kent (Pages 115 - 146)

**Motion to exclude the press and public for exempt business**

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.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**EXEMPT ITEMS**

*(During these items the meeting is likely NOT to be open to the press and public)*

- 16 Property Accommodation Strategy - SHQ - *TO FOLLOW*

Benjamin Watts  
General Counsel  
03000 416814

**Monday, 5 July 2021**



## KENT COUNTY COUNCIL

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### **POLICY AND RESOURCES CABINET COMMITTEE**

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the online on Wednesday, 3 March 2021

PRESENT: Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr P V Barrington-King, Mr P Bartlett, Mr R H Bird, Mr T Bond, Mr D L Brazier (Substitute for Mr M A C Balfour), Mr N J D Chard, Mr G Cooke, Mrs M E Crabtree, Mrs T Dean, MBE, Mr D Farrell, Mr P W A Lake, Mr D Murphy and Mr H Rayner

ALSO PRESENT: Mr M A C Balfour, Mr E E C Hotson, Mr P J Oakford and Mrs S Prendergast

IN ATTENDANCE: Mrs A Beer (Corporate Director of People and Communications), Mr A Cole (Head of Technology Commissioning & Strategy), Ms Z Cooke (Corporate Director of Finance), Ms J Johnson (Partnership and Programmes Manager), Ms R Kennard (Chief Analyst, Strategic Commissioning Analytics), Mr P Murphy (Infrastructure Business Partner), Mr M Scrivener (Corporate Risk Manager), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Miss T A Grayell (Democratic Services Officer) and Mr G Romagnuolo (Research Officer - Overview and Scrutiny)

### **UNRESTRICTED ITEMS**

#### **261. Apologies and Substitutes**

*(Item 2)*

1. Apologies for absence had been received from Mr M J Balfour. Mr D L Brazier was present as a substitute for him.
2. Mr Balfour was later able to join the meeting as an observer and was duly recorded as being also present.

#### **262. Declarations of Interest by Members in items on the Agenda**

*(Item 3)*

There were no declarations of interest.

#### **263. Minutes of the meeting held on 14 January 2021**

*(Item 4)*

It was RESOLVED that the minutes of the meeting held on 14 January 2021 are correctly recorded and a paper copy be signed by the Chairman when this can be done safely. There were no matters arising.

## **264. Covid-19 Financial Monitoring**

*(Item 5)*

1. Mr P J Oakford paid tribute to the immense amount of work undertaken by County Council staff, at very short notice, in setting up test centres and temporary mortuary facilities. This work was a vital part of Kent's successful response to the covid-19 crisis and he wished this to be acknowledged.
2. Mr Shipton introduced the report and highlighted key points of the national and local context, Kent's share of national funding totals and the decisions which had been taken about how to spend Kent's allocated funding. Some ring-fenced grants had conditions attached to them, two further tranches of grant funding were expected later in the 2021/22 financial year and it was assumed that all of these would need to be spent in full within that year, leaving no reserve to carry forward. Since the start of the current lockdown in November 2020, funding had been received from the Contain Outbreak Management Fund (COMF), and authority had been delegated to the Director of Public Health to decide how to spend public health grants, for example, to manage asymptomatic testing. Additional funding would be forthcoming in the 2021/22 financial year to help support Council Tax income.
3. Mr Shipton, Ms Cooke, Mr Oakford and Mr Watts responded to comments and questions from the committee, including the following:-
  - a) the clarity and depth of the information in the report was commended as very helpful for Members, and officers were thanked for their diligence in presenting relevant information to keep Members up to date. Conveying timely information clearly to the public was also important;
  - b) asked how the funding allocation to support the extremely vulnerable was calculated, as a range of figures had been quoted in reports to different committees, Ms Cooke undertook to check and advise Members outside the meeting. Mr Shipton advised that authorities who had been in Tier 4 before the current lockdown had been allocated extra funding;
  - c) asked about the policy on one-off spends, Mr Oakford advised that any Member could put forward suggestions for use of funds;
  - d) asked about the Helping Hands project, Mr Oakford advised that a report setting out details of the scheme would be presented to full Council on 11 March 2021;
  - e) the report did not seem to mention the role of the NHS in managing the pandemic, but the impact of County Council decisions on the NHS and its resources, and its relationship with the NHS, would need to be monitored carefully. Ms Cooke advised that the County Council and the NHS received separate funding streams from Central Government, and, although each followed its own procurement regulations, they would work closely together with joint procurement;

- f) asked about the governance of and process for disbursement of funding, Ms Cooke advised that the process would depend on the delegation set out in a key decision, for example, for the Helping Hands scheme. Longer-term projects would need a sequence of key decisions to manage a phased implementation. COMF had been extended to the 2021/22 financial year so would need a second key decision. She undertook to share details of the officer delegation framework and related governance with Members outside the meeting; and
  - g) asked about the governance supporting the recruitment of community wardens, Mr Watts advised that this had been covered by a key decision and, if a small change needed to be made to the scheme, this could be covered by an officer decision. Officer delegations allowed officers to determine how to spend ring-fenced grants. Ms Cooke added that, if the ring-fencing of the funding were to be discontinued, a new key decision would be required to establish new delegations.
4. It was RESOLVED that the information set out in the report be noted, with thanks.

## **265. Strategic and Corporate Services Performance Dashboard**

*(Item 6)*

1. Ms Kennard introduced the report, which presented monthly performance up to January 2021 as well as a one-year overview, and responded to comments and questions from the committee, including the following:-
- a) when responding to complaints received, a 'holding' reply would be sent which advised the complainant that there may be some delay in replying fully, due to the ongoing impact of the pandemic, but that a reply would be sent as soon as possible;
  - b) the fact that 91% of invoices had been paid on time was welcomed, and the staff concerned commended, as it was vital for small businesses in the county to have their invoices paid promptly;
  - c) concern was expressed that, as the number of Freedom Of Information (FOI) requests received had fallen during the pandemic, it would be reasonable to expect those received to be dealt with more promptly, but this seemed not to be the case. As the County Council had a duty to respond to FOI requests within a set time, and could be penalised for late response, a further report was requested to set out more detail of current performance and how this could be addressed. Mr Watts acknowledged that this area of work had been impacted by the pandemic, in the County Council as well as other local authorities, but, although fewer FOI requests had been received, perhaps because people could now find the information they wanted online, those which did come in were more complex and would take longer to research. He explained that the issue was one of resources and prioritising of workload. He advised that the

committee would have at its next meeting a report detailing areas of lower performance, the reasons for this and what could be done to address it;

- d) a further request was made that the report detailing FOI requests received include a breakdown of the origin of requests - for example, individual residents, journalists, large companies – and it was suggested that, if large companies were seeking information for commercial purposes, they could perhaps be charged for it. Mr Watts advised that there was no requirement in FOI legislation for requesters to state the purpose of their request;
  - e) the processing and payment of retirement benefits had gone from a red rating to green due to a tremendous amount of work by the pensions team, and this work was commended; and
  - f) asked how and when the committee could review and influence the range of indicators it looked at, Ms Kennard advised that indicators and targets would be reviewed annually; the committee would be consulted and be able to have some input into this process.
2. It was RESOLVED that the performance position for Strategic and Corporate Services be noted, with thanks.

## **266. Review of Kent County Council Company Ownership Governance** (Item 7)

1. Mr Watts introduced the report and advised that a report on the issue would be made to the Governance and Audit Committee in April 2021. He assured the committee that Members would be fully briefed on the relative roles of the two committees; the Cabinet Committee would consider and comment on commissioning decisions and the Governance and Audit Committee would monitor activity.
2. It was RESOLVED that the update regarding the review of Kent County Council Company Ownership Governance be noted, with thanks.

## **267. Risk Management: Strategic and Corporate Services** (Item 8)

1. Mr Scrivener introduced the report and highlighted the impact of covid-19 on this year's risk management assessments. It was hoped that, as the pandemic subsided, levels of risk could be reduced. He responded to comments and questions from the committee, including the following:-
- a) a view was expressed that Members as well as officers should undertake refresher training in data protection and cyber security. Mr Scrivener confirmed that this training would be made available to Members as well as officers. Mr Watts added that Members should receive refresher training regularly, particularly in areas where their role carried personal liability for decisions made. He added that the Selection and Member Services Committee would shortly be surveying Members to seek their

views on training so the responses could be taken account of in the inductions and training programmes for new Members after the May elections;

- b) a view was expressed that Member training in such subject areas should be mandatory and that all Members should be fully aware of the need to understand and keep up with the modern world in which they worked so they were best equipped to avoid mistakes which could bring reputational damage to themselves or the Council. To undertake the Member role effectively, such training was surely crucial;
- c) another speaker emphasised that all Members had undertaken training in data protection and cyber security, which had been well received. Members serving on committees such as the Superannuation Fund Committee, Planning and Regulatory Committees had an additional requirement to undertake mandatory specialist training in relation to those roles; and
- d) in relation to data protection, concern was expressed that buildings currently left unoccupied while staff worked at home could contain stored papers and material of a confidential nature, which, although stored securely, could be at greater risk than it would normally be. Similarly, while offices were closed, Members were unable to access shredding facilities to dispose of exempt and confidential material securely. Mr Watts acknowledged these concerns and undertook to look into making suitable arrangements and advise Members.

2. It was RESOLVED that the risks presented be noted, with thanks.

## **268. Kent Estates Partnership and the One Public Estate Programme** (Item 9)

1. Ms Spore, Mr Murphy and Ms Johnson presented a series of slides (included in the agenda pack) and responded to comments and questions from the committee, including the following:-

- a) asked about the number of affordable houses which people might expect to see built, and if this target had changed since the report and recommendations of the Affordable Housing Select Committee, Mr Murphy explained that the County Council role was both to facilitate the partnership with other partners and to deliver projects which the Council had put forward. Other than the County Council-led projects, the Council did not control building projects put forward by others, and, therefore, the impact of the Affordable Housing Select Committee was limited to those projects put forward by the County Council. Mr Murphy and Ms Johnson undertook to source and supply figures to the committee outside the meeting, where available. Ms Johnson added that land release relied on projects being ready to start ('shovel-ready'). The provision of affordable housing was a challenge in Kent as in other parts of the country;

- b) asked how the recommendations of the Affordable Housing Select Committee would be taken forward, and how they linked to the planning process, Ms Johnson advised that the provision of affordable housing in the county tended to be via the planning process, in which the percentage of affordable housing would be built into the approved scheme and supported by the planning conditions attached to it. Ms Spore added that the provision of affordable housing, in the context of the Kent Estates Partnership (KEP) and the One Public Estate programme, had two aspects – the partnership role and the County Council role; the County Council, in partnership with other councils, had contributed to Central Government consultations to shape criteria for funding assessments as part of the bidding opportunities and had made representations that affordable housing should be one of the criteria to be used when considering applications; and
- c) it was pointed out that there was a difference between the affordable housing often spoken about as part of policy and genuinely affordable housing, ie social housing, for local people. Asked if there was a minimum level of affordable housing to be included in any new scheme, Ms Spore advised that there was not in relation to Central Government funds available for KEP partners to bid against but that local levels were determined as part of the local planning process.

- 2. It was RESOLVED that the progress to date and the development of the partnership be noted, with thanks.

## **269. Work Programme**

*(Item 10)*

It was RESOLVED that the committee's planned work programme for 2021/22 be agreed.

## **270. Meeting Dates for 2021/22 - for information**

*(Item 11)*

The Cabinet Committee NOTED that the following dates had been reserved for its meetings in 2021/22:

10 June 2021  
1 September 2021  
9 November 2021  
21 January 2022 – 2.00 pm  
23 March 2022  
10 June 2022

*All meetings would start at 10.00 am, except in January 2022.*

*NOTE: The June 2021 date was subsequently changed to 6 July 2021 when the County Council was required to return to face-to-face meetings for some committees. Further updates on meeting dates will be made as and when known.*

**271. Cyber Security Annual Report**  
*(Item 12)*

1. Mr Cole introduced the regular update report and advised that cyber activity such as phishing had increased noticeably in the last year, accounting for 14-15% of all emails coming into the Council. Good progress had been made on implementing the security audit recommendations and it was hoped their scope could be extended, continuing to use the Cloud to protect data internally as well as when it left the Council. This gave the County Council the ability to reduce the impact of any cyber attack and increase the resilience of staff during the pandemic.
2. Mr Cole's introduction had covered only the information presented in the unrestricted report and, as Members indicated that they had no questions to ask and did not wish to debate the information in the exempt report, there was no need for the committee to go into closed session.
3. It was RESOLVED that the information set out in the report be noted, with thanks.

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## **POLICY AND RESOURCES CABINET COMMITTEE**

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Mote Hall Leisure Centre, Maidstone, Kent, ME15 7RN on Thursday, 27 May 2021

PRESENT: Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr T Cannon, Mr N J D Chard, Mr G Cooke, Mr P C Cooper, Mr M Dendor, Mr R C Love, OBE, Mr R A Marsh, Mr J P McInroy and Mr R J Thomas

### **UNRESTRICTED ITEMS**

#### **1. Election of Chair**

*(Item 3)*

It was proposed and seconded that Mr R J Thomas be elected Chair of the Committee.

It was RESOLVED that Mr Thomas be elected Chair of the Committee.

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services  
Zena Cooke, Corporate Director - Finance

To: Policy & Resources Cabinet Committee – 13 July 2021

Subject: Covid-19 Financial Monitoring

Key decision: No

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

**Summary:**

The attached report provides an update on the Covid-19 grants KCC has received to date and monitoring of expenditure from the grants.

**Recommendations:**

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

**Contact details**

Report Author(s)

- Dave Shipton (Head of Finance Policy, Planning and Strategy)
- 03000 419418
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Relevant Corporate Director:

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# Financial Update

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Relevant Director	Corporate Director Finance, Zena Cooke
Report author(s)	Head of Finance Policy Planning and Strategy, Dave Shipton
Circulated to	
Classification	Unrestricted

## Contact details

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 Corporate Director of Finance Zena Cooke 03000 419 205 [zena.cooke@kent.gov.uk](mailto:zena.cooke@kent.gov.uk)

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**Summary**

Revenue underspend of £27.5m after roll forwards in provisional 2020-21 outturn	Gross underspend of £70m (£14.4m business as usual and £55.6m Covid-19 related). Rollforwards of £13.7m for business as usual activities and £28.8m Covid-19 issues leaving a net underspend of £27.5m, the majority of which is to be held in a earmarked Covid-19 reserve to support future Covid-19 related spending pressures, income losses and delayed delivery of savings.
Capital outturn underspend of £184.8m	The vast majority £175.4m is planned expenditure rephased into future years, £9.4m real underspend
£346.2m additional grants provided by central government to support responding to the pandemic	Additional grants have come from a number of departmental announcements during the year. The main emergency grant from MHCLG has come in five tranches between March 2020 to April 2021 and is un-ringfenced (can be used for purposes determined locally in response to or recovery from the pandemic). Other grants have been specific grants (can only be used for purposes defined by government). Most of the grants have been allocated on a formulaic basis and some based on claims for costs incurred (including income losses).
April 2020 Covid-19 return shows net break even on Covid-19 grants	KCC submits regular monitoring returns to Ministry of Housing and Local Government (MHCLG). KCC's returns show a reasonable degree of consistency throughout the year although some of the earlier forecasts have been revised downwards and some have subsequently been funded by specific grants. KCC forecasts are slightly higher than the average for other county councils but are not an outlier.
Lower council tax precept for 2021-22 than assumed in government Core Spending Power	The government's Core Spending Power showed a 5.5% increase in spending power compared to 2020-21. The calculation was based on an assumed increase in the council tax base. The 2021-22 precept has been set based on an estimated 1.04% reduction in the tax base. This reduces the spending power to 3.3%
Estimated council tax base for 2021-22 shows larger reduction than other county councils	The 1.04% reduction in KCC's council tax base is the largest for any county council and is more similar to reduction for outer London boroughs and Metropolitan Districts. Analysis shows a strong correlation between those councils with the largest tax base reductions and the largest increase in band d council tax charges for 2021-22
Collection losses in 2020-21 have been partially compensated by government but will impact on budgets for the next 3 years	Significant impact on tax collection during 2020-21 due to the pandemic and economic recession. This has arisen from additional claims for council tax discounts for households on low income, additional business rates reliefs granted at the outset of the pandemic and under collection of tax due. Irrecoverable collection losses have been subject to 75% compensation and can be accounted for over 3 financial years.

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Medium term outlook remains highly uncertain	The medium term outlook is based on three alternative planning scenarios reflecting the ongoing uncertainty for trajectory of the pandemic and recovery. An upside scenario shows the need for additional savings/income to close a modest forecast gap for 2022-23 with forecast surpluses in 2023-24 and 2024-25 (offering scope for investment or lesser tax increases). The central case and downside scenarios show more substantial forecast gaps in each of 2022-23, 2023-24 and 2024-25
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2.1 The provisional outturn position for 2020-21 for revenue and capital budgets was reported to Cabinet on 24<sup>th</sup> June. This included revenue budget roll forwards into 2021-22, capital rephasing and other budget adjustments requiring Cabinet approval. The report also included proposed changes to reserves following a comprehensive review carried out during the year and the impact of the outturn position. A summary of the provisional outturn is set out in section 3 of this report.

2.2 Since the start of the Covid-19 pandemic the government has provided significant additional financial assistance to support individuals, businesses and public services. The March 2021 budget identified that in total the Government will have provided £352bn over the course of 2020-21 and 2021-22 in response to the pandemic.

2.2 The Chancellor's March 2021 Budget identified that the government has provided an additional £6.5bn to help local authorities in England respond to the impacts of Covid-19 in 2020-21. This is in addition to £1.6bn made available in 2019-20. A further £3bn has been provided in 2021-22 taking the total support provided to local authorities to over £11bn since March 2020. This does not include specific departmental grants and support.

2.3 As soon as the pandemic was announced KCC finance put arrangements in place to capture information about the additional costs the Council would incur. Initially there was very little guidance on the expectations on local authorities. The Government did issue three Procurement Policy Notes (PPN) although these related to suspending aspects of procurement procedure rather than guidance on the type of expenditure the government anticipated local authorities would incur. The Council produced local guidance on the expenditure and income to be captured. This included:

- Additional costs incurred in response to the initial emergency e.g. temporary mortuary, procurement of PPE, etc.
- Additional costs to support market sustainability e.g. payments to support social care providers in meeting Covid-19 related additional costs, payments to home to school transport providers even though no service has been provided due to closures, etc.
- Future demand increases e.g. adult social care where the Council has to assume responsibility following hospital discharges, children's social care due to increased demand following the easing of lockdown restrictions etc.
- Delays in delivering savings
- Loss of income
- Workforce pressures associated with demand increases

2.4 The Ministry of Housing, Communities and Local Government (MHCLG) has asked local councils to provide a monthly return setting out estimates of the impact of the Covid-19 pandemic. Initially this return was used by MHCLG to inform the allocation of additional tranches of the un-ringfenced emergency grant. The returns have evolved over time and include spending from specific grants as well as local spending decisions.



2.5 KCC's returns have identified actual and forecast costs to date. The forecasts have assumed that ring-fenced grants are spent in full in 2020-21 (with any unspent sums rolled forward to 2021-22).

2.6 The 2021-22 budget was approved by County Council on 11<sup>th</sup> February. This included additional spending associated with the Covid19 pandemic, spending growth due to business-as-usual activities, additional savings and income a small net reduction in reserves (including assumed underspend rolled forward from 2020-21 underspend and strengthening general reserves). The increase in the net budget was funded from additional government grants (assumed largely one-off), increase in council tax charge up to but not exceeding the referendum limit (including further adult social care levy), and impact of tax base losses and collection deficits.

2.7 Local tax collection has been significantly disrupted due to the pandemic and economic recession. Kent districts have estimated some of the largest council tax losses among all county councils. Further analysis of national trends has shown a strong correlation between the largest tax losses and the need for the highest council tax charge increases for 2021-22.

2.8 Medium term financial planning continues to be extremely difficult due to the high degree of uncertainty and the lack of multi-year spending plans from central government. We have produced some high-level planning scenarios which will be updated and refined as more certainty emerges.

3.1 Throughout the course of the year the revenue budget monitoring has reported separately the impact of Covid-19 pandemic on revenue spending and income, and business as usual activity. 2020-21 has been an exceptional year due to the Covid-19 pandemic and the outturn has to be viewed in light of the significant impact of lockdowns on services and the additional support received through Covid-19 grants.

3.2 The provisional revenue outturn shows a £70.0m gross underspend before roll forwards. The Cabinet report included £40.5m of roll forwards leaving a net underspend of £27.5m. Within this overall position the gross underspend on business as usual activities is £14.4m with underspends in all directorates as follows:

Adult Social Care & Health £4.1m  
Children, Young Persons & Education £1.4m  
Growth, Environment & Transport £0.5m  
Strategic & Corporate Services £2.9m  
Financing Items & Unallocated £5.5m

3.3 Roll forward requests for business as usual activities amount to £13.7m leaving a net underspend of £0.7m. The gross underspend attributable to Covid-19 impacts is £55.6m, with £28.8m proposed to roll forward to include £16m for the Helping Hands scheme, £7.5m for young person's Reconnect programme and £5m to support market sustainability. The net remaining underspend of £26.8m is proposed to be set aside in a Covid-19 earmarked reserve to support future Covid-19 related spend, losses of income and unachievable savings due to the pandemic.

3.4 The Covid-19 outturn includes £51.3m of underspends within directorates where the pandemic and lockdowns have impacted on delivery of services. Examples of these underspends includes fewer than anticipated placements for older persons in residential and nursing care, reduced demand and spend on home to school transport, lower spend on public transport which has been supported by additional government grants, and lower waste tonnage processed through Household Waste Recycling Centres. Fuller details of Covid-19 related underspends are included in section 4 of the Cabinet report.

3.5 The provisional capital outturn shows an underspend of £184.8m, of which £9.4m represents a real underspend on schemes and £175.4m rephasing into future years.

3.6 The provisional outturn for schools delegated budgets shows a net overspend of £8.9m. This reduces the accumulated surplus Dedicated Schools Grant reserve from £13.8m to £4.9m. Within this overall net surplus schools' individual budget reserves show a surplus of £56.0m (a net increase of £20.6m) and central schools budget reserve a deficit of £51.1m (a net increase in the deficit of £29.5m). The vast majority of the increase in the deficit on central Schools' budget reserve is due to overspend on high needs placements of £28.6m.

3.7 In accordance with the statutory override implemented by the Ministry of Housing, Communities & Local Government (MHCLG) during 2020-21, and in line with the Department for Education (DfE) advice that local authorities are not expected to repay deficits on the DSG from the General Fund and can only do so with Secretary of State approval, the central DSG deficit of £51.1m will be held in a separate unusable reserve from the main council reserves. This statutory override is expected to be in place for the next three years whilst Councils implement recovery plans. The Council continues to work with the Schools Funding Forum to set out the challenge and agree a plan to address the deficit which has more than doubled. The DfE is expected to make contact with local authorities to discuss the detail of their plan and next steps.

4.1 Table 1 shows the latest amounts allocated from all the various grants provided by government departments in response to the pandemic.

Table 1 – Covid-19 Grants

	National	KCC			
		2019-20	2020-21	2021-22	TOTAL
	£m	£m	£m	£m	£m
<b>Unringfenced Grants</b>					
Emergency Grant	6,250.0	39.0	55.9	32.4	127.3
Compensation for irrecoverable tax losses	854.0		7.0		7.0
Compensation for Covid related Business Rate reliefs	6,527.4		25.6		25.6
Council Tax Support	670.0			14.3	14.3
Loss of Sales, Fees & Charges - tranche 1	528.3		0.9		0.9
Loss of Sales, Fees & Charges - tranches 2-4 *			10.4	-1.2	9.2
	<b>14,829.7</b>	<b>39.0</b>	<b>99.8</b>	<b>45.5</b>	<b>184.3</b>
* the 2020-21 accounts included an estimate of compensation for the period Nov - Mar. Now that final figures are available, we have found that the estimate was too high, hence a reduction is now showing in 2021-22. We are expecting compensation for Q1 of 2021-22 which will offset this, but do not have details yet of how this will be calculated, so no estimate is provided as yet.					
<b>Social Care Grants</b>					
Infection Control	1,348.5		34.8	6.9	41.7
Rapid testing/workforce	407.8		7.8	4.1	11.9
NHS Hospital Discharge	N/A		10.6	1.4	12.0
	<b>1,756.3</b>	<b>0.0</b>	<b>53.2</b>	<b>12.4</b>	<b>65.6</b>
<b>Public Health Grants</b>					
Contain Outbreak Management	1,784.9		8.4	39.7	48.1
Test & Trace	300.0		1.3	5.0	6.3
Clinically Extremely Vulnerable **	158.5		4.6		4.6
Asymptomatic Community Testing	N/A		7.2	4.7	11.9
	<b>2,243.4</b>	<b>0.0</b>	<b>21.6</b>	<b>49.4</b>	<b>70.9</b>
** £3.2m of the £4.6m Clinically Extremely Vulnerable grant is being rolled forward to be spent in 2021-22					
# 2021-22 is a provisional estimate based on our application					
<b>Other Grants</b>					
Winter Support	269.1		4.5	2.7	7.1
Emergency Assistance for Food & Essential Supplies	63.0		1.7		1.7
School & College Transport capacity funding	125.4		4.2	2.0	6.2
Bus Services	103.5		4.9	0.6	5.5
Bus Services				0.7	0.7
Targeted Support for UASC	6.0		0.8		0.8
Other ***	79.5		1.8	1.4	3.2
Other - reclaim of costs	N/A		0.1	0.0	0.1
	<b>646.6</b>	<b>0.0</b>	<b>18.0</b>	<b>7.4</b>	<b>25.4</b>
*** £0.2m of the £1.8m grant in 2020-21 relates to Wellbeing for Education Return. £0.1m of this is to be rolled forward and spent in 2021-22					
<b>TOTAL</b>	<b>19,476.0</b>	<b>39.0</b>	<b>192.5</b>	<b>114.7</b>	<b>346.2</b>

4.2 Some of the grants have to be accounted for in 2020-21 even though the income is not received until after April. In these circumstances a debtor has been included in the 2020-21 accounts which in some instances has been based on an estimated amount where the grant allocation had not been confirmed in time for the preparation of the accounts. This could result in variance in 2021-22 when the actual grant is confirmed and received.

4.3 Appendix A provides more detail about how the main grants have been allocated. The vast majority have been shared out to all authorities based on formulae. Some are subject to bids and some based on actual claims. The first tranche of the un-ringfenced emergency grant was received at the end of March 2020 and included in the 2019-20 accounts. Only £1.7m of this was spent/applied to income losses in the last weeks of 2019-20 in the immediate aftermath of the pandemic. The remaining £37.3m was held in a Covid-19 reserve to support further spending/income losses in 2020-21. Use of this reserve was included in the 2020-21 budget amendment approved by full Council in September.

4.4 The majority of the grants in table 1 are reported in the MHCLG monitoring returns including:

- Emergency Covid-19 Grant (4 tranches)
- Public Health grants (Test & Trace and Contain Outbreak Management Fund)
- Adult Social Care grants (infection control, hospital discharge, rapid testing, workforce capacity fund)
- Other grants (clinically extremely vulnerable, emergency food assistance, winter grant scheme, home to school transport, emergency active travel fund)

4.5 Un-ringfenced grants can be used for any purpose to support the authority's response to the pandemic. Specific grants can only be used for prescribed purposes determined by government under the conditions for grant. The governance arrangements for decisions on spending grants are set out in appendix B.

### Covid-19 Monitoring – Key Numbers from April Submission

2020-21	2021-22	
£94.9m	£32.4m	Un-ringfenced emergency grant funding received from MHCLG
£97.0m		Ringfenced additional grants such as Care Homes Infection Control, Test and Trace, Contain Outbreak Management Fund, and Covid-19 Winter Grant Scheme from Department for Health and Social Care (DHSC)
£5.4m		Additional income from Clinical Commissioning Groups (CCGs) for hospital discharges into social care
-£31.7m	£31.7m	Ring-fenced grants unspent in 2020-21 and rolled forward into 2021-22
-£0.7m		Ring-fenced grants unspent
<b>£165.0m</b>	<b>£64.1m</b>	<b>Net funding available</b>
£98.2m	£98.1m	Forecast additional spending and delayed savings in 2020-21
£20.4m	£12.0m	Forecast loss of income
<b>£118.6m</b>	£110.1m	Total change in KCC spend and income
<b>£46.3m</b>	<b>£46.0m</b>	Net <b>surplus/shortfall</b>

5.1 The April return was the last return identifying the full impact over 2020-21 and 2021-22 submitted on 30<sup>th</sup> April. This return included actual spending and income losses and commitments recorded on the Covid-19 monitoring system up to March, together with forecasts for the forthcoming year. Over the two years the April return shows that the additional Covid-19 grants are broadly sufficient to cover the additional actual/forecast costs (including delayed savings) and income losses after taking account of base budget savings (previous returns did not include base budget savings), albeit with some timing differences between the receipt of grants and spending. The returns only allow net additional costs i.e. positive values with no negative values, and thus still differs from the Council's own monitoring and outturn reports. The return assumes all ring-fenced grants are spent in full with underspends carried forward into 2021-22.

5.2 The main areas of additional spending include the following:

- Adult social care – additional payments to providers supporting KCC clients equivalent to two weeks' worth of care agreed early in the pandemic to help meet additional impact of staff costs and travel/PPE purchases; procurement of KCC stock of PPE to provide free of charge to providers/KCC staff, forecasts for additional placements and assessment costs for clients discharged from hospitals, investment in digital technology to reduce face to face assessments; additional payments to all registered providers (including those with non KCC clients) later in the year as prescribed from infection control grant
- Children's services – forecast demand for additional placements and assessment costs due to the impact on vulnerable families from sustained lockdown and school closures

- 
- Education – continuity payments to home to school transport providers during the initial lockdown to ensure providers could remain in business for when schools reopened; provision of additional mobile classrooms due to delays in building projects.
  - Public transport – continuity payments to providers to ensure they remain in business when transport use returns
  - Environment – establishment of temporary mortuary facility, setting up on-line arrangements for accessing Household Waste sites, support payments for districts for impact on kerbside collections
  - Other – delays to savings plans and assumed spending to provide additional support to residents and households severely impacted by Covid-19 restrictions and not in receipt of support from central government

4.3 Main income losses come from sales, fees and charges (Kent Travel Saver, Registration and libraries, community learnings, and adult social care day centres), commercial income (dividends from wholly owned companies), and other (investment income from interest and equity funds).

4.4 The returns from May onwards will only include information for 2021-22 and thus will not reflect the total impact of the pandemic on the Council's finances

6.1 The revenue budget for 2021-22 was approved by County Council on 11<sup>th</sup> February 2021-22. The approved budget is £1,132.4m, an increase of £68.8m on the original approved budget for 2020-21. This included additional spending growth of £32.8m for the recurring impact of the changes in the budget amendment approved by County Council on 10<sup>th</sup> September and £77.3m of new additional spending growth for 2021-22.

6.2 The additional spending was partially offset by £34.4m of savings, £5.1m income generation and increases in specific grants, and net £1.8m reduction in reserves, leaving net increase of £68.8m. This was funded by a combination of council tax and increases in un-ringfenced grants. The grants included £46.6m of one-off Covid-19 grants to support additional spending/loss of income and additional council tax support.

6.3 Table 2 shows a high level overview of the changes in the approved budget.

Table 2 – Changes in Net Spending and Funding 2021-22

<b>Change in Net Spending</b>	<b>£m</b>	<b>Change in Net Funding</b>	<b>£m</b>
Proposed additional spending	110.1	Changes in un-ringfenced government grants	51.2
Proposed savings from spending reductions	-34.4	Change in council tax base	-7.8
Proposed changes in income	-2.5	Proposed increase in council tax charge	37.0
Changes in specific government grants	-2.6	Change in council tax collection fund	-6.9
Proposed net change in reserves	-1.8	Drawdown from reserves of S31 grant for compensation for irrecoverable local taxation losses due to Covid-19	2.5
		Change in retained business rates	-4.1
		Change in business rates collection fund	-29.8
		Drawdown from reserves of S31 grant for compensation for Covid-19 related business rates reliefs	26.7
<b>Total Change in Net Spending</b>	<b>68.8</b>	<b>Total Change in Net Funding</b>	<b>68.8</b>

6.4 The changes in council tax are explored in more detail in section 7 of this report. The reduction in the council tax base has had an impact on the core spending power published as part of the final local government finance settlement. This included an estimated increase in the tax base as well as council tax increases up to the referendum limits. The final settlement showed an increase in core spending power of 5.5% compared to 2020-21, however, the final council tax precept of £778.7m reduces this to 3.3%.



6.5 The reduction in core spending power affected the vast majority of councils due to lower tax base and individual decisions on council tax rates. Overall, the final local government finance settlement showed an increase in core spending power for all English councils of 4.6%, in reality the impact of council tax has reduced this to closer to 2.8%.

6.6 The main components of KCC's core spending power and the impact of the final council tax precept are shown in table 3.

Table 3 – Core Spending Power

	Original Core Spending Power increase £m	Revised Core Spending Power increase £m	Difference £m
Council Tax	52.4	29.3	-23.1
Social Care Grants	4.8	4.8	
Business Rate Compensation	2.3	2.3	
Settlement Funding Assessment	0.1	0.1	
New Homes Bonus Grant	-1.8	-1.8	
<b>Total Core Spending Power</b>	<b>57.8</b>	<b>34.7</b>	<b>-23.1</b>
Change %	5.5%	3.3%	-2.2%

6.7 The timetable for regular budget monitoring reports is still to be finalised pending confirmation of Cabinet meeting dates. The first monitoring is anticipated to be reported in July.

**2021-22**

7.1 The council tax precept is agreed each year as part of the annual budget. The precept is based on the estimated council tax base notified by the 12 district councils in Kent (expressed as the net number of band d equivalent properties) and the County Council's share of the band D council tax charge for the year. The tax base is determined from the number of dwellings recorded on the valuation lists maintained by the valuation office agency less the impact of exemptions, discounts, premiums and estimated new dwellings during the year and collection rates. Any variations in the amount collected (due to changes from the estimated tax base) are recorded in district's local collection fund account. At year end of the year county's share of any over collection from the collection account is accrued as a surplus (or and under collection accrued as a deficit).

7.2 Table 4 shows the changes in KCC's estimated tax base since 2015-16. In most years we have seen increases ranging from 2.4% to 1.5%. For 2021-22 we had a reduction in the tax base of 1.04% (equivalent to reduction in the precept of £7.8m). This was the largest reduction for county councils although some London Boroughs, Unitary councils and Metropolitan Districts faced larger reductions).

Table 4 – Council Tax Base Changes since 2015-16

Financial Year	Band D equivalent taxbase	Change on previous year	Band D %
<b>2021-22</b>	<b>548,862.48</b>	<b>-5,736.13</b>	<b>-1.04%</b>
2020-21	554,625.61	8,230.80	1.51%
2019-20	546,394.81	8,505.10	1.58%
2018-19	537,889.71	11,493.15	2.18%
2017-18	526,396.56	11,923.26	2.37%
2016-17	514,473.30	10,767.76	2.14%
2015-16	503,704.54		

7.3 The main reasons for the reduction in the council tax base for 2021-22 are due to fewer new dwellings than in previous years, significant increase in the number of households eligible for low-income discounts under council tax reduction schemes (CTRS), and a significant reduction in estimated collection rates. These are related to Covid-19 pandemic and economic recession. A more detailed breakdown of the changes in the council tax base 2021-22 and 2020-21 is shown in table 5

Table 5 – Composition of Council Tax Base 2021-22 and 2020-21

	2020-21 to 2021-22 Band D equivalents	2020-21 to 2021-22 Band D equivalents
Previous year final taxbase	554,625.61	546,394.81
Change in number of dwellings	+5,991.33	+6,976.23
Change in CTRS discounts	<b>-5,221.15</b>	+1,548.95
Change in estimated collection rate	<b>-5,358.41</b>	<b>-541.59</b>
Change in single person discounts	<b>-1,336.36</b>	<b>-853.18</b>
Changes in exemptions	<b>-563.78</b>	<b>-1,157.56</b>
Changes in other discounts, premiums and adjustments	725.4	2,257.94
<b>Current taxbase</b>	<b>548,862.48</b>	<b>554,625.61</b>

7.4 There is a strong correlation between those councils that have faced the largest reductions in tax base for 2021-22 and those with the largest increase in council tax charges (and those with lowest reductions, or even increases, choosing to defer council tax increases). Table 6 shows the average % reduction in council tax base for 2021-22, the average increase in council tax charge for 2021-22, and the overall impact of tax base and charge on the total precept for the different classes of authority which clearly demonstrates this pattern. It also demonstrates that the overall precept (the total income from council tax) is broadly similar for different classes after taking account average tax base changes and average charge increases.

Table 6 – Council tax base and charge changes 2021-22

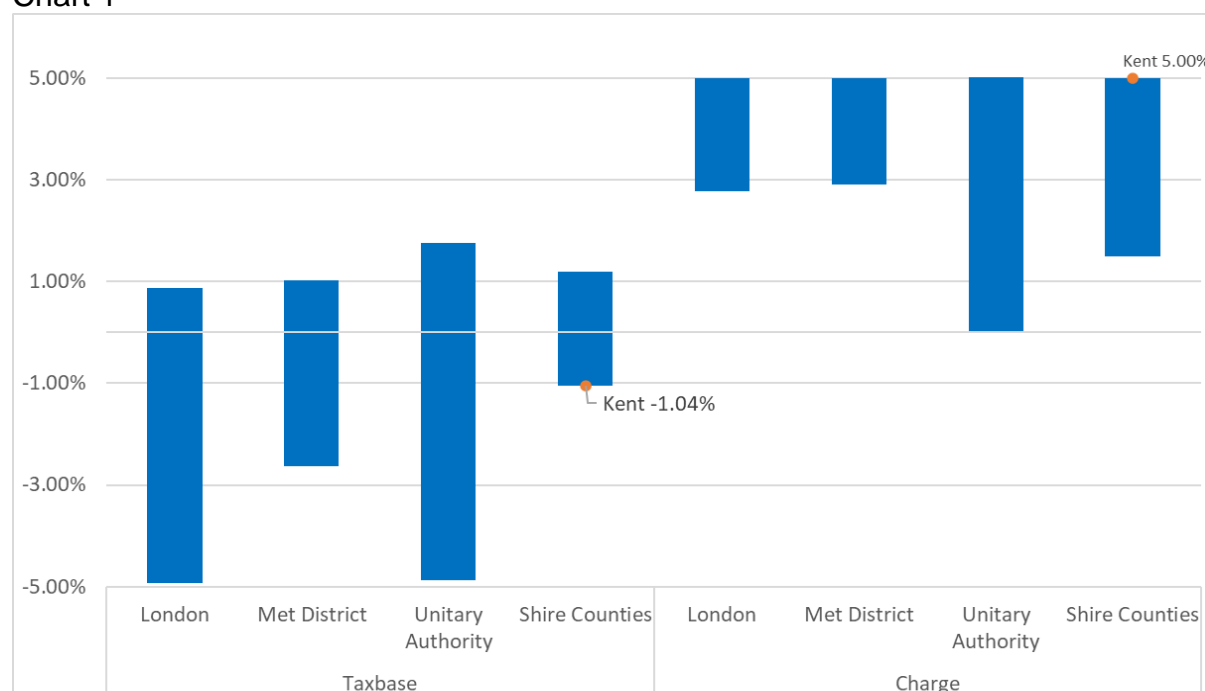
Type of Authority	Council Taxbase Change %	Council Tax Charge Change %	Overall Precept Change %
KCC (incl Fire)	-1.04%	+4.83%	+3.74%
Shire County Average (incl Fire)	-0.12%	+3.73%	+3.60%
Outer London Borough Average	-0.93%	+4.83%	+3.86%
Inner London Borough Average	-0.99%	+4.36%	+3.33%
Metropolitan District Average	-0.98%	+4.52%	+3.50%
Unitary Authority Average	-0.46%	+4.45%	+3.97%

7.5 It is worth noting that some county councils still have responsibility for fire and rescue services and do not levy a separate fire precept. For consistency table 6 includes the fire council tax increase for all counties and KCC (although this marginally lowers the council tax increases for county authorities compared to London, unitary and metropolitan councils it does not materially change the pattern or correlation).

7.6 KCC's change in tax base (and consequently decision over the increase in charge) bears much more similarity to London Boroughs and Metropolitan Districts than other county councils. We are continuing to work to explore the reasons why, and in particular why there is less correlation between council tax base changes (arising from change in CTRS claimants and reduced collection rates) and council tax charge decisions in other county councils.

7.7 16 out of 20 outer London Boroughs opted for the maximum council tax charge increase (with an average change in tax base of minus 1.02%). The 4 outer London Boroughs which chose not to increase council tax up to maximum allowed without a referendum had an average change in tax base of minus 0.57%. There is a similar pattern in Inner London Boroughs, Metropolitan Districts and Unitary authorities where those with the largest tax base reductions compensated by applying the largest council tax charge increases. Chart 1 shows the spread of tax base changes and council tax charge increases.

Chart 1



### 2020-21

7.8 During the course of 2020-21 there has been significant disruption to council tax collection due to the Covid-19 pandemic and subsequent economic recession. These have resulted in significant changes to the number of households eligible for discounts due to reduced income through local council tax reduction schemes (LCTRS) and reduced collection rates, as well as lesser impact from delays to new housing and changes in individual circumstances for other discounts and exemptions. This has resulted in an unprecedented collection fund deficit at the end of the year.

7.9 There has been ever greater disruption to business rate collection where businesses have been shut down and the government has granted additional Covid-19 reliefs such as those for businesses in retail, leisure and hospitality sectors. Local authorities have been compensated for the additional discounts which have significantly reduced the business rate collection losses that need to be accrued. KCC's £25.6m share of this compensation grant is shown in separately table 1 above.

7.10 The government has provided local authorities with an additional grant to provide 75% compensation for the impact of collection losses from business rates and council tax on the general fund. KCC's £7.0m share of this Tax Income Guarantee (TIG) grant is also shown separately in table 1 above. The government has also required authorities to accrue for tax collection losses over three years rather than the usual one year.

7.11 KCC's share of the council tax collection fund losses at the end of 2020-21 amounted to £13.9m, equivalent to 1.85% loss on the original precept for 2020-21 of £749.4m. This will be accounted for as £4.6m in each of 2021-22, 2022-23 and 2023-24 in accordance with the 3 year extension. There was a small surplus balance brought forward of £1.6m which also has to be accounted for in 2021-22 leaving a net deficit of £3.0m. This was included in the approved 2021-22 budget.

7.12 KCC's TIG for council tax collection losses is £4.9m. This has been accrued in the 2020-21 accounts and held in reserve to support the collection fund balances to be accounted for in 2021-22 to 2023-24. This will be drawn down in equal instalments of £1.6m in each of 2021-22, 2022-23 and 2023-24. This leaves an uncompensated deficit of £3m to be factored into future 2022-23 and 2023-24 budgets.

7.13 The TIG compensation only relates to losses on the collectable council tax (principally the losses due to additional LCTRS discounts). The TIG compensation does not include losses due to reduced collection rates on the assumption that such losses can be recovered in subsequent years. If these losses are recovered we should receive higher collection fund surpluses in future years. This compensation arrangements were only announced after the 2021-22 budget was approved.

7.14 The approved 2021-22 budget included an estimate for the TIG grant based upon the best available information of £7.5m i.e. £2.7m higher than the subsequent grant determination, split in equal instalments of £2.5m in each of 2021-22, 2022-23 and 2023-24. As a result there is a shortfall of £0.9m in 2021-22 which will need to be reflected in current year monitoring.

7.15 Table 7 summarises the council tax collection balance and compensation grants.

Table 7 – Council Tax Collection Fund Balances and TIG grant

	2020-21 £000s	2021-22 £000s	2022-23 £000s	2023-24 £000s	Total £000s
Collection fund deficit balance for 2020-21		4,621.6	4,621.6	4,621.6	13,864.8
Surplus Balance b/fwd		-1,579.9			-1,579.9
Net Deficit Balance for annual budget		3,041.7	4,621.6	4,621.6	12,284.9
Actual TIG compensation added to Reserve	4,856.4				
Drawdown from TIG reserve		-1,618.8	-1,618.8	-1,618.8	-4,856.4
Net deficit balance after compensation		1,422.9	3,002.8	3,002.8	7,428.5

8.1 KCC's share of the business rate collection fund losses at the end of 2020-21 amounted to £29.0m, equivalent to 54.8% loss on the original precept for 2020-21. The vast majority (£25.6m) was as a result of the additional Covid-19 reliefs. This has been compensated by a separate grant received for 2020-21. This has been paid to districts as they have initially borne the cashflow impact of collection losses. KCC's share has been accrued in the 2020-21 accounts and will receive the payment from districts later in 2021-22.

8.2 This leaves a balance of £3.4m for other collection losses to be accounted for as £1.1m in each of 2021-22, 2022-23 and 2023-24 in accordance with the 3 year extension. There was a small deficit balance brought forward of £0.5m which also has to be accounted for in 2021-22 leaving a net deficit of £27.25m i.e. £25.6m plus £1.1m plus £0.5m. This was included in the approved 2021-22 budget.

8.2 The £25.6m compensation for additional Covid-19 reliefs was £1.1m less than the £26.7m estimate included in the approved 2020-21 budget. This shortfall is to be funded from reserves.

8.3 KCC's TIG for other business collection losses is £2.2m. Unlike council tax the business rates TIG pays compensation on both reductions in payable tax and on losses in collection (bad debts). This has been accrued in the 2020-21 accounts and held in reserve to support the collection fund balances to be accounted for in 2021-22 to 2023-24. This will be drawn down in equal instalments of £0.7m in each of 2021-22, 2022-23 and 2023-24. This leaves an uncompensated deficit of £0.4m to be factored into future 2022-23 and 2023-24 budgets.

8.4 The only business rates losses that are not compensated through TIG are impact on appeals provision for any one-off changes in the appeals in respect of the 2017 rating list and any changes in respect of material changes in circumstances (MCC). It is reasonable for these two items to be excluded. Changes in the provision for appeals on the 2017 rating list are not affected by the pandemic and the Government has said it will legislate to rule-out any MCC appeals on the grounds of COVID-19.

8.5 Table 8 summarises the business collection balance and compensation grants.

Table 8 - Business Rates Collection Fund Balances &amp; Compensation

	2020-21 £000s	2021-22 £000s	2022-23 £000s	2023-24 £000s	Total £000s
Collection losses due to COVID-19 reliefs		25,612.9			25,612.9
Other collection fund losses for 2020-21		1,127.6	1,127.6	1,127.6	3,382.8
Deficit Balance b/fwd		509.5			509.5
Net Balance for annual budget		27,250.0	1,127.6	1,127.6	29,505.2
Compensation for additional COVID-19 reliefs	25,612.9				
Available Drawdown from COVID-19 reliefs reserve		-25,612.9			
Actual TIG compensation added to Reserve	2,156.4				
Drawdown from TIG reserve		-718.8	-718.8	-718.8	-2,156.4
Net deficit balance after compensation Surplus		918.3	408.8	408.8	1,735.9

9.1 The three planning scenarios have been developed based on the assumptions set out below. It is important that these are not considered as a best/worst case as they are based upon assumed possible trajectory for spending and income rather than predictions of final levels.

Upside (rapid recovery)	Successful eradication of the virus with no lasting impact on spending or income levels; Rapid economic recovery for tax base with support discounts, collection rates and housing growth returning to pre-pandemic levels; Business as usual spending growth at lower end of forecast spectrum; Cash increases in government grant
Central (partial recovery)	Partial recovery from pandemic with some additional but reducing impact on spending and income; Partial economic recovery but with higher support discounts and lower collection rates and housing growth than pre-pandemic levels; Business as usual spending growth at the mid-range of forecast spectrum; Rollover grant settlement from government
Downside (ongoing restrictions)	Continuing and ongoing need to take measures to tackle spread of the virus; Continuing economic impact with further reduction in tax base and collection rates in 2022-23 followed by slower economic recovery; Business as usual spending growth at the upper end of forecast spectrum; Reductions in grant settlement from government

9.2 In all likelihood the final outcome for 2022-23 is likely to include aspects of each of the scenarios rather than ending up exactly equating to one of the scenarios. The purpose of medium-term planning based upon scenarios is to demonstrate the potential range of outcomes. The updated June forecasts are shown in table 9.



Table 9 – Medium Term Outlook Forecasts

	Upside Scenario			Central Case			Downside Scenario		
	2022-23 £m	2023-24 £m	2024-25 £m	2022-23 £m	2023-24 £m	2024-25 £m	2022-23 £m	2023-24 £m	2024-25 £m
<b>Spending Growth Forecasts</b>									
Business as usual	56.6	56.6	56.6	67.9	67.9	67.9	79.3	79.3	79.3
Covid-19	0.0	0.0	0.0	14.0	7.0	0.0	21.0	21.0	10.5
Replace one-offs from Insecure sources in 2021-22	4.6			4.6			4.6		
Remove One-off spending in 2021-22	-8.0			-8.0			-8.0		
Existing savings and policy	-26.5	-20.2	-2.8	-26.5	-20.2	-2.8	-26.5	-20.2	-2.8
<b>Total Spending Growth</b>	<b>26.8</b>	<b>36.4</b>	<b>53.8</b>	<b>52.1</b>	<b>54.7</b>	<b>65.1</b>	<b>70.4</b>	<b>80.1</b>	<b>87.0</b>
<b>Funding Change Forecasts</b>									
Council Tax Base	15.6	16.5	17.5	7.8	8.2	8.6	-15.6	7.9	8.3
Assumed 2%+2% Tax Increases	31.8	33.7	35.8	31.5	33.0	34.7	30.5	32.1	33.7
Inflationary uplift	4.0	4.1	4.2	4.0	4.1	4.2	4.0	4.1	4.2
Government Core Grants	8.5	9.0	9.6	0.0	0.0	0.0	-16.5	-16.0	-15.5
Covid-19 Grants	-46.6	0.0	0.0	-46.6	0.0	0.0	-46.6	0.0	0.0
Removal of residual collection fund & S31 Balances	-1.0	0.0	3.4	-1.0	0.0	3.4	-1.0	0.0	3.4
<b>Total Funding Change</b>	<b>12.2</b>	<b>63.4</b>	<b>70.5</b>	<b>-4.4</b>	<b>45.3</b>	<b>50.9</b>	<b>-45.2</b>	<b>28.1</b>	<b>34.1</b>
<b>Gap/Surplus</b>	<b>14.6</b>	<b>-27.0</b>	<b>-16.7</b>	<b>56.5</b>	<b>9.4</b>	<b>14.3</b>	<b>115.6</b>	<b>51.9</b>	<b>52.8</b>

9.3 Further updates will need to be sensitive to the emerging economic scenario particularly in relation to inflation and levels of employment as the economy recovers. Any increase in inflation will increase the budget gap as this will have a much greater impact on spending than uplifts in grants.

9.4 We are working on the probability of the likelihood of outcomes from the individual scenarios to refine them as far as is possible. Despite the positive progress on the national roadmap for easing restrictions this initial work indicates that the more likely outcome will be between the upside and central scenarios. This could result in a budget gap of between £40m to £60m but it is too early to assume that this is the most likely outcome.

9.5 The ongoing uncertainties for the medium term outlook emphasises the need for the Council to take every opportunity to strengthen financial resilience. Prior to 2020-21 we had assessed that KCC's overall resilience (as measured by accumulated debt and usable reserves) was around the lower quartile for all county councils. If we do not strengthen the council's reserves and some of the risks materialise this could result in an overspend on 2021-22 budget which in turn would reduce reserves at the end of that year, and subject to the level of the reduction could require replenishment of reserves which would increase the potential gaps in the medium term.

## Details of Grant Allocations

### 1. Covid-19 Emergency Grant

The Government has used different formulae to allocate each tranche of the Covid-19 emergency. The methodologies from tranche 2 onwards were informed by the impact identified through the MHCLG monitoring returns.

#### ***Covid-19 Emergency Grant Tranche 1 £1.6bn – March 2020***

Just under 87% of the total grant (£1.39bn out of a total of £1.6bn) was allocated to local authorities with social care responsibilities (upper tier and single tier councils) using the adult social care relative needs formula (RNF). The RNF is the same as that used in the Formula Grant calculations prior to 2013-14.

The remaining 13% (£0.21bn) was allocated using the total settlement funding assessment for 2013-14 (a measure of spending needs on all council services). This was allocated to all councils (upper tier, single tier, lower tier and fire & rescue authorities).

KCC's allocation was £39.012m (2.44% of the total).

#### ***Covid-19 Emergency Grant Tranche 2 £1.6bn – May 2020***

This tranche was allocated according to 2020-21 total population projection for each authority area. In two tier areas 65% was allocated to upper tier (62% for those areas with separate Fire & Rescue authorities with 3% allocated to the fire authority) and 35% to lower tier. In single tier areas with separate Fire & Rescue authorities, 97% went to the local authority and 3% to the fire authority. In London 96% went to boroughs and 4% to the Greater London Authority. The allocations for fire authorities were reduced by pro rata share of £6m to create a fire contingency fund.

KCC's allocation was £27.934m (1.75% of the total)

#### ***Covid-19 Emergency Grant Tranche 3 £0.5bn – July 2020***

£6m from this tranche was top sliced to be allocated to those authorities with additional Covid-19 costs to support Unaccompanied Asylum Seeking Children (UASC).

The remainder of this tranche £494m was allocated via a new formula taking account of population forecasts weighted for area costs and deprivation. Area cost weightings are based on those proposed for the Foundation Formula through the Fair Funding Review (not yet implemented), these take account of accessibility to services (based on measures of population sparsity and density) and remoteness as well as differences in labour and premises costs. Deprivation weightings are based on average Index of Deprivation (IMD) for the local authority area. Tranche 3 included no allocations for Fire & Rescue authorities.

The split in two tier areas is 79:21 between upper and lower tiers

KCC's allocation was £10.312m (2.09% of the total after top slice)

### ***Covid-19 Emergency Grant Tranche 4 £1.0bn – October 2020***

£100m of this tranche was top sliced to compensate for income losses on local authority leisure centres.

The remaining £0.9bn was added to previous allocations from tranches 1-3 excluding the allocations to Isles of Scilly (including a share of tranche 4 based on the isles population as a proportion of total population), Fire & Rescue Authorities and Greater London Authority. The total local authority shares of tranches 1 to 4 of £4.553bn were re-allocated using the same population/area cost/deprivation formula as tranche 3 to calculate a notional revised total allocation. This resulted in some authorities receiving no additional funding from tranche 4 and some authorities receiving a fixed £100k minimum as their tranche 4 allocation. Effectively this means for most authorities the total share of tranches 1 to 4 is determined according to population estimate weighted according to area costs and relative deprivation.

KCC's allocation from tranche 4 was £17.701m (1.9% of the total after the top slice).

### ***Covid-19 Emergency Grant Tranche 5 £1.55bn – December 2020 (to be paid in April 2021)***

This tranche was allocated via the same formula introduced for tranche 3 (and used for the reallocations in tranche 4) based on population forecasts weighted for area costs and deprivation.

KCC's allocation from tranche 5 was £32.357m (2.09% of the total).

KCC's total allocation for tranches 1-5 is £127.316m (2% of the total after top slices) as per table 1.

## **2. Compensation Grants**

### ***A) Compensation for Business Rates Reliefs***

Local authorities have been compensated for the additional business reliefs granted during COVID-19 lockdowns. Initially this grant has been paid to collection authorities (districts councils in two tier areas). We have included a debtor in the 2020-21 accounts based on the county council's share of business rates from business rates estimates returns (NNDR1)

### ***B) Tax Income Guarantee***

Separate grants are available to support 75% of tax collection losses in 2020-21. For council tax the grant has initially been determined according to estimated losses on the collectable amount (i.e. does not include under collection of council tax due as this has not been deemed irrecoverable). Business rates losses include all losses including uncollected tax other than those due to additional Covi-19 reliefs or appeals or material changes in circumstances. As with council tax the business rates compensation has initially been determined according to estimated losses.

An initial instalment of 50% has been paid in May with a second instalment based on outturn data provided later in the year.

### **C) Local Council Tax Support**

This is a new grant for 2021-22, as originally announced at the Spending Review on the 25 November (chapter 6, paragraph 65). It is being provided to authorities as part of £670m support package in recognition of the anticipated additional cost of providing Local Council Tax Support (LCTS) in 2021-22, at a time when more households are likely to be facing financial difficulties as a result of the pandemic. The grant is for local authorities to keep, and the funding is unringfenced.

### **D) Loss of Sales Fees & Charges Income**

Local authorities are able to claim up to 75% for irrecoverable losses on sales, fees and charges income due to the impact of the pandemic. To date claims have been submitted based on actual/assumed losses in 2020-21. Claims can be submitted for losses in the first quarter of 2021-22 while Covid-19 restrictions remain in place.

## **3. Adult Social Care Infection Control Fund**

### ***Tranche 1 £0.6bn – June 2020***

The allocation shares for each local authority are calculated according to the number of registered care home beds in each local authority area (upper tier and single tier only) weighted by an area cost adjustment. The area cost adjustment reflects differences in wages and prices in different local authorities.

The government expected that care homes should receive a payment for the number of registered beds, representing 75% of the total funding. The remaining 25% can be paid to care homes or domiciliary care providers and support wider workforce resilience as determined by each local authority.

KCC's allocation was £18.878m (3.15% of the total). £0.724m has been treated as a receipt in advance and rolled forward into 2021-22 leaving a net £18.154m accounted for in 2020-21.

### ***Tranche 2 £0.546bn – September 2020***

71% of the grant (£387.5m) is allocated on the basis of the number of care home beds, and 29% (£158.5m) is allocated on the basis of users supported by community care providers. The allocations for each local authority for care homes proportion is calculated according to the number of registered care home beds in each local authority area weighted by an area cost adjustment.

The government expected that care homes should receive a payment for the number of registered beds, and community care providers for the number community care users, representing 80% of the total funding. The remaining 20% can be paid to care homes or domiciliary care providers and support wider workforce resilience as determined by each local authority.

KCC's allocation was £16.653m (3.05% of the total). This together with the net balance from tranche 1 leaves a total of £34.807m in 2020-21 as per table 1.

### ***Tranche 3 £0.203bn – March 2021 (to be paid in April 2021)***

52.5% is allocated on the basis of the number of care home beds for care homes plus the maximum number of service users for residential drug and alcohol settings.

17.5% is allocated on the basis of users supported by community care providers.

30% is allocated as a discretionary amount on the basis of the combined distributions used for community care and care homes plus residential drug and alcohol.

KCC's allocation £6.176bn (3.05% of the total). This together with the receipt in advance from tranche 1 results in a total of £6.900m in 2021-22 as per table 1.

#### 4. Adult Social Care Rapid Testing Fund

##### ***Tranche 1 £0.149bn – January 2021***

The allocation shares for each local authority are calculated according to the number of care home beds and the potential numbers of users of residential alcohol and drug services in each local authority (upper and single tier) weighted by an area cost adjustment. The area cost adjustment reflects differences in wages and prices in different local authorities

The government expected that care homes should receive a payment for the number of registered beds and residential alcohol and drug services beds, representing 80% of the total funding. The remaining 20% is available for local authorities' discretionary use to support the care sector to operationally deliver LFD testing.

KCC's allocation was £4.686m (3.14% of the total)

##### ***Tranche 2 £0.139bn – March 2021 (to be paid in April 2021)***

The total grant (£138.695 million) is split at a national level between care homes combined with residential drug and alcohol settings and community care providers.

60% is allocated on the basis of the number of care home beds for care homes plus the maximum number of service users for residential drug and alcohol settings. 40% is allocated on the basis of users supported by community care providers

KCC's allocation is £4.143m (3.0% of the total) as shown for 2021-22 in table 1.

#### 5. Adult Social Care Workforce Capacity Fund

##### ***£0.120bn – January 2021***

Each authority's allocation is determined using the Adult Social Care RNF

This funding enables local authorities to deliver measures to supplement and strengthen adult social care staff capacity to ensure that safe and continuous care is achieved to deliver the following outcomes:

- maintain care provision and continuity of care for recipients where pressing workforce shortages may put this at risk
- support providers to restrict staff movement in all but exceptional circumstances, which is critical for managing the risk of outbreaks and infection in care homes
- support safe and timely hospital discharges to a range of care environments, including domiciliary care, to prevent or address delays as a result of workforce shortages
- enable care providers to care for new service users where the need arises

KCC is passporting 89% of the overall grant to all CQC registered providers and the remainder is going to support the Design Learning Centre and KICA (Trade Association) who support the whole market in recruitment, training and development.

KCC's allocation was £3.082m (2.57% of the total). This together with tranche 1 of the Rapid Testing Fund is the £7.768m for 2020-21 shown in table 1.

#### 6. Test & Trace Service Support Grant

##### ***£0.3bn – June 2020***

Each authority's allocation is determined pro rata to the local authority Public Health Grant 2020-21.

KCC's allocation was £6.311m (2.1% of the total). £5.002m has been treated as a receipt in advance and rolled forward into 2021-22 leaving a net £1.309m accounted for in 2020-21 in table 1.

#### 7. Covid Winter Support Grant Scheme

##### ***Tranche 1 £0.170bn – November 2020***

Each authority's allocation is based on estimated costs. The grant is made available to support those most in need with the cost of food, energy (heating, cooking, lighting), water bills (including sewerage) and other essentials. The grant must be spent by 20<sup>th</sup> April 2021, 80% on families with children and 80% on food and fuel costs.

KCC's allocation was £4.504m (2.65% of the total). £0.034m has been treated as a receipt in advance and rolled forward into 2021-22 leaving a net £4.470m accounted for in 2020-21 in table 1.

##### ***Tranche 2 £0.059bn – February 2021 (to be paid in April 2021)***

The scheme has been extended to reflect the rollout of the roadmap to recovery up to 20<sup>th</sup> June 2021

KCC's allocation is £1.566m (2.65% of the total).

##### ***Tranche 3 £0.040bn – February 2021 (to be paid in April 2021) – re-named Covid Local Support Grant***

The scheme has been extended to reflect the rollout of the roadmap to recovery up to 20<sup>th</sup> June 2021

KCC's allocation is £1.060m (2.65% of the total). This together with tranche 2 and the receipt in advance from tranche 1 leaves a total of £2.660m in 2021-22 as per table 1.

#### 8. Local Authority Emergency Assistance Grant for Food and Essential Supplies

##### ***£0.063bn – July 2020***

Each authority's allocation is determined according to the population of each local authority, weighted by a function of the English Index of Multiple Deprivation (IMD).

KCC's allocation was £1.669m (2.65% of the total)

## 9. Clinically Extremely Vulnerable (CEV) Funding

### ***Tranche 1 £0.032bn – November 2020***

Allocated to upper tier councils (county councils and single tier authorities) to support the clinically extremely vulnerable during second national lockdown in November. It will be used to provide support, such as access to food deliveries and signposting to local support of befriending services, to the most at risk and enable them to stay at home as much as possible.

KCC's allocation was £0.890m (2.78% of the total)

### ***Tranche 2 (general) £0.040bn – January 2021***

Allocated to all upper tier councils (county councils and single tier authorities) on updated January CEV patient count

KCC's allocation is £0.899m (2.84% of the total)

### ***Tranche 2 (targeted) £0.9bn – January 2021***

Allocated to upper tier authorities areas which entered Tier 4 where Shielding guidance had been introduced prior to the 5th January

KCC's allocation is £0.508m (5.79% of the total)

KCC's total share of tranche 2 CEV is £1.408m (3.48% of the total)

### ***Tranche 3 £0.040bn – February 2021***

Extended period

KCC's allocation is £1.104m (2.7% of the total)

### ***Tranche 4 £0.045bn – March 2021***

Extended period

KCC's allocation is £1.222m (2.7% of the total)

Total for CEV for 2020-21 is £4.624m (2.92% of the total). Some may be rolled forward into 2021-22.

## 10. Contain Outbreak Management Fund

### ***Areas of Enhanced Support and Areas of Intervention £0.035bn – June 2020***

Targeted to particular areas. KCC received no allocation from this distribution

### ***Local COVID alert level payments £0.124bn – October 2020***

Following the move to local COVID alert levels targeted local authorities were eligible for payments from the Contain Outbreak Management Fund to support proactive containment and intervention measures. KCC received no allocation from this distribution

### ***National Restriction Payments £0.326bn - November 2020***

Following the introduction of second National Lockdown allocated to all single tier and upper tier authorities as £8 per head of estimated population.

KCC's allocation was £12.652m (3.87% of the total)

### **Tier Restriction Payments – December 2020**

Following the introduction of tiering system allocated to all single tier and upper tier authorities as £4 per head of estimated population in tier 3 and £2 per head in tier 2

KCC's allocation was £6.326m

### **National Restriction Payments – January 2021**

Following the introduction of third National Lockdown allocated to all single tier and upper tier authorities as £4 per head of estimated population.

KCC's allocation was £6.326m

### **National Restriction Payments – February 2021**

Following the introduction of third National Lockdown allocated to all single tier and upper tier authorities as £4 per head of estimated population.

KCC's allocation was £6.326m

### **National Restriction Payments – March 2021**

Following the introduction of third National Lockdown allocated to all single tier and upper tier authorities as £4 per head of estimated population.

KCC's allocation was £8.134m

KCC Total allocation for 2020-21 was £39.765m. £31.331m had been treated as receipt in advance and rolled into 2021-22 leaving a net balance for 2020-21 of £8.434m as per table 1.

### **2021-22 £0.400bn – March 2021 (to be paid in April 2021)**

A further £400 million has been allocated for the 2021-22 financial year. The funding is available to support public health activities directly related to the COVID-19 response, such as testing, non-financial support for self-isolation, support to particular groups (CEV individuals, rough sleepers), communications and engagement, and compliance and enforcement. There will not be a separate ringfenced grant for compliance and enforcement in 2021-22.

The funding formula and scope of the COMF has developed in response to the changing nature of the pandemic. For the 2021-22 financial year, the COMF will be allocated using MHCLG's COVID-19 relative needs formula, which is weighted according to population and deprivation, and maps well against areas of enduring transmission. The 2021-22 COMF will be distributed to LAs as a single payment to support their continued public health response work, particularly as LAs work to ensure a smooth de-escalation of national restrictions through summer 2021.

In two-tier areas, a proportion of the funding will be directly allocated to the lower tier. This reflects the fact that district councils share the responsibility for delivery of a number of the COMF priorities, including having a lead role on compliance and enforcement activity. County councils are encouraged to allocate a greater share of the funding to district authorities if local plans indicate this is needed.



KCC's share of the £0.4bn under the formula is £8.350m (2.09% of the total). This is less than the share in 2020-21 due to the direct allocations to districts in two tier areas.

#### 11. Practical Support for those Self-Isolating

(£12.9m per month – announced March 21 for four months (March 21 to June 21 inclusive))

The purpose of the grant is to provide funding to local authorities to provide practical support for those self-isolating.

KCC's estimated allocation is £0.341m per month (2.64% of the total)

#### 12. Asymptomatic Community Testing

##### ***Tranche 1 – December 2020***

The Community Testing Programme (CTP) was launched in December 2020 to enable local authorities with high prevalence of COVID-19 to work in partnership with the UK government to accelerate a reduction in prevalence by identifying asymptomatic cases through local testing and supporting them to isolate. It works alongside other forms of symptomatic and asymptomatic testing led by national government and has a powerful role to play in protecting the public's safety and wellbeing, particularly by providing testing to critical local services and hard to reach communities based on local knowledge and prioritisation. The initial programme was for twenty-four sites to be open for a six week period (on a phased basis).

The approved funding initially covered Tier 3 and 4 local authorities which focused on asymptomatic hard to reach segments of the population. Funding available to local areas will be estimated based on the number of tests they aim to deliver. Total funding was initially set at a maximum of £14 per test performed, for all local authorities participating in the Community Testing Programme, which included any costs incurred centrally by DHSC e.e. the costs of the test kits, PPE and any military support provided to operate the sites. The funding is expected to cover all reasonable costs associated with the programme including site costs, workforce costs, PPE requirements, communication and marketing, logistic and other delivery costs.

The initial programme was for twenty four sites across Kent, each to be open for a six week period, on a phased basis.

##### ***Tranche 2 January 2021***

Following the introduction of National Lockdown the programme was extended to all local authority areas to the end of march. Funding continued to be up to £14 per test, however, a letter received from Lord Bethel confirmed that all costs reasonably and necessarily incurred by Local Authorities in the delivery of the asymptomatic testing programme would be reimbursed.

KCC's estimated costs for tranches 1 and 2 were £9.939m of which £7.193m were incurred by KCC, as shown in table 1. A total of £6.3m was received in 20-21 and a debtor for £0.893m was set up in the final accounts for 2020-21.

The scheme has been extended until end of June 2021 with a further extension to end of September 2021 has yet to be agreed. The estimated income for 2021-22 is £4.703m as shown in table 1.

### 13. School and Colleges Transport Capacity Grant

#### ***Tranche 1 £0.044bn – August 2020***

Initially allocated for the first half of the autumn term to coincide with the return for all children and young people to return to full-time education in September.

The funding enables local authorities to create extra capacity to allow more students to use alternatives to public transport, while social distancing measures remain in place.

Funding was allocated to local authorities to reflect the number of children and young people in the local area and how far they have to travel. This includes students travelling to education or training, as well as anyone supervising or escorting students to education provision.

KCC's share was £1.543m

#### ***Tranche 2 £0.027bn – November 2020***

Extension for second half term

KCC's share £1.057m

#### ***Tranche 3 £0.027bn – February 2021***

Extension to March 2021

KCC's Share £1.928m

A receipt in advance for £0.314m was set up at the end of 2020-21 and rolled forward into 2021-22. This takes the total grant for 2020-21 to £4.214m as shown in table 1.

#### ***Tranche 4 – April 2021***

Extension for first half of summer term.

KCC's share £0.869m

Extension for second half of summer term

KCC's share £0.852m

This takes the total for 2021-22 to £2.035m including the receipt in advance rolled forward from 2020-21

### 14. Covid Bus Services Operators Grant

A element of the Bus Services Operators Grant (BSOG) has been provided to local authorities to support public bus services during Covid-19 restrictions. KCCs share in 2020-21 has been £4.296m.

A separate restart grant of £0.620m has also been provided.

#### 15. Emergency Active Travel Fund

##### **Part of £225m – June 2020**

Local authorities (including combined authorities) were invited to submit bids to improve cycling and walking facilities. Tranche 1 supports the installation of temporary projects for the COVID-19 pandemic. Authorities received either 100%, 75%, 50% or 25% of their bids based on the extent to which they aligned with the criteria. Tranche 1 allocations amounted to £39.840m including capital and revenue elements.

KCC's allocation was £1.6m (£1.13m capital, £0.47m revenue) amounting to 4% of the total. KCC's capital is 100% of the amount requested.

#### 16. Infection Control and Rapid Testing

Government have published on 27<sup>th</sup> June that further £250m is being made available to support Care Homes and homecare providers for infection control and rapid testing up to 30<sup>th</sup> September 2021. The grant allocations for each authority have not yet been published however if the allocations are made on a similar basis to the previous allocation, it is likely that Kent will receive approximately £7.6m.

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From: Roger Gough, Leader of the Council

Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services

Bryan Sweetland, Cabinet Member for Communications, Engagement  
and People

David Cockburn, Corporate Director for Strategic and Corporate  
Services

To: Policy and Resources Cabinet Committee – 13 July 2021

Subject: Strategic and Corporate Services Performance Dashboard

Classification: Unrestricted

**Summary:**

The Strategic and Corporate Services Performance Dashboard shows results against targets set for Key Performance Indicators (KPIs)

17 of the 25 KPIs achieved year-end targets and were RAG rated Green, 5 were below target but did achieve the floor standard (Amber) and 2 did not achieve the floor standard (Red), 1 KPI is currently suspended due to Coronavirus.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to NOTE the performance position for Strategic and Corporate Services, and COMMENT on proposed KPIs for 2021/22

## 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. To support this role Performance Dashboards are regularly reported to each Cabinet Committee throughout the year, and this is the third and final report for the 2020/21 financial year.

## 2. Performance Dashboard

- 2.1. The current Strategic and Corporate Services Performance dashboard provides results up to the end of March 2021, or the latest available month and is attached in Appendix 1.
- 2.2. The Dashboard provides a progress report on performance against target for the 25 Key Performance Indicators (KPIs) for 2020/21. The Dashboard also includes a range of activity indicators which help give context to the KPIs.

2.3. KPIs 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.

2.4. Of the 25 KPIs, the latest RAG status is as follows:

- 17 are rated Green – the target was achieved or exceeded;
- 5 are rated Amber – performance achieved or exceeded the expected floor standard but did not meet the target for Green;
- 2 are rated Red – performance did not meet the expected floor standard:
  - GL02: Freedom of Information Act requests completed within 20 working days.
  - GL03: Data Protection Act Subject Access requests completed within statutory timescales.
- 1 is currently suspended due to Coronavirus and has no RAG rating.

3. KPIs proposed for use in the 2021/22 dashboard are detailed in Appendix 2.

#### **4. Recommendation(s)**

The Policy and Resources Cabinet Committee is asked to NOTE the performance position for Strategic and Corporate Services, and COMMENT on proposed KPIs for 2021/22

#### **5. Contact details**

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# **Strategic and Corporate Services Performance Dashboard**

## **Financial Year 2020/21**

### **Results up to March 2021**

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**Produced by Strategic and Corporate Services - Analytics**

**Publication Date: June 2021**



## Guidance Notes

### Key Performance Indicators

All Key Performance Indicators are provided with RAG (Red/Amber/Green) ratings.

RAG ratings are based on Targets and Floor Standards brought before the Cabinet Committee in July 2020.

### RAG Ratings

GREEN	Target has been achieved
AMBER	Floor Standard* achieved but Target has not been met
RED	Floor Standard* has not been achieved

\*Floor Standards are the minimum performance expected and if not achieved must result in management action.

### Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating, 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 thresholds 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.



## Key Performance Indicator Summary

People and Communications	Year End RAG
CS01: Callers who rate the advisors in Contact Point as good	GREEN
CS04a: Daytime calls to Contact Point answered	GREEN
CS04b: Out of hours calls to Contact Point answered	GREEN
CS06a: Daytime calls achieving 85% of quality scorecard	GREEN
CS06b: Out of hours calls achieving 85% of quality scorecard	GREEN
CS07: Complaints responded to in timescale	AMBER
HR09: Training evaluated by participants as having delivered stated learning outcomes	GREEN
Governance and Law	Year End RAG
GL01: Council and Committee papers published at least five days before meetings	AMBER
GL02: Freedom of Information Act requests completed within 20 working days	RED
GL03: Data Protection Act Subject Access requests completed within statutory timescales	RED

Finance	Year End RAG
FN01: Pension correspondence processed within 15 working days	GREEN
FN02: Retirement benefits paid within 20 working days of all paperwork received	GREEN
FN07: Invoices received by Accounts Payable within 30 days of KCC received date	AMBER
FN11: Financial assessments fully completed within 15 days of referral	GREEN
FN05: Sundry debt due to KCC which is under 60 days old	GREEN
FN06: Sundry debt due to KCC outstanding over 6 months old	GREEN
FN08: Invoices received on time by Accounts Payable processed within 30 days	GREEN

Infrastructure	Year End RAG
ICT01: Calls to ICT Help Desk resolved at the first point of contact	GREEN
ICT02: Positive feedback rating with the ICT help desk	AMBER
ICT03: Working hours where Kent Public Sector Network is available to staff	GREEN
ICT04: Working hours where ICT Services available to staff	GREEN
ICT05: Working hours where email is available to staff	GREEN
PI01: Rent due to KCC outstanding over 60 days	GREEN
PI04: Reactive tasks completed in Service Level Agreement standards	AMBER

Service Area	Director	Cabinet Member	Delivery by:
People & Communications	Amanda Beer	Bryan Sweetland	Agilisys

### Key Performance Indicators

Ref	Indicator description	Nov 20	Dec 20	Jan-21	Feb-21	Mar-21	Full Year	RAG	Target	Floor
CS01	Percentage of callers who rate the advisors in Contact Point as good	96%	97%	97%	96%	97%	97%	GREEN	97%	90%
CS04a	Percentage of daytime calls to Contact Point answered	95%	93%	98%	95%	96%	97%	GREEN	95%	90%
CS04b	Percentage of out of hours calls to Contact Point answered	91%	89%	97%	95%	98%	95%	GREEN	95%	90%
CS06a	Percentage of daytime calls achieving 85% of quality scorecard	78%	76%	75%	76%	77%	75%	GREEN	70%	65%
CS06b	Percentage of out of hours calls achieving 85% of quality scorecard	71%	74%	74%	75%	76%	74%	GREEN	70%	65%

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Year End	In expected range?	<u>Expected Range</u> Upper   Lower		Previous Year
CS08	Number of calls answered by Contact Point	38,162	30,670	35,209	36,784	42,706	465,854	Yes	575,000	394,000	545,188

Service Area	Director	Cabinet Member	Delivery by:
People & Communications	Amanda Beer	Bryan Sweetland	People & Communications

### Key Performance Indicators - Quarterly

Ref	Indicator description	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Full Year	RAG	Target	Floor
CS07	Percentage of complaints responded to in timescale	82%	83%	84%	78%	83%	82%	AMBER	85%	80%
HR25	Percentage of corporate themed Health and Safety audits sent in 7days	Audits suspended due to Covid-19							90%	85%

CS07 – The volume of cases coupled with complexity of some complaints and staff availability has resulted in difficulties meeting the target throughout the year. Delays were most common in Adult Social Care and Children's Services where impacts from prioritising front-line work during the pandemic would have had an impact. Over the last 12 months there has been an 8% decrease in complaints received compared to the previous year. The temporary complaints policy which advised customers of potential delays in responding to their complaints, has been removed for the start of 2021/22.

### Key Performance Indicators - Monthly

Ref	Indicator description	Sep-20	Oct-20	Nov-20	Feb-21	Mar-21	Full Year	RAG	Target	Floor
HR09	Training evaluated by participants as having delivered stated learning outcomes	100%	98%	100%	100%	99%	99%	GREEN	95%	85%

## Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	In expected range?	<u>Expected Activity</u> Upper   Lower		Previous YTD
CS12	Number of visits to the KCC website, kent.gov (000s)	849	851	1,330	1,213	1,074	<b>10,333</b>	<b>Above</b>	5,400	4,600	5,872

CS12 – Visits to the KCC website have remained well above normal levels all year and increased further with new pages on symptom-free testing having over 900,000 visits since January, and pages on Coronavirus cases in Kent over 400,000. House Waste Recycling Centre pages also continue to have high numbers of visits.

Service Area	Director	Cabinet Member	Delivery by:
People & Communications	Amanda Beer	Bryan Sweetland	People & Communications

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	In expected range?	<u>Expected Range</u> Upper   Lower		Previous Year
HR12	Number of current change activities being supported	78	78	81	80	70	Yes	80	70	86
HR13	Total number of e-learning training programmes completed (YTD)	43,908	47,769	52,642	57,469	62,214	<b>Above</b>	50,000	40,000	62,742
HR16	Number of registered users of Kent Rewards	24,587	24,587	24,590	24,302	24,409	<b>Above</b>	24,000	23,000	24,065
HR21	Number of current people management cases being supported	93	96	93	98	99	<b>Above</b>	90	80	95
HR23	Percentage of staff who have completed all 3 mandatory learning events	73%	75%	75%	77%	77%	<b>Below</b>	90%	80%	91%

HR13 – The total number of courses completed in 2020-21 is above the expected range and shows that staff continue to engage in this valuable resource for development purposes. Courses continue to be accessible to the workforce through the Delta learning platform.

HR16 – The number of registered users for Kent Rewards have remained high throughout the year. Increased communications and engagement initiatives have helped to highlight how Kent Rewards can be used to access Childcare Vouchers, Cycle2Work schemes and Health and Wellbeing initiatives.

HR21 – Case activity has fluctuated month on month, however it has risen overall throughout the year. The case activity is driven by requests from Managers and the high levels indicate that managers have been taking a robust approach and managing cases through the appropriate channels with HR support and advice during the year.

HR23 – The mandatory training alert reminders sent from Delta were turned off in April 2020 due to Coronavirus, which has impacted overall compliance. The alerts were turned back on for both managers and their staff in November 2020 which has led to an increase in compliance during the last quarter. Managers are able to monitor mandatory training compliance for their staff using a live mandatory training dashboard within Delta. Communications to make managers and staff aware of the importance of mandatory training have been sent and further communications are being planned to address the deficit.

Service Area	Director	Cabinet Member	Delivery by:
Finance	Zena Cooke	Peter Oakford	Finance

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Year RAG	Target	Floor
FN01	Pension correspondence processed within 15 working days	99%	98%	100%	98%	99%	99%	GREEN	98%	95%
FN02	Retirement benefits paid within 20 working days of all paperwork received	96%	97%	96%	90%	79%	93%	GREEN	90%	85%
FN07	Invoices received by Accounts Payable within 30 days of KCC received date	82%	91%	76%	86%	84%	82%	AMBER	85%	80%
FN11	Percentage of financial assessments completed within 15 days of referral	91%	100%	99%	99%	98%	94%	GREEN	90%	85%

FN07 - The initial lockdown impacted on timely submission of invoices due to changes in work patterns. An enhanced Late Payment Dashboard went live in April 2021; this provides greater transparency allowing Directorates to fully understand what remedial actions are needed to improve performance, with quarterly reporting going to the Corporate Management Team and Directorate Management Teams. As a result, it is expected that performance will improve throughout 2021/22.

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Previous year YTD
FN01b	Number of pension correspondences processed	389	321	339	397	472	4,543	4,279
FN02b	Number of retirement benefits paid	210	204	206	124	198	2,303	2,483
FN07b	Number of invoices received by KCC	8,895	9,180	9,529	6,775	11,332	103,017	115,982
FN11b	Number of financial assessments received	867	625	724	574	682	7,723	5,825

Service Area	Director	Cabinet Member	Delivery by:
Finance	Zena Cooke	Peter Oakford	Cantium Business Services

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Month RAG	Target	Floor
FN05	Percentage of sundry debt due to KCC which is under 60 days old	86%	86%	91%	59%	79%	79%	GREEN	75%	57%
FN06	Percentage of sundry debt due to KCC outstanding over 6 months old	11%	11%	7%	6%	6%	6%	GREEN	15%	20%
FN08	Percentage of invoices received on time by Accounts Payable processed within 30 days	99%	99%	97%	98%	98%	98%	GREEN	97%	94%

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Previous Year
FN05b	Value of debt due to KCC (£000s)	29,086	28,907	44,748	44,750	44,945	26,229

FN05b - The high debt position in March 2021 is due to the high volume and value of invoices raised in 2021. GET has the highest level of debt with £24.2m as of March 2021, including two debts totalling £12.7m. In addition, although £8.6m was recovered in March, there were also an additional 50 invoices raised each over £100k, totalling £15.1m, included in the March 2021 figure.

Service Area	Director	Cabinet Member	Delivery by:
Governance and Law	Ben Watts	Peter Oakford / Bryan Sweetland	Governance and Law

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Year RAG	Target	Floor
GL01	Council and Committee papers published at least five clear days before meetings	100%	100%	100%	100%	100%	99%	AMBER	100%	96%
GL02	FOI/EIR* requests completed within 20 working days	84%	81%	83%	87%	76%	82%	RED	92%	90%
GL03	Data Protection Act Subject Access requests completed within timescales	61%	63%	59%	73%	51%	65%	RED	90%	85%

\*FOI/EIR stands for Freedom of Information / Environmental Information Regulations

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	In expected range?	Expected Range Upper   Lower		Previous Year
GL01b	Committee meetings	20	5	20	13	21	134	N/a			162
GL02b	Freedom of Information requests	184	138	176	150	204	1,794	Below	2,392	2,131	2,139
GL03b	Data Protection Act Subject Access requests	36	38	41	30	53	432	Yes	515	432	484

GL01 – Papers for the Cabinet meeting on 29 June 2020 did not have 5 clear days' notice due to this meeting being agreed at short notice following a Scrutiny Committee Request for Review of Decision 20/00017 (Recommissioning of Early Help Services) which needed to be determined by Cabinet. This was the only item at that meeting.

GL02 & GL03 – Performance for both Freedom of Information (FOI) and Subject Access Requests (SAR) was affected by Coronavirus, the need for services to prioritise frontline service delivery and the complexity of some requests, particularly those related to social care. A quarter of responses in 2020/21 which exceeded the 20-day timescale related to Highways, Transportation and Waste. SARs specifically, have been impacted by lack of access to office facilities, including paper records which are required for some requests.



Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - ICT	Rebecca Spore	Peter Oakford	Cantium Business Services

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Year RAG	Target	Floor
ICT01	Calls to ICT Help Desk resolved at the first point of contact	72%	73%	75%	74%	75%	76%	GREEN	70%	65%
ICT02	Positive feedback rating with the ICT help desk	94%	96%	94%	95%	94%	93%	AMBER	95%	90%
ICT03	Working hours where Kent Public Sector Network is available to staff	100%	100%	100%	100%	100%	100%	GREEN	99.80%	99.00%
ICT04	Working hours where ICT Services are available to staff	100%	99.7%	100%	96.9%	100%	99.7%	GREEN	99.00%	98.00%
ICT05	Working hours where email is available to staff	100%	100%	100%	100%	100%	100%	GREEN	99.00%	98.00%

### Activity Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Previous Year
ICT01b	Calls to ICT Help Desk	5,656	4,583	5,184	5,303	6,287	74,246	87,841
ICT02b	Feedback responses provided for ICT Help Desk	870	424	450	321	386	7,209	3,664

ICT02 - ICT Commissioning continue to work with Cantium Business Solutions to improve both the rate of feedback returns that are received and customer service outcomes. However there have been a number of innovations within the service desk such as the roll out of chat, both human and virtual, which adds a layer of complication when seeking feedback.

Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - Property	Rebecca Spore	Peter Oakford	Infrastructure

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Year RAG	Target	Floor
PI01	Percentage of rent due to KCC outstanding over 60 days (including rent deferment invoices)	1.8%	2.5%	2.0%	1.5%	2.1%	GREEN	5%	15%

### Activity Indicator

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Previous Year
PI01b	Total rent invoiced (£000s)	591.1	105.4	62.2	676.0	67.8	3,456	3,005
PI03c	Capital receipts banked (£000s)	20.0	0.0	680.0	720.0	10.0	6,080	10,304

Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - Property	Rebecca Spore	Peter Oakford	Kier, Amey, and Skanska

### Key Performance Indicators

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Year RAG	Target	Floor
PI04	Percentage of reactive tasks completed within Service Level Agreement standards	97%	96%	80%	80%	83%	89%	AMBER	90%	80%

### Activity Indicator

Ref	Indicator description	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Full Year	Previous Year
PI04b	Number of reactive tasks responded to	921	878	693	614	828	9,129	13,512

PI04 - Total Facilities Management partners have worked with KCC during the Covid-19 pandemic to deliver the best service possible under difficult circumstances, for both the corporate estate and the asymptomatic testing facilities. During the Jan to March 21 period both Amey and Skanska experienced significant pressures within their supply chains which led to some delays to specified time frames for the agreed standards for service delivery. These were exceptional periods and KCC worked closely with the contractors to ensure reactive service requests were prioritised accordingly and responded to as quickly as possible.

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## Proposed KPIs and Activity indicators for 2021/22

### People and Communications

#### Key Performance Indicators

Ref	Indicator Description	2020-21 Actual	2021-22 Target	2021-22 Floor
CS01	Percentage of callers to Contact Point who rated the advisor who dealt with their call as good	97%	<b>97%</b>	<b>90%</b>
CS04 (a)	Percentage of daytime calls to Contact Point which were answered	97%	<b>95%</b>	<b>90%</b>
CS04 (b)	Percentage of out of hours calls to Contact Point which were answered	95%	<b>95%</b>	<b>90%</b>
CS06 (a)	Percentage of daytime calls to Contact Point achieving 85% of quality scorecard	75%	<b>70%</b>	<b>65%</b>
CS06 (b)	Percentage of out of hours calls to Contact Point achieving 85% of quality scorecard	74%	<b>70%</b>	<b>65%</b>
CS07	Percentage of complaints responded to in timescales	82%	<b>85%</b>	<b>80%</b>
HR25	Percentage of completed Health and Safety audits sent to recipients within 7 working days	*	<b>90%</b>	<b>85%</b>
HR09	Percentage of training evaluated by responding participants as having delivered stated learning outcomes	99%	<b>97%</b>	<b>95%</b>

\*Audits suspended for whole of 2020/21 due to Covid-19

#### Activity Indicators

Ref	Indicator Description	Threshold	Q1	Q2	Q3	Q4	2021-22 Total
CS08	Number of calls answered by Contact Point	Upper	151,776	155,440	127,188	140,596	<b>575,000</b>
		Lower	104,000	106,510	87,152	96,338	<b>394,000</b>
CS12	Number of visits to KCC website (000s)	Upper	2,500	2,500	2,500	2,500	<b>10,000</b>
		Lower	2,000	2,000	2,000	2,000	<b>8,000</b>
HR12	Number of current change activities being supported	Upper	75	75	75	75	<b>75</b>
		Lower	65	65	65	65	<b>65</b>
HR13	Total number of E-learning training programmes completed	Upper	15,000	15,000	15,000	15,000	<b>60,000</b>
		Lower	12,500	12,500	12,500	12,500	<b>50,000</b>

## Appendix 2

Ref	Indicator Description	Threshold	Q1	Q2	Q3	Q4	2021-22 Total
HR16	Number of registered users of Kent Rewards	Upper	25,000	25,000	25,000	25,000	<b>25,000</b>
		Lower	24,000	24,000	24,000	24,000	<b>24,000</b>
HR23	Percentage of staff who have completed all 3 mandatory learning events	Upper	90%	90%	90%	90%	<b>90%</b>
		Lower	80%	80%	80%	80%	<b>80%</b>
HR21	Number of current people management cases being supported	Upper	100	100	100	100	<b>100</b>
		Lower	90	90	90	90	<b>90</b>

**Finance**Key Performance Indicators

Ref	Indicator Description	2020-21 Actual	2021-22 Target	2021-22 Floor
FN01	Percentage of pension correspondence completed within 15 working days	99%	<b>98%</b>	<b>95%</b>
FN02	Percentage of retirement benefit paid completed within 20 working days from receipt of required paperwork	93%	<b>90%</b>	<b>85%</b>
FN05	Percentage of sundry debt due to KCC under 60 days old	79%	<b>75%</b>	<b>57%</b>
FN06	Percentage of sundry debt due to KCC over 6 months old	6%	<b>15%</b>	<b>20%</b>
FN07	Percentage of invoices received by accounts payable within 30 days of KCC received date	82%	<b>85%</b>	<b>80%</b>
FN08	Percentage of invoices received by accounts payable on time processed within 30 days	98%	<b>97%</b>	<b>94%</b>
FN11	Percentage of financial assessments fully completed within 15 days of receipt of the referral	94%	<b>90%</b>	<b>85%</b>

Activity indicators - reported against previous year actuals

Ref	Indicator Description
FN01b	Pension correspondence processed
FN02b	Retirement benefits paid
FN05b	Value of debt due to KCC (£000s)
FN07b	Number of invoices received by KCC
FN11b	Number of financial assessments received

**Governance and Law**Key Performance Indicators

Ref	Indicator Description	2020-21 Actual	2021-22 Target	2021-22 Floor
GL01	Council and Committee papers published at least five clear days before meetings	99%	<b>100%</b>	<b>96%</b>
GL02	Requests for information under FOI/EIR* completed within 20 working days	82%	<b>92%</b>	<b>90%</b>
GL03	Data Protection Act Subject Access requests, completed within one month	65%	<b>90%</b>	<b>85%</b>

\*FOI/EIR stands for Freedom of Information / Environmental Information Regulations

Activity indicators

Ref	Indicator Description	Threshold	Q1	Q2	Q3	Q4	2021-22 Total
GL01b	Number of Committee meetings	Actuals reported against last year's figures					
GL02b	FOI/EIR requests completed	Upper	650	650	650	650	<b>2,600</b>
		Lower	500	500	500	500	<b>2,000</b>
GL03b	Data Protection Act Subject Access requests	Upper	130	130	130	130	<b>520</b>
		Lower	110	110	110	110	<b>440</b>



**Infrastructure - ICT**Key Performance Indicators

Ref	Indicator Description	2020-21 Actual	2021-22 Target	2021-22 Floor
ICT01	Calls to ICT Help Desk resolved at the first point of contact	76%	<b>70%</b>	<b>65%</b>
ICT02	Positive feedback rating with ICT help desk	93%	<b>95%</b>	<b>90%</b>
ICT03	Working hours where Kent Public Sector Network available to staff	100%	<b>99.8%</b>	<b>99.0%</b>
ICT04	Working hours where ICT Service available to staff	99.7%	<b>99.0%</b>	<b>98.0%</b>
ICT05	Working hours where email is available to staff	100%	<b>99.0%</b>	<b>98.0%</b>

Activity indicators - reported against previous year actuals

Ref	Indicator Description
ICT01b	Calls to ICT Help Desk
ICT02b	Feedback responses provided for ICT Help Desk

**Infrastructure - Property**Key Performance Indicators

Ref	Indicator Description	2020-21 Actual	2021-22 Target	2021-22 Floor
PI01	Invoiced Rent Outstanding at 60 Days	2.1%	5%	15%
PI04	Percentage of reactive tasks completed within Service Level Agreement standards	89%	90%	80%

Activity indicators - reported against previous year actuals

Ref	Indicator Description
PI01b	Total rent invoiced
PI03	Capital receipts
PI04b	Number of reactive tasks responded to

**From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**

**Rebecca Spore, Director of Infrastructure**

**To: Policy and Resources Cabinet Committee, 13 July 2021**

**Subject: Kent Public Service Network Update**

**Classification: Unrestricted**

**Past Pathway of report: N/A**

**Future Pathway of report: Policy and Resources Cabinet Committee – early 2022**

**Electoral Division: All**

**Summary:** The Kent Public Sector Network Partnership provides a Wide Area Service Network across the County. Hosted by KCC, the service ensures that those who access the service across the public sector, have access to secure, resilient networks, which achieve Public Sector Network (PSN) compliance. The network has evolved from 14 Local Government Partners across 900 sites, to 28 multi-agency Partners across 1500 sites including Schools, Blue Light Services, Universities and NHS. This report updates Members on Partnership activity and next steps.

**Recommendation(s):**

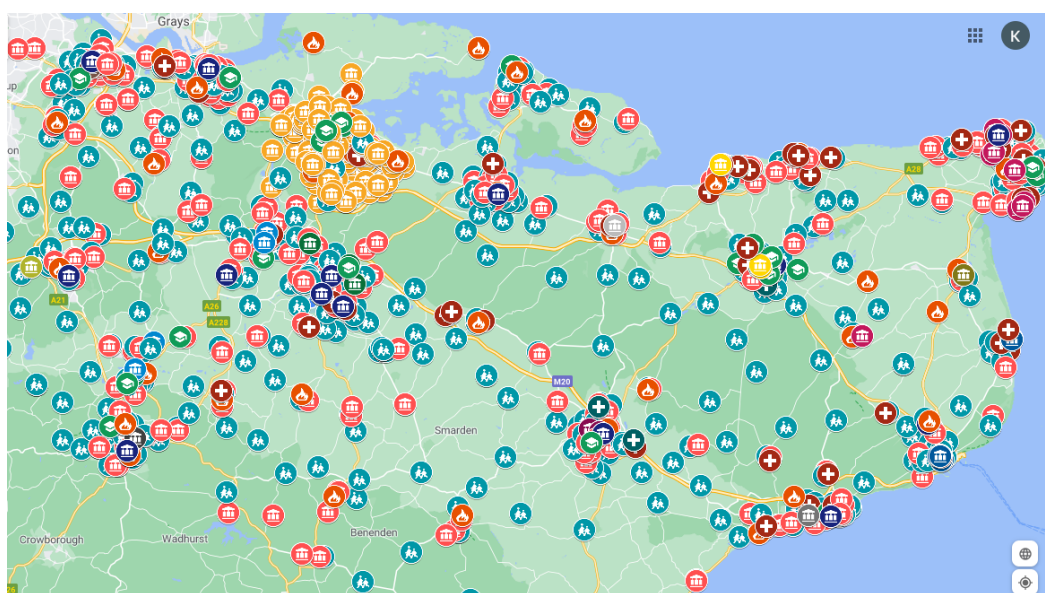
The Policy and Resources Cabinet Committee are asked to note the report.

## **1. Background**

- 1.1 The Kent Public Service network was first established in 2009 to provide a Wide Area Network across the County. It provides a secure, resilient network which is compliant with the Public Sector Network (PSN) requirements, as set out by central government. The network is hosted by KCC and has evolved from 14 Local Government Partners across 900 sites, to 28 multi-agency Partners across 1500 sites including Schools, Blue Light Services, Universities and NHS.
- 1.2 KPSN provides Internet access, web filtering, mail filtering, remote access services and cyber security protection.
- 1.3 The Kent Public Service Network is a not-for-profit Partnership and represents a net nil budget to the Council. Being a partnership, KPSN is not a legal entity and consequently the Council is the contract owner. The financial liability of the Council is protected by a legally binding Partnership Service Agreement, which all Partners must sign before services are delivered.

1.4 The KPSN Partnership is constituted through a broad range of mostly public sector organisations which are set out in the table below:

Kent County Council	North East London CSU	Dover DC
Cantium Business Services	Kent Community Health NHS Foundation Trust	Gravesham BC
Medway Unitary Council	Medway Community Health	Folkestone & Hythe DC
University of Kent	East Kent Hospitals University NHS Foundation Trust	Maidstone BC
Canterbury Christchurch University	Maidstone & Tunbridge Wells Trust	Sevenoaks DC
University of Greenwich	Janet UK (Jisc)	Swale DC
University of the Creative Arts	Ashford BC	Thanet DC
Kent Fire & Rescue	Canterbury CC	Tonbridge & Malling BC
Kent Police	Dartford DC	Tunbridge Wells BC
University of the Creative Arts (UCA)		



**KPSN network sites**

1.5 Through its broad range of Partners, KPSN is well-placed to support many of the partnership initiatives which are underway in Kent, as well as enabling mutual support between Partner organisations. The KPSN network has played a major role in preparing the region for potential Brexit disruptions, with features such as Gov Roam allowing partners to access home systems from any site using KPSN. The resilient stable telecommunications service has underpinned the response to COVID-19 and lockdown induced homeworking.

- 1.6 KPSN is the perfect vehicle for emerging initiatives such as Internet of Things (IoT) to support the delivery of services across the partnership. For KCC this includes the application of IOT technology to support, care, highways, estate and environment uses, amongst others.

## **2. Current Contract**

- 2.1 The KPSN Partnership is managed by a small team within Kent County Council, who although employed by the Council, are funded through Partnership subscriptions.
- 2.2 The Partnership is governed via an Executive Board (strategic), Management Board (tactical), and Technical Group (operational).
- 2.3 The KPSN contract was awarded to Daisy Udata Communications Ltd on 8th August 2014 for a maximum 10-year term until 2024. The Partners agreed to run to the full term to provide Partners with a period of stability following the Pandemic and to establish a 'new normal'. The paradigm shift in working arrangements for the majority staff for all KPSN Partners has caused significant disruption to corporate and technology strategies. Organisations need to be given the time and space to work these new requirements into their technology strategies in order for KPSN meet these obligations.
- 2.4 As we move towards 2024, KCC is preparing with its partners, to move forward with a re-procurement programme. To inform this, the KPSN Team will shortly publish a Prior Information Notice (PIN) to supplement the market research undertaken to date and commence the development of a new specification.
- 2.5 The information gathered from the PIN will be combined with further Partner engagement to ensure that the resulting Specification fully meets the requirements of all our Partners. The project team are working to complete this by the end of 2021 (FY) and an indicative procurement timetable is set out below along with key decision dates.
- 2.6 The KPSN team entered into exploratory talks with Essex County Council with a view to a joint procurement exercise, which offered the possibility of reducing procurement and operating costs. However, differences in strategic goals and procurement timescales meant that this was not a practical proposition.

<b>Task</b>	<b>Date</b>
KPSN/Partner/Essex CC Discussions	Jan – Feb 2020
Pre-Market Research and Partner Engagement	Mar – June 2020
Stakeholder Engagement Workshop #1	Aug 2020
Pre-Market Research review (KPSN & ECC)	Sept 2020
Options Appraisals Meetings (KPSN & ECC)	Sept – Nov 2020
Stakeholder Engagement Workshop #2	Nov 2020
Project Development	Nov 2020 – May 2021
Stakeholder Engagement Workshop #3	TBD

KPSN & KCC Approvals Process re ECC	Withdrawn (Collaboration not proceeding)
Procurement Activity (PIN Activity)	Sept 2021 – Mar 2022
KPSN & KCC Business Case	Mar 2022 – July 2022
Procurement Activity (Tender)	Aug 2022 – July 2023
Onboarding and Implementation	Aug 2023 onwards

### **3. Financial Implications**

- 3.1 The KPSN contract value is £75m over the life of the contract, of which all costs incurred are recharged to Partners. KCC pay for the services it receives from its technology budgets. An important feature of the network is that it is self-sustaining financially. The means to ensure that the network remains resilient and fit-for-purpose is provided through a renewals reserve and the eventual re-procurement will be funded through a procurement reserve. Each partner makes a contribution to the reserves, as part of their re-charges, to enable the replacement of end-of-life hardware and software. It also funds the programmed upgrades of circuits which go above 50% average utilisation, to maintain the required capacity as Partners' requirements flex and additional sites join the network.
- 3.2 The cost of the KPSN core infrastructure is fairly static, consequently the addition of new partners and/or sites, results in a decrease in the cost to existing Partners. Conversely, the loss of partners/sites potentially increases the cost.
- 3.3 This has been evidenced during 2020/21, particularly in the schools' sector. The schools' market has become significantly more competitive over recent years, and schools can be tempted by a cost reduction for what may appear to be an equivalent service. Recent well publicised ransomware attacks on schools demonstrate that this can be a costly policy.
- 3.4 There are also opportunities for growth, however, such as the potential addition of 700 private care homes to the network as part of the Digital Inclusion Programme, or Kent Highways utilising KPSN for street furniture or Traffic Management.

### **4. Legal implications**

- 4.1 KPSN is not a legal entity, and as such cannot procure, consequently Kent County Council is the Contract Owner. Partners are required to sign a legally binding Partnership Service Agreement before taking KPSN services.

### **5. Equalities implications**

- 5.1 A full impact assessment will be conducted as part of the tender activity.

### **6. Other corporate implications**

- 6.1 None.

## 7. Governance

- 7.1 As the contract is held by KCC, any re-procurement of the contract will require a key decision in accordance with KCC's constitution by the Cabinet Member in due course.

## 8. Conclusions

- 8.1 The KPSN contract has been a successful partnership arrangement which has facilitated connectivity across the public sector in Kent. This has proved invaluable to its partners. The current contract is due to expire in 2024. It is recognised the services currently provided by KPSN and its model will need to evolve to align to the partners forward strategy and advances in technology. The next stage of market engagement will explore this further as we approach the contract expiry. A further update will be prepared for the committee early in 2022.

## 9. Recommendation(s)

### Recommendation(s):

The Policy and Resources Cabinet Committee are asked to note the report.

## 10. Background Documents

None.

## 11. Contact Details

Report Author: Dave Lindsay, Head of KPSN Telephone number: 03000 413922 Email address: <a href="mailto:dave.lindsay2@kent.gov.uk">dave.lindsay2@kent.gov.uk</a>	Relevant Director: Rebecca Spore, Director of Infrastructure Telephone number: 03000 416716 Email address: <a href="mailto:rebecca.spore@kent.gov.uk">rebecca.spore@kent.gov.uk</a>
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**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services

Rebecca Spore – Director of Infrastructure

**To:** Policy and Resources Cabinet Committee – 13th July 2021

**Subject:** Construction Partnership Framework Commission

**Classification:** Unrestricted

**Future Pathway of Paper:** Policy and Resources Cabinet Committee

**Previous Pathway of Paper:** Policy and Resources Cabinet Committee – 14 Jan 21

**Electoral Division:** Countywide

**Summary:** The Council's Principal Contractors Framework for construction projects expires in October 2021. Further to the report presented on 14<sup>th</sup> January 2021 to the Policy and Resources Cabinet Committee, further market engagement has taken place in preparation for the Construction Partnership.

This paper sets out the four options that have been considered and the next steps.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to **Note** and report and the proposed next steps.

## 1. Introduction

- 1.1 On 14 January 2021, a report presented at Policy and Resources Cabinet Committee set out the expiry of the current framework to deliver capital projects in the Council and the need to establish a replacement framework to deliver new construction schemes. Options were considered and a new delivery model was proposed to allow future schemes to be procured expediently and efficiently in line with modern best practice. The Committee supported the further exploration and market engagement to scope further the Construction Partnership Approach.
- 1.2 The proposed construction partnership is an approach whereby, a framework is established with a small number of Contractors to deliver the pipeline of work based on a rotation approach rather than individual mini competitions. If adopted, this will lead to significant change in the way that the Council delivers its construction projects.
- 1.3 Overheads, profit margin and key rates are agreed prior to the implementation of the framework. This will reduce resource duplication across all parties and streamline the route to market compared to the current position. There will be an opportunity to work directly with the reduced

supply chain in a partnership approach to deliver against the Council's outcomes.

- 1.4 There is no workload guarantee in the framework agreement. All schemes awarded to contractors will incorporate their own contract and projects will need to be taken through the appropriate governance process as they are now, where appropriate.

## **2. Market Engagement**

2.1. Market engagement was progressed with a number of contractors to explore the following:

- Award of work
- Value for Money
- Key Performance Indicators (KPI)
- Contract terms
- Social Value
- Risks

2.2. Key themes from the market soundings were:

2.2.1. Tendering process with mini competitions can be costly. These take time and can cost up to £50k per procurement exclusive of the Council's own resources. Opportunities to negate this cost would result in better value schemes, but they identified there could still be a need to compete larger complex schemes.

2.2.2. Any costs evaluated at the Framework tender process should be locked into future work to ensure that Contractors are held to their submitted costs.

2.2.3. All contractors were keen that a robust evaluation process was implemented to measure performance based on time/quality/cost/carbon emissions/social value. A contractor not meeting the required performance level would lose the opportunity to be awarded work, unless they are able to demonstrate and meet an improvement plan to resolve any outstanding issues.

2.2.4. The majority of contractors were supportive to use the New Engineering Contract (NEC) terms which will allow for greater collaboration with the Council. Utilising the options within this suite of documents would allow flexibility dependent on the complexity of the individual scheme.

2.2.5. Contractors understood the importance of Social Value and wanted to be held accountable to their proposals. A local workforce (whether through the supply chain or directly employed) is imperative to their business model but can only be achieved with regular work that can be planned in advance.

2.3. A number of risk factors were discussed and should be considered for future schemes which includes the following:

- The use of a performance bond can cost up to £100k dependent on the scheme which the Council pays for within the rates.
- Retention clauses can keep money back until certain stages of the construction have been completed. This however can affect the contractor's cashflow.
- Pain/gain procedures will be priced on a risk-based approach. The risk of not being awarded work through the KPI process is more of a deterrent for poor performance.
- Professional Indemnity insurance is expensive and will be passed down through the supply chain which can add costs through the scheme delivery.
- There is currently a material shortage across timber, steel and cement. This is putting pressure on contractors and could affect future scheme delivery through delays and increased costs. It is estimated that a return to normal stock levels will return towards the end of 2021.

### **3. Procurement Principles**

3.1. Given the projected pipeline, it is proposed that up to four contractors will be appointed to the new partnership framework. It is proposed that work will initially be awarded on rotation. As the framework develops, the Council will work in a collaborative approach with the contractors and identify who is best placed to deliver individual schemes, based on, but not limited to the following categories:

- KPI scores.
- Size, complexity and value of the scheme.
- Scheme location.
- Contractor capacity.

3.2. Should a contractor propose a scheme cost that is not within the 'market' rate, the Council reserves the right not to award the contract and can open dialogue with the next contractor. Alternatively other procurement routes, while not desired, could be utilised.

3.3. Whilst the primary method of work allocation is proposed to be based on rotation, a mini-competition process could be run, should it be required. This could be based on complex and high value schemes where all those contractors that reside on the framework would be invited to bid.

3.4. Overheads, profit margin and key rates tendered at the procurement stage will be applicable for all future work. Individual project proposals and ongoing costs will be reviewed on an open-book and collaborative basis.

3.5. The value of schemes procured through the framework will not be limited in value but will be for schemes over £1m. The Department for Education (DfE) have stipulated the use of their own central frameworks for any of their

funded works over £10m, but if the Council demonstrates best value, there is scope to use this proposed framework.

3.6. The framework will be in place for a minimum of four years, with scope for a potential two-year extension if permissible.

3.7. This approach will help create sustainable relationships which will keep bid costs down and lower project build costs. Furthermore, there will be increased flexibility and agility when commissioning new projects.

3.8. While the primary purpose of the framework is to deliver KCC future capital programme, other public sector organisations in Kent will be able to use the framework.

3.9. Social value and the contribution to the local Kent economy will be a key KPI.

#### **4. Financial Implications**

4.1. There is no workload guarantee in the framework agreement. All schemes awarded to contractors will incorporate their own contract (NEC 4 suite) and as such, projects will need to be taken through the appropriate governance and funding process.

4.2. The framework pricing structure will be open book, which will allow the Council's Commercial Team to review rates and evaluate whether they are in accordance with market conditions. Should the proposal not be within a suitable tolerance of market prices, the Council can move to the next contractor. This will encourage price competitiveness and ensure the Council is aware of current market forces. An example of this is the current material shortage (timber, steel, cement, etc.) affecting the UK market and further afield.

#### **5. Legal implications**

5.1. The award of any contracts will be in full compliance with all relevant procurement and governance regulations.

#### **6. Equalities and Data Protection Implications**

6.1. An Equalities Impact Assessment will be undertaken.

#### **7. Conclusion and Next Steps**

7.1. There was strong support from the market engagement for the construction partnership approach. The feedback from the market engagement will be fed

into the procurement process as set out in the paper. It is now proposed to progress with the establishment of a construction partnership framework with 4 suppliers.

7.2. The indicative key milestones are set out below:

<b><i>July – September 2021</i></b>
Procurement process commences with the Selection Questionnaire testing potential applicants on their capability and capacity to deliver future construction schemes. The project team will finalise the Invitation to Tender documentation prior to the shortlisting process.
<b><i>September – November 2021</i></b>
Those candidates that pass the Selection Questionnaire will be invited to submit a tender based on overheads, profit margin and key rates. There will be scope to negotiate with tenderers to clarify requirements and finalise price submissions.
<b><i>December 2021</i></b>
Complete the evaluation report and seek governance approval to award the Construction Partnership Framework. Commence the mobilisation period to ensure appointed contractors are ready to begin work in 2022.

7.3. A further update will be brought to the Policy and Resources Cabinet Committee in September 2021, prior to a key decision to award contracts following a procurement exercise.

## 8. Recommendation(s)

### **Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to **Note** and report and the proposed next steps.

## 12. Contact details

<p>Report Author: Robert Clark          Job Title: Procurement and Commercial Manager, Strategic Commissioning.          Telephone: 03000 415851          E-mail address: <a href="mailto:robert.clark@kent.gov.uk">robert.clark@kent.gov.uk</a></p>	<p>Relevant Director:          Rebecca Spore, Director of Infrastructure          Telephone number: 03000 416716          Email address: <a href="mailto:rebecca.spore@kent.gov.uk">rebecca.spore@kent.gov.uk</a></p>
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**From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**

**Rebecca Spore Director of Infrastructure**

**To: Policy and Resources Cabinet Committee, 13<sup>th</sup> July 2021**

**Subject: Technology Refresh Programme 2021**

**Classification: Unrestricted**

**Past Pathway of report: N/A**

**Future Pathway of report: N/A**

**Electoral Division: All**

**Summary:** The Council has over recent years been increasing the mobility of its work force. The Technology Refresh Programme (TRP) is critical to support the Council's ongoing ambition to work flexibly and embrace a digitally enabled approach to the way that services are delivered. The programme will consider the optimum model which supports the Council's future operating model and includes the procurement, build, distribution, and ongoing management of devices throughout their lifecycle. Since the last TRP cycle in 2016/17 the market has moved on significantly and there is an opportunity to move to a new model. This paper explores the new model and sets out the next steps to progress this.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree the Technology Refresh Programme Strategy, approve the award of a contract for End-User Devices (Technology Refresh Programme), following a competitive process, and to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and the Cabinet Member for Finance, Corporate and Traded Services, to enter into the necessary contractual negotiations and legal agreements.

## **1. Background**

**1.1.** The procurement exercise and device strategy is a key enabler to the delivery of KCC's strategic ambition to support a modern workforce using modern technology tools. Many of the devices currently used by the Council are now reaching their end of realistic technical life. There is a need to replace devices to ensure continued availability within agreed support lifespans and to enable the Council to continue to meet its business needs.

**1.2.** The Technology Refresh Programme is critical to supporting the Council's ongoing ambition to work flexibly and embrace a digitally enabled approach to the way services are delivered. The strategy will consider the optimum model which supports the Council's future operating model and includes the procurement, build, distribution, and ongoing management of devices throughout their lifecycle.

**1.3.** The new arrangement will cover the following equipment types:

- Laptop computers.
- Tablet devices (such as Apple iPad and Microsoft Surface).
- Monitors.
- Docking stations and other accessories.
- Desktop computers to support a community provision such as public access to PCs in libraries.
- Mobile devices.

**1.4.** The initial device specifications set out in the tender, will be sufficient to adequately support the requirements of the Council to provide flexibility and a modern operating model. Any device will support the latest operating systems, will have an automated set-up and device-management approach to the Microsoft Office 365 productivity suite and security products, and access to the Council line-of-business applications. The model will be designed to allow the specifications to change over the life of the contract, as device models are replaced, but also cater for new device-types as they arise.

**1.5.** The following service scope is included as part of the proposed procurement:

- The initial sourcing of the devices.
- The equipment set up, imaging and distribution.
- The ongoing support and management of the equipment during its lifecycle, including asset management and decommissioning.

## **2. Objectives of the Technology Refresh Procurement Programme**

**2.1.** Ensuring the council has access to a range of resilient, reliable devices which support flexibility and the needs of the Council.

**2.2.** Moving to a laptop/tablet first approach which supports maximum mobility with desktops only used where they are needed to address a specific business need.

**2.3.** Adopt Evergreen IT; Ensure our devices, operating systems and supporting software are maintained at the latest version and functionality. Ensure staff are always using corporate devices that are within their supportable lifespan.



**2.4. Predictable Price:** The adoption of a predictable pricing model across the lifespan of each deployed device by leveraging the benefits of alternative finance methods such as leasing.

**2.5. Flexible Provision and Support;** Provision of services to customers that satisfy the demands for flexibility, scalability, and timeliness, ensuring devices are configured, delivered, repaired, or replaced promptly, irrespective of customer location.

**2.6. Zero Touch Deployment;** The introduction of an approach that enables users to be supplied with a pre-configured device that can be deployed using network-based installation, to significantly simplify the deployment process.

### **3. Delivery Model Options**

**3.1.** The following options have been considered:

#### **3.1.1. Extend current stock for a further 12 months**

3.1.1.1 The current policy is to hold laptop stock for four years and desktop PCs for five years. The current kit has a warranty for three years which in many cases has now expired. The volume of laptop repairs has been increasing for the older devices over the last 12 months, with the older devices struggling to support key modern workplace software tools (Microsoft Teams, etc.). It is likely that this option will significantly impact on the Council's ability to carry out its business and is therefore discounted.

#### **3.1.2. Re- procurement based on the current delivery Model**

3.1.2.1 The current end user device service is a traditional model whereby devices are sourced from a vendor and bought upfront and are assets of the Council. Cantium Business Solutions place the order, receive the equipment, deploy, then manage the device throughout its lifecycle including software management. The Cantium service desk provides 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> line support for any issues that users have with both the hardware or software. It is recognised that the historical SLAs and approach are out of step with the current needs of the organisation and there is a need to move to a new model. Historically, KCC has extended the life of laptops for an extra year and whilst this has enabled the TRP lifecycle to be extended, it has had implications on customer experience due to the greater number of equipment failures in the last year which were unable to be fixed. There are options to move to a leasing structure instead of an upfront purchase where KCC do not own the assets this will mean moving to a leasing term aligned to the warranty period.

3.1.2.2 This model has the benefit of being well established in the Council but is reliant on a traditional deployment and lifecycle model as we

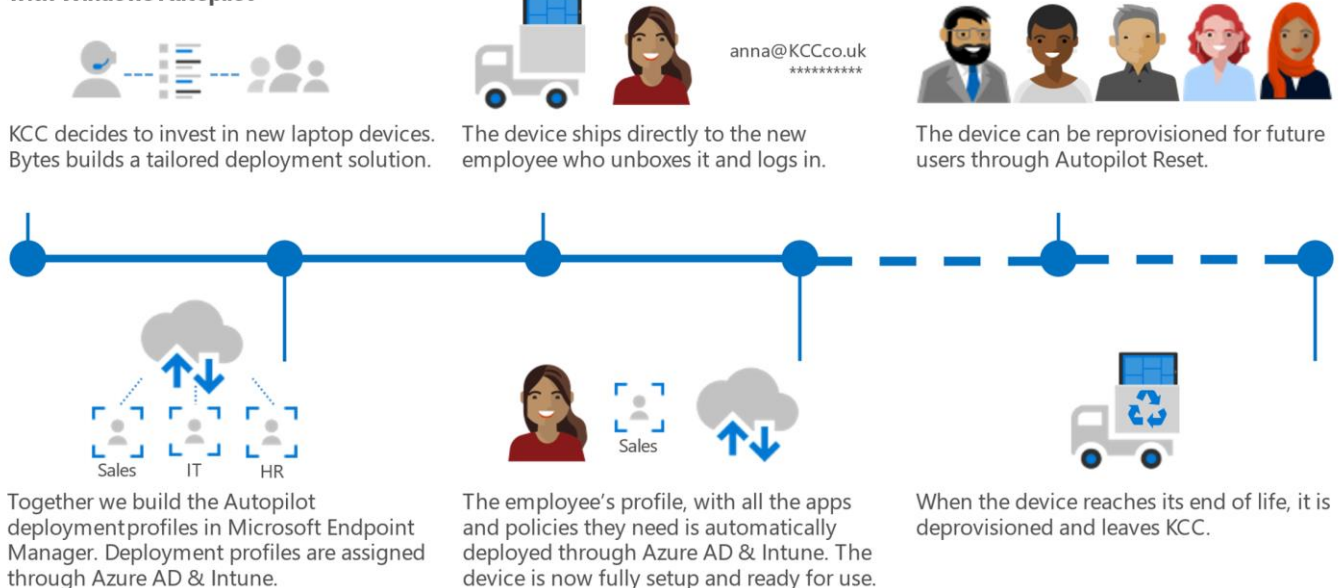
have now. This has limitations in respect of fixability and is reliant on Cantium and KCC's investment.

### 3.1.3. Device as a Service

- 3.1.3.1. Since the last programme was established in 2016/7, the device market has progressed significantly, with technology vendors maximising the capabilities of devices to support alternative ways of working. The emerging model is known as a Device as a Services (DaaS).
- 3.1.3.2. The DaaS approach bundles the leasing of hardware devices such as laptops, tablets, and accessories together with life-cycle servicing and software into a single monthly, per-person contract and a consumption model. The lifecycle service can be mixed to align with the service requirements and support those services that are retained in house and/or augmentation of services by partners as part of the overall DaaS provision. All the major PC manufacturers like Apple, Microsoft, Dell and HP have a DaaS offer.
- 3.1.3.3. The costs of the deployment, hardware, repair costs, and disposal are wrapped into the annual cost per users. The costs and processes associated with deployment are efficient with the devices coming pre-configured with services and configurations and distributed to a location that suits the user. An example of the deployment model under DaaS is set out below:

## Deployment and unboxing example

with Windows Autopilot



- 3.1.3.4. The vendor is also responsible for providing the device configured with all the custom settings and software with the lifecycle managed by the vendor, based on an evergreen model whereby software is constantly updated.

### 3.1.4. Summary of Options

The advantages and disadvantages of the options are summarised below:

Model	Benefits	Disbenefits
Traditional	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> line support supplied by service team that has corporate knowledge. Life of assets can be extended if required.	Costs variable Incur Asset Management overheads Incur Disposal costs Inflexible build and deployment model Additional upgrade costs
DaaS	Fixed device costs for life of contract (including asset management and disposal) Flexible 'no touch' build process Fixed support costs for life of contract Fixed device upgrade costs with Evergreen IT guaranteed Device numbers can be flexed within contract terms More integrated customer experience	Support model will need triage system for service desk calls Device life fixed A move to a consumption subscription model.

## 4. Device Lifecycle

As part of the approach to TRP, Technology Services propose that the following replacement life cycles are allocated to each device type. This requires a shortening of the life cycle from the current arrangements which recognises that pushing the life cycle beyond the 3-year warranty is no longer viable given our reliance on the hardware and the need to ensure that we have IT kit which is able to keep pace with	Existing TRP cycle	Expected New TRP cycle
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software and operating system development. These changes are summarised in the table below with the new lifecycles aligned to current industry best practice.		
<b>Laptops</b>	<b>4 years</b>	<b>3 years</b>
<b>PC's (non-standard issue)</b>	<b>5 years</b>	<b>5 years</b>
<b>Mobile Phones, Phablets and Tablets</b>	<b>4 years</b>	<b>3 years (maximum)</b>
<b>Monitors</b>	<b>5 years (maximum)</b>	<b>5 years (maximum)</b>
<b>Peripherals</b>	<b>Replaced on a break fix basis</b>	<b>Replaced on a break fix basis</b>

## 5. Finance implications

**5.1.** Based on previous technology refreshes, the expected budget requirement for a full End-User Device refresh is estimated to be circa £6million, if purchased upfront. A budget of £6m is available and has been allocated within the current Asset Management Reserve. The current ongoing device-support arrangements are included in the technology budgets and are delivered by Cantium Business Solutions. Under the Device as a Service solution, the money provisioned within the reserve, along with the annual budgets within the Council for ongoing device support, would be used to meet new annual costs.

**5.2.** The table below illustrates the indicative costs associated with the model based on industry benchmarks and assumptions which need to be tested further as part of the procurement process including any costs of change.

### Indicative Model costs

<b>Model (10,000 laptops)</b>	<b>Device costs (3-year term)</b>	<b>Support costs per 3-year term</b>	<b>Total 3-year cost</b>
<b>Current Traditional</b>	<b>£6.750,000</b> <b>(based on standard Lenovo I5 @ £675 per device)</b>	<b>£4,095,723 (1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> line)*</b> <b>Build cost - £1,150,000.</b> <b>Additional charges** – £210,000</b> * support costs based on Gartner ICT spend analysis. **£70 per change of user or re-networking assuming 10% staff turnover	<b>£12,205,723</b>
<b>DaaS</b>	<b>£5,400,000</b>	<b>£3,360,000 (2<sup>nd</sup> and 3<sup>rd</sup> Line only)</b>	<b>£11,500,611</b>

<b>Model</b>	<b>(based on standard Lenovo I5)</b>	<b>£2,740,611 (1<sup>st</sup> line from CBS)*</b> * support costs based on Gartner ICT spend analysis.  assumption that reduction in current 2 <sup>nd</sup> and 3 <sup>rd</sup> line support costs will be achieved	
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**5.3.** The change in the refresh cycle as outlined in section 4 will have an implication on the reserve provision. This will be the case irrespective of which option is selected. To some extent this is currently happening within existing expenditure, where devices are failing in year 4 and are having to be replaced. The financial model will be refined as the DaaS option is further developed and informed by the proposals that come forward from the further market testing and procurement.

## **6. Legal implications**

**6.1.** Procurement will be undertaken using recognised public sector framework agreements in consultation with Strategic Commissioning. Legal advice will be sought in support of the procurement.

**6.2.** A key decision is being sought in accordance with the Council's governance processes.

## **7. Equality implications**

**7.1.** A full equality assessment will be undertaken

## **8. Conclusions and Next Steps**

**8.1.** The current hardware devices used by the Council are now becoming end of life. The need for reliable end user devices that meet the business needs of all staff is a key priority, to ensure efficient and effective service delivery. KCC now have an opportunity to modernise the way in which equipment is procured, deployed, managed, and supported to a remote workforce by moving to a new DaaS model. It is proposed to explore a DaaS model as part of the procurement to test the viability of this option further. Alongside any market procurement KCC will also invite a proposal from Cantium for a DaaS model to inform the Council's final decision and any contract award. The indicative key milestones are as follows:

<b>Indicative Milestone</b>	<b>Key Dates</b>
Complete pilot to refine specification and device type of users	August 2021 - September 2021
Confirm Procurement Framework	July 2021
Undertake Procurement	August - October 2021
Contract Award	October 2021
Contract Mobilisation	October 2021 – November 2021
Implementation and Kit deployment	November Onwards

8.2. It is proposed to update the committee further following the procurement activity in the Autumn.

## 9. Recommendation(s)

### Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree the Technology Refresh Programme Strategy, approve the award of a contract for End-User Devices (Technology Refresh Programme), following a competitive process, and to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and the Cabinet Member for Finance, Corporate and Traded Services, to enter into the necessary contractual negotiations and legal agreements.

## 10. Background Documents

10.1 None.

## 11. Contact details.

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**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services  
Rebecca Spore, Director of Infrastructure

**To:** Policy and Resources Cabinet Committee, 13<sup>th</sup> July 2021

**Subject:** Dover Discovery Centre Community Hub Redevelopment

**Key decision:** Yes - Value of the Contract over £1m

**Classification:** UNRESTRICTED

**Future Pathway of Paper:** N/A

**Electoral Division:** Dover Town  
Nigel Collor and Oliver Richardson

**Summary:**

This paper seeks to update The Policy and Resources Cabinet Committee on progress to redevelop the Dover Discovery Centre, the finalisation of the agreement with Dover District Council and seeks endorsement to enter in contract(s) for works at the appropriate stage.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision:

To authorise the creation of a Dover Discovery Community Hub including the following KCC services, Community Learning and Skills, Children Social Services, a Library, Good Day Programme Services. Delegate authority and authorise the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Funding Agreement setting out the funding arrangements with Dover District Council and to enter into any contracts or property arrangements required to deliver the Community Hub.

**1. Introduction**

- 1.1 The Dover Discovery Centre has been identified as key programme of activity in the Medium-Term Financial Plan.
- 1.2 This paper seeks to update The Policy and Resources Cabinet Committee Members on the progress of the redevelopment of Dover Discovery Centre,

including financial summary and the current budget position following RIBA 2 Design completion.

- 1.3 This paper outlines the next steps that will be taken by the project delivery team, overseen by the Project Board, throughout RIBA Stages 3 and 4 ahead of proposed contract award for the redevelopment of the building.

## **2. Context**

- 2.1 The Dover Discovery Centre was constructed in the late 1980s over four levels and is a concrete frame construction clad in brickwork. The building has been constructed around two separate areas of Roman remains at either end of the site and a Medieval church in the middle. The building is located in the centre of Dover between York Street and the Market Square and was acquired by KCC from Dover District Council (DDC) in 2003.
- 2.2 Dover Discovery Centre currently houses the Library and Registrars Service, the Adult Education Service, a Community Theatre, a privately run Nursery, the Bronze Age Boat and Dover Museum.
- 2.3 The building has ongoing maintenance issues associated with the building systems. The building, prior to its current use was a tourist attraction, with very limited works undertaken in building systems since that time.
- 2.4 In 2016, KCC were successful in a bid under the One Public Estate (OPE) Programme. The OPE programme is an established national programme delivered in partnership by the LGA and the Office of Government Property (OGP) within the Cabinet Office, to support Councils on projects transforming local communities and public services across the country. At its heart, the programme is about achieving more from the public sectors assets - whether that's catalysing major service transformation, such as health and social care integration and benefits reform; unlocking land for new homes and commercial space; or creating new opportunities to save on running costs or generate income. This is encompassed in three core objectives:
  - creating economic growth (new homes and jobs).
  - delivering more integrated, customer-focused services.
  - Generating efficiencies, through capital receipts and reduced running costs.

By working collaboratively with DDC, and having a masterplan for both DDC and KCC, the proposals play a key role in supporting the regeneration of the Town Centre, particularly the link through to Market Square, creating a connection and



core civic/community hub. This also supports the existing success and aims to create an enhanced cultural offer fit for the 21st century.

- 2.5 KCC and DDC are working as partners and have developed an appropriate masterplan for the site. Subsequently RIBA Stage 1 and 2 design has been concluded. The project objective is to provide modern, fit for purpose accommodation for the DDC and KCC services accommodated on site.
- 2.6 The plans for the Discovery Centre, involve the relocation of the Children's Services team and provision for The Good Day Programme to the site, redevelopment of the library and adult education offering, benefiting from improved public access, and the opportunity for an enhanced co-ordinated service offering, as well as bringing higher footfall to the Town Centre. In addition, the scheme also improves public access to both the archaeology which sits below the building, the external ruins of the St. Martin's Le Grand Church and the Classis Britannica Fort. The Discovery Centre and Dover District Council's (DDC) Museum are interlinked. The proposals have provided an opportunity to incorporate the provision of a walk-in archive facility and education room within the DDC owned area, which offers an opportunity to co-locate the DDC & KCC local studies archive within one single space. It is intended that the proposed archive facility will provide improved facilities for those undertaking local studies research and allow enhanced access to the extensive artefacts and ephemera held by the Museum.
- 2.7 Poltons Family Centre in Vale View Road is the base for Children's Services in Dover. Its current accommodation is unsuitable and it is proposed, as part of this project, that Children's Services relocate to the Dover Discovery Centre. Following completion of the project, Poltons will be available for disposal, generating a capital receipt, and reducing running costs. In addition, it is proposed that the Good Day Programme relocate to the Dover Discovery Centre, allowing the Walmer Centre to be used for other purposes.
- 2.8 The existing early years nursery will remain on site and is out of scope. KCC has an informal agreement, now expired, in place with a community theatre group. Should the theatre group seek a new location, KCC will support them identifying alternative premises.
- 2.9 By bringing together key services, KCC will enable a more holistic service offer to the residents in Dover, in a key location that supports the wider regeneration of Dover Town Centre.

### 3. Alternative Options

- 3.1 Alternative options were considered for the future location of the KCC services and the future use of the building. These options have been discounted and are outlined below.
- 3.2 Option to vacate the building and relocate services elsewhere in Dover. Despite property searches there is no suitable building available. To build a new building, would require site acquisition and construction costs, this has been considered but the costs would exceed £15m. This option was therefore discounted. In addition, it would be challenging to let or dispose of the Dover Discovery Centre and it is unlikely in the market to attract any significant interest as a disposal.
- 3.3 Option to demolish part of the existing building and refurbish the remainder to consolidate services, improving the connection between the town centre and York Street. This option protects the Historic ruins and has been considered, but the costs would exceed £8m. This option was therefore discounted.
- 3.4 Option to do nothing - The building will continue to deteriorate; short term remedial works will be carried out, but the effectiveness of this approach is limited and unsustainable. KCC services will not be consolidated in fewer properties and revenue savings will not be achieved. The services within the building will continue to be dissatisfied and will seek to be relocated and located in accommodation that falls short of the service requirement.

### 4. Financial Summary

- 4.1 The RIBA 2 cost plan gives an estimated total capital project cost of £7.75M. This is inclusive of construction costs, professional fees and surveys, inflation, contingency, and an allowance for fit out (furniture and IT).
- 4.2 The table below sets out the current budget position and how the project funding is split.

<b>COST</b>	<b>FUNDING</b>	
<i>Stage 2 Cost</i>	<i>KCC</i>	<i>Dover District Council</i>
£7.75M	£7.2M	£0.550M

4.3 There are several key assumptions:

- Cost estimate is based on RIBA Stage 2 design information. Further detailed and intrusive surveys are required and are ongoing. Costs for surveys and anticipated works have been allowed for.
- All works to be carried out during the normal working hours. No allowance has been made for evening, night, or weekend working.
- Minimal decant costs have been allowed for.

4.4 There are several exclusions:

- VAT.
- Deflation/inflation.
- Revenue costs.
- Abnormal works above allowances included from surveys.

4.5 The total £7.75m projected cost of the project is funded, including the provision of a circa £587,000 project contingency.

4.6 The anticipated £7.2M cost to KCC is funded as follows, from the funding streams identified in the MTFP and approved by Full Council:

<b>Funding</b>	<b>Funding Stream</b>
£6.0M	MTFP allocation
£0.1M	One Public Estate (External)
£0.5M	Modernisation of Assets
£0.6M	Asset Utilisation

4.7 The table in section 4.2 shows a £550k contribution agreed by DDC to fund the element of the work related to their own areas, as well as part funding the 'common areas' of the building. On 12 April 2021, DDC's Cabinet welcomed the proposed investment by KCC in the redevelopment of the Dover Discovery Centre, and agreed to enter into an agreement with KCC to contribute the sum of £550,000 towards the cost of delivering the scheme. It is proposed that KCC and DDC enter into a funding agreement to formalise this agreement.

4.8 By virtue of consolidating services within the Dover Discovery Centre Community Hub the Council will release its use of Poltons with a current revenue outturn of £152,000 per annum. This will also realise a capital receipt of circa £550,000. A

further revenue saving of circa £21,000 per annum can be saved by the relocation of the Good Day Programme from Walmer Centre into the new Dover Discovery Centre.

## 5. Programme

5.1 The proposed key milestones for the main contract works are as follows:

ACTIVITY	DATE
Develop RIBA Stage 3 Design	March 2021 – July 2021
DDC Cabinet Approval for Capital Contribution	12 April 2021
Funding Agreement between KCC and DCC Executed	July 2021
RIBA Stage 3 Gateway and Board Approval	July 2021
Planning Submission	July 2021
Planning Determination	October 2021
Develop RIBA Stage 4 Design	July 2021 – November 2021
RIBA Stage 4 Gateway and Board Approval	November 2021
Construction Start	January 2022
Practical Completion	February 2023

## 6. Key Risks

6.1 The main project risks are detailed in the table below.

Risk	P	I	Comments / Mitigation Action
Capital cost increases beyond budget identified within this paper.	M	H	Cost based on developing RIBA Stage 2 designs. Contingency level considered appropriate for this stage of the project. Project Board will receive regular financial updates.
Phasing of construction works to limit and manage the impact on service delivery.	M	H	Close liaison with all services to continue through Stage 3 and 4 as the phasing plan is developed in conjunction with users and the contractor team.
Planning and Heritage risk given the archaeological importance of the historic buildings and artefacts.	M	M	Close liaison with planners at KCC and DDC as well as Heritage teams to continue during Stage 3 and 4 design in the run up to and following planning submission. Scheme has also been redesigned to minimise extension to building footprint
Leasehold arrangements may require legal input to redefine as a result of the scheme.	M	L	DDC and KCC Estates colleagues are on the Project Board and are sighted on key issues related to leases and so are best placed to action accordingly in line with Project Board guidance.

## 7. Equalities Impact Assessment

- 7.1 A screening assessment has been undertaken and will be kept updated as the project progresses.

## 8. Recommendations

### Recommendation(s):

**The Policy and Resources Cabinet Committee** is asked to **consider and endorse or make recommendations** to the **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services** on the proposed decision:

To authorise the creation of a Dover Discovery Community Hub including the following KCC services, Community Learning and Skills, Children Social Services, a Library, Good Day Programme Services. Delegate authority and authorise the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Funding Agreement setting out the funding arrangements with Dover District Council and to enter into any contracts or property arrangements required to deliver the Community Hub.

## 9. Background Documents

Appendix 1 – RIBA Stage 2 Layout Plans

Appendix 2 – Proposed Record of Decision

Appendix 3 – Dover Discover Proposed Site Plan, Poltons Site Plan.

## 10 Contact Details

### Report Author(s):

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Infrastructure  
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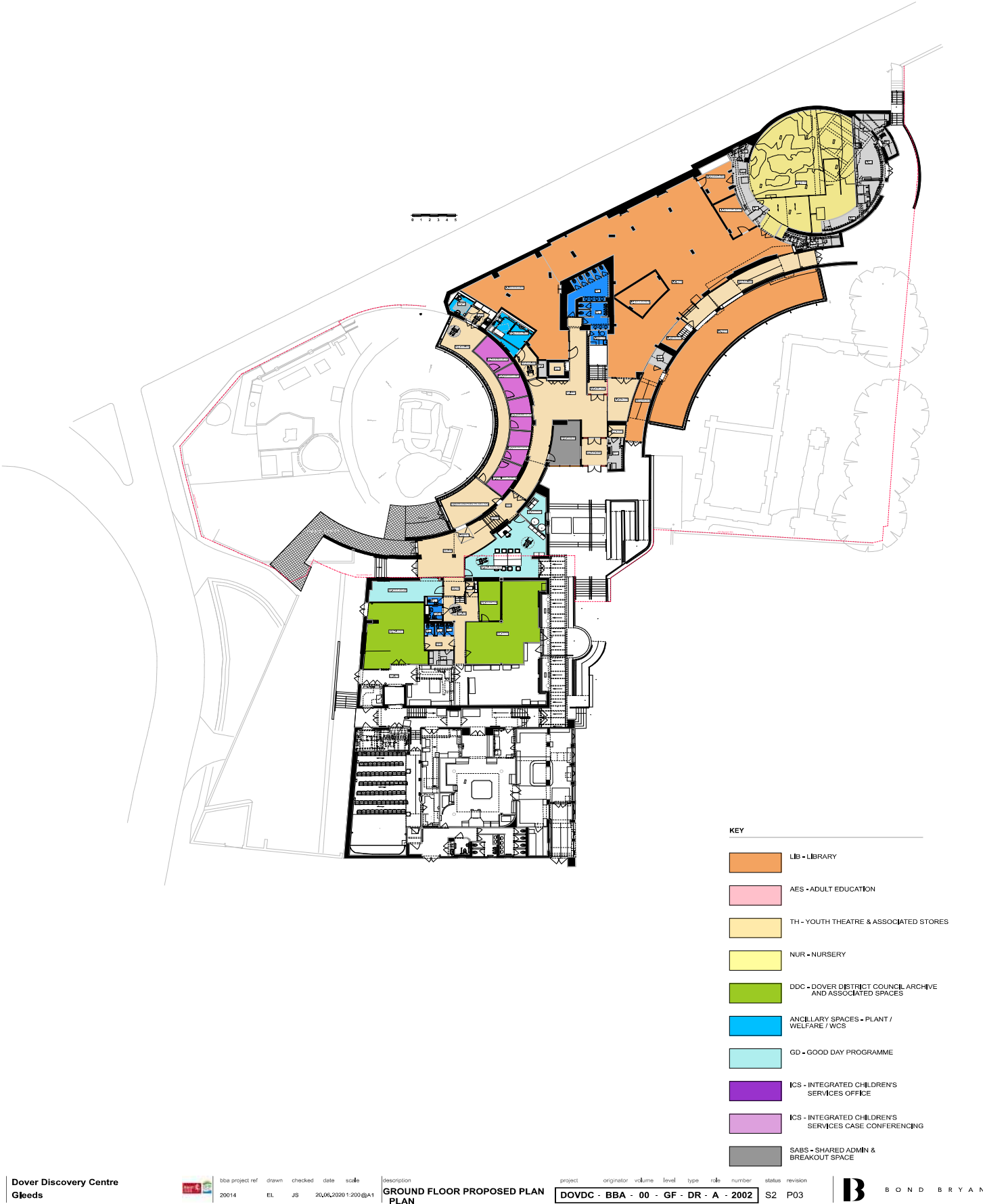
James Sanderson  
Head of Property Operations  
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Email address: [James.sanderson2@kent.gov.uk](mailto:James.sanderson2@kent.gov.uk)

### Relevant Director:

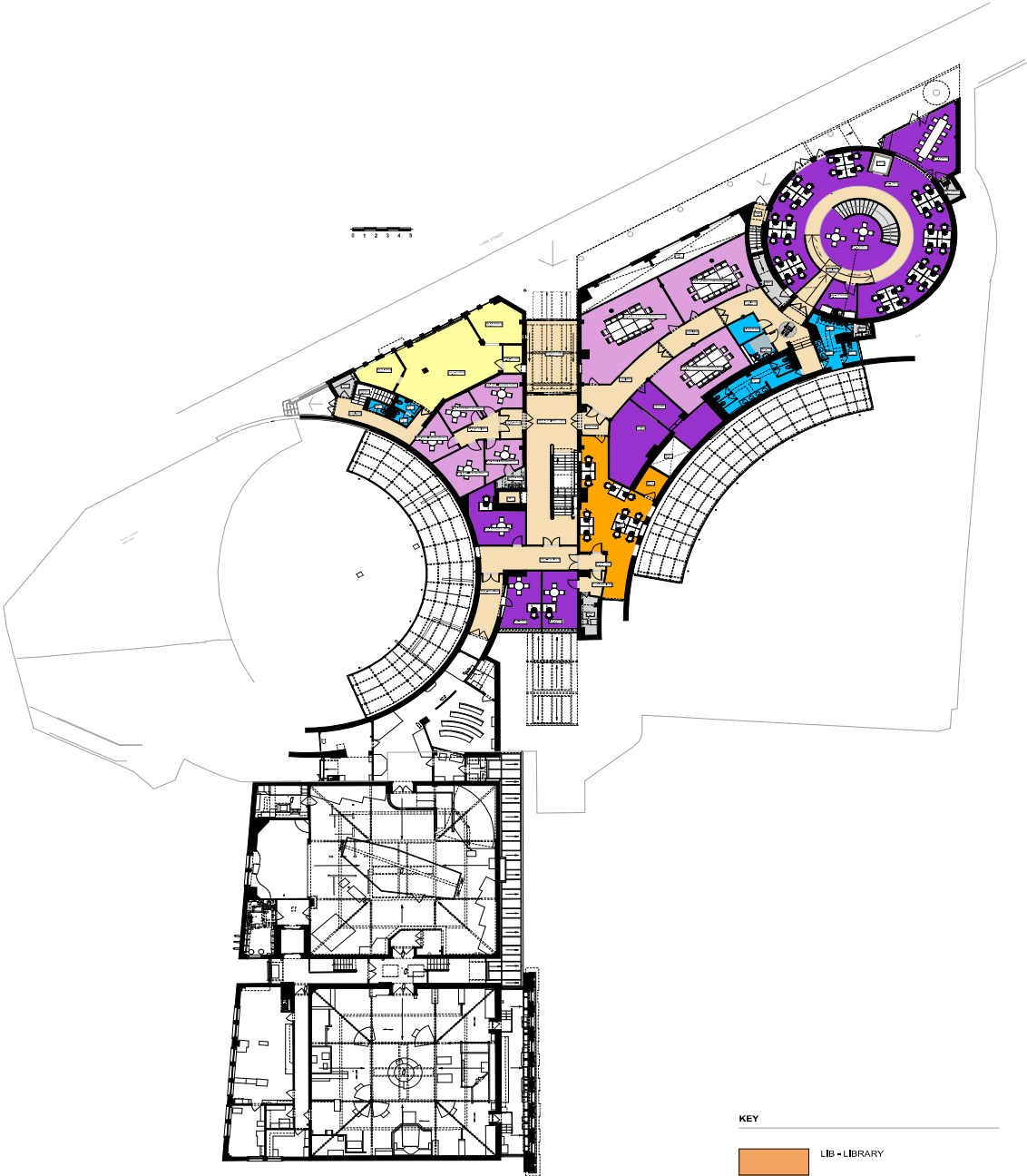
Rebecca Spore, Director of Infrastructure  
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Email address: [rebecca.spore@kent.gov.uk](mailto:rebecca.spore@kent.gov.uk)













PROPOSED GROUND FLOOR PLAN



PROPOSED FIRST FLOOR PLAN



KEY	
	LIB - LIBRARY
	AES - ADULT EDUCATION
	TH - YOUTH THEATRE & ASSOCIATED STORES
	NUR - NURSERY
	DDC - DOVER DISTRICT COUNCIL ARCHIVE AND ASSOCIATED SPACES
	ANCILLARY SPACES - PLANT / WELFARE / WCS
	GD - GOOD DAY PROGRAMME
	ICS - INTEGRATED CHILDREN'S SERVICES OFFICE
	ICS - INTEGRATED CHILDREN'S SERVICES CASE CONFERRING
	SABS - SHARED ADMIN & BREAKOUT SPACE

Dover Discovery Centre  
Gleeds

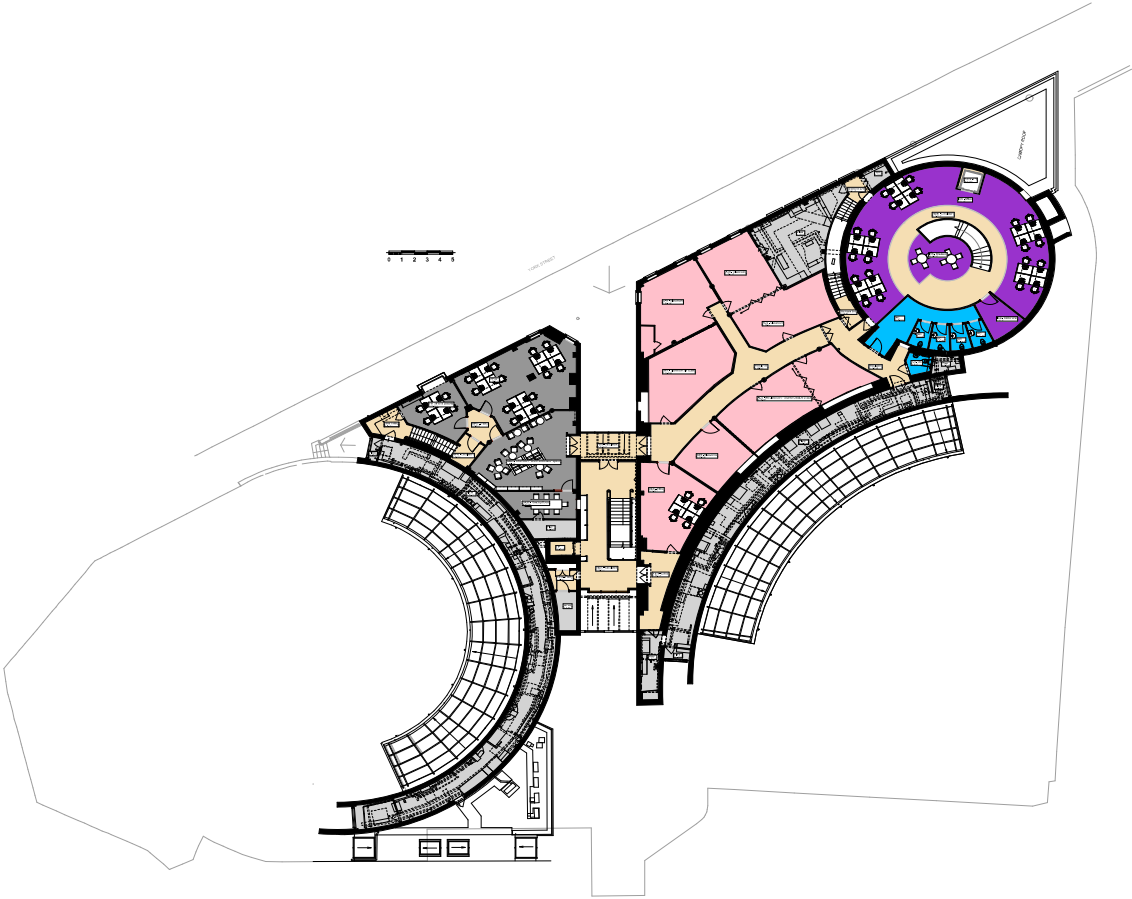
bbs project ref	drawn	checked	date	scale	description
20014	EL	JS	20.06.2020	1:200 @A1	FIRST FLOOR PROPOSED PLAN

project	originator	volume	level	type	role	number	status	revision
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








**B** BOND BRYAN



PROPOSED SECOND FLOOR PLAN



KEY

	LIB - LIBRARY
	AES - ADULT EDUCATION
	TH - YOUTH THEATRE & ASSOCIATED STORES
	NUR - NURSERY
	DDC - DOVER DISTRICT COUNCIL ARCHIVE AND ASSOCIATED SPACES
	ANCILLARY SPACES - PLANT / WELFARE / WCS
	GD - GOOD DAY PROGRAMME
	ICS - INTEGRATED CHILDREN'S SERVICES OFFICE
	ICS - INTEGRATED CHILDREN'S SERVICES CASE CONFERENCING
	SABS - SHARED ADMIN & BREAKOUT SPACE

Dover Discovery Centre  
Gleeds

bbe project ref	drawn	checked	date	scale
20014	EL	JS	20.06.2020	1:200 @A1

SECOND FLOOR PROPOSED PLAN  
PLAN

project	originator	volume	level	type	role	number	status	revision
DOVDC - BBA - 00 - 02 - DR - A - 2002							S2	P03

**B** BOND BRYAN

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# KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

## DECISION TO BE TAKEN BY:

**Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services**

## DECISION NO:

**21/00059**

### For publication

### Key decision – Yes

The decision will result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000).

### Subject Matter / Title of Decision:

Dover Discovery Centre Community Hub Redevelopment

### Proposed Decision:

To authorise the creation of a Dover Discovery Community Hub including the following KCC services, Community Learning and Skills, Children Social Services, a Library, Good Day Programme Services. Delegate authority and authorise the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Funding Agreement setting out the funding arrangements with Dover District Council and to enter into any contracts or property arrangements required to deliver the Community Hub.

### Reason(s) for decision:

To support the relocation of the Children's Services Team and provision for The Good Day Programme to the site, redevelopment of the library and adult education offering, with improved public access, and opportunity for an improved co-ordinated service, as well as bringing higher footfall to the town centre. The scheme also improves public access to both the archaeology which sits below the building and the external ruins of the St. Martin's Le Grand Church and the Classis Britannica Fort. The proposals have provided an opportunity to incorporate the provision of a walk-in archive facility and education room within the Dover District Council owned area, which provides an opportunity to co-locate the Dover District Council and Kent County Council local studies archive within one single space. The proposed archive facility will provide improved facilities for those undertaking local studies research and allow enhanced access to the extensive artefacts and ephemera held by the Museum.

By bringing together key services, KCC will enable a more holistic service offer to the residents in Dover, in a key location that supports the wider regeneration of Dover Town Centre in a modern, fit for purpose building.

Funding has been allocated from the Capital MTFP to progress with the redevelopment. Dover District Council's Cabinet have agreed to enter into an agreement with KCC to contribute towards the cost of delivering the scheme.

The funding is proposed as follows:

COST	FUNDING	
<i>Stage 2 Cost</i>	<i>KCC</i>	<i>Dover District Council</i>
<b>£7.75M</b>	<b>£7.2M</b>	<b>£0.550M</b>

**Cabinet Committee recommendations and other consultation:**

Policy and Resources Cabinet Committee, 13<sup>th</sup> July 2021.

**Any alternatives considered:**

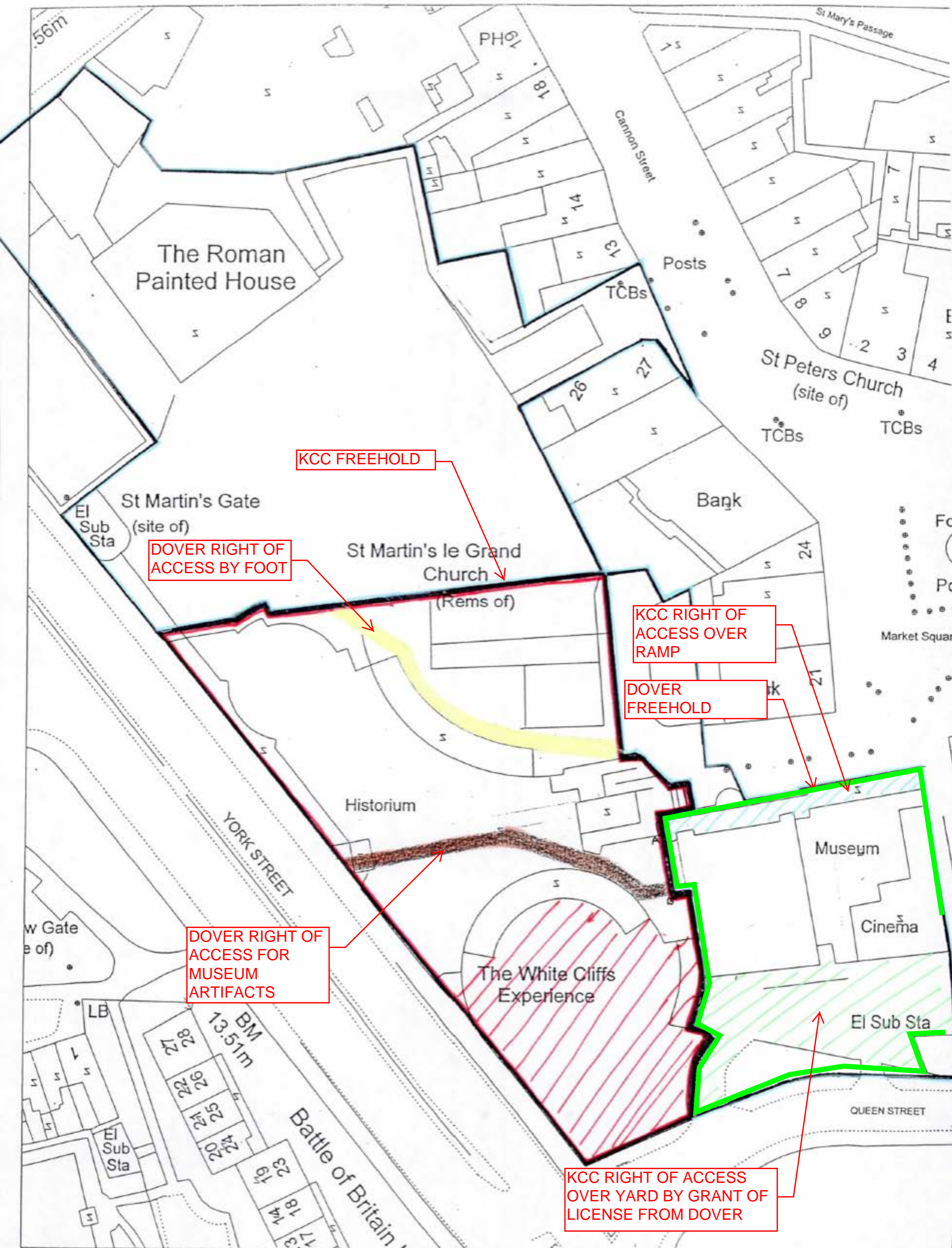
Alternative options for the re-provision of services were considered along with alternative uses for the Dover Discovery Centre.

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

None.

.....  
Signed

.....  
date



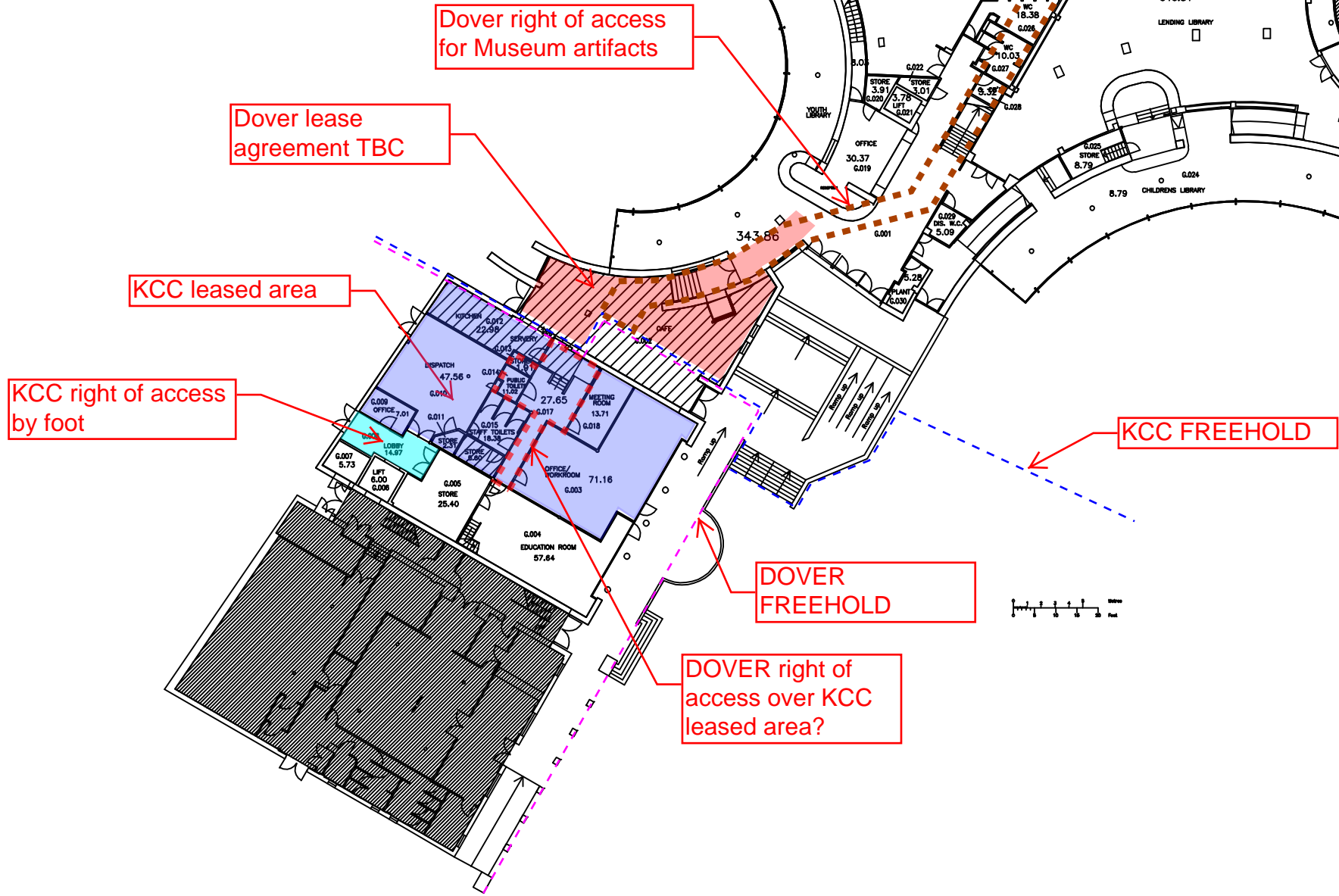
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Dover District Council Licence No. LA07728X published 2002.



GROUND FLOOR



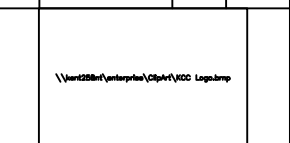
GROSS EXTERNAL FLOOR AREA = 1838.700 m<sup>2</sup>  
GROSS INTERNAL FLOOR AREA = 1754.534 m<sup>2</sup>  
NET INTERNAL FLOOR AREA = ? m<sup>2</sup>

No	Revision description	Date	Checked
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This plan originated from Kent County Council. Further information regarding this plan can be obtained from Glyn Parham at Kent County Council Telephone: 01622 686340

This plan was surveyed by AGP and digitized at a scale of 1:100

No	Revision description	Date	Checked
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PROPERTY GROUP  
County Hall  
Medway  
Kent ME14 1XQ  
Tel (01622)671411

BRANCH

PROJECT REF

PROJECT  
DOVER DISCOVERY CENTRE

DRAWING TITLE  
GROUND FLOOR PLAN

00040100

SCALE 1:200

DRAWN BY AGP CHECKED DATE JUL 05

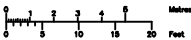
DRAWING No DV-F03IG REV No

FIRST FLOOR

Dover right of access  
for Museum artifacts

DOVER LEASED  
AREA DEMISE

FREEHOLD  
BOUNDARY



GROSS EXTERNAL FLOOR AREA = 2400.960 m<sup>2</sup>  
GROSS INTERNAL FLOOR AREA = 2282.150 m<sup>2</sup>  
NET INTERNAL FLOOR AREA = ? m<sup>2</sup>

No	Revision description	Date	Checked
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Kent County Council. Further information  
regarding this plan can be obtained from  
Glyn Parham at Kent County Council  
Telephone: 01622 696340

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and digitized at a scale of 1:100

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PROPERTY  
GROUP  
County Hall  
Maidstone  
Kent ME14 1XQ  
Tel (01622) 071411

BRANCH

PROJECT REF

PROJECT  
DOVER DISCOVERY CENTRE

DRAWING TITLE  
FIRST FLOOR PLAN

00040100

SCALE 1:100

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AGP		JUL 05

DRAWING No	REV No
DV-F0311	

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**From: Roger Gough – Leader of the Council  
Zena Cooke – Corporate Director Finance**

**To: Policy and Resource Committee, 13<sup>th</sup> July 2021**

**Subject: Decision 21/0061- Kent County Council / Tonbridge and Malling  
Borough Council Internal Audit and Counter Fraud Service**

Non-Key decision

Classification: **Unrestricted**

**Future Pathway of report:** Executive Decision

**Electoral Division:** County-wide

**Summary:**

The report seeks approval to enter into an Inter-Authority Agreement (IAA) with Tonbridge and Malling Borough Council to provide their Internal Audit and Counter Fraud function. This will further build on current arrangements whereby Kent County Council Internal Audit and Counter Fraud provide management of the TMBC function through secondment agreements.

**Recommendation(s):**

The Cabinet Committee is asked to consider and endorse or make recommendations to the Leader of The Council on the proposed decision to enter into an Inter Authority Agreement with TMBC for the provision of Internal Audit and Counter Fraud services. (See Appendix 1 – PROD).

**1. Introduction**

- 1.1 There are existing secondment arrangements for the KCC Counter Fraud Manager and a KCC Audit Manager to provide management of the Internal Audit and Counter Fraud function. These roles are carried out in conjunction with KCC responsibilities. There is an additional KCC Senior Auditor seconded who works solely for TMBC.
- 1.2 The proposed IAA agreement is for an initial 5 years and require KCC to undertake the entire function on TMBC's behalf with KCC receiving payment for the delivery of the TMBC Internal Audit and Counter Fraud Plan. This will include the TUPE transfer of 2 counter fraud staff.

## **2. Report**

- 2.1 Kent County Council (KCC) have been providing the management for the Internal Audit and Counter Fraud services in Tonbridge and Malling (TMBC) for 6 years. During this time, the performance of the team has been strong and this has been demonstrated in the delivery of annual plans and achievement of service performance indicators. At the last External Quality Assessment, the function was assessed as compliant with the Public Sector Internal Audit Standards and minor service improvements were subsequently made. Performance has been such that TMBC have asked for the service to be delegated and run entirely by the KCC Internal Audit and Counter Fraud team.
- 2.2 There is an opportunity to further build upon the current management arrangement and, in doing so, provide TMBC with greater stability and for KCC to realise the full benefits of maintaining greater staff numbers and breadth of expertise in the team. This proposal will also provide the opportunity for staff to gain additional experience, which will come from being part of a wider shared service arrangement.
- 2.3 In order to further build the resilience and future development of the Internal Audit service, it is proposed that the TMBC fully delegate the function to KCC under the Local Government Act 1972.
- 2.4 The implementation of an IAA will provide long term stability and allow additional recruitment with resources to be shared over the delivery of Internal Audit and Counter Fraud for both Councils and provide a wider range of skills and experience and enable the team to consistently accommodate work across both Councils, maximising the use of resources, efficiencies, and the capacity of the team. This will improve the resilience within the function.

The proposal will present wider opportunities for auditors and fraud specialists to further widen their experience of different authorities and share good practice in local government services elsewhere. The arrangement will also allow for the transfer of two TMBC Counter Fraud staff giving KCC the benefit of utilising the excellent skills and knowledge of the TMBC Internal Audit and Counter Fraud Team.

- 2.5 An Inter-Authority Agreement has been developed in conjunction with each Authority's legal representation.

## **3. Options considered and dismissed**

- 3.1 The option to maintain current secondment agreements was considered. This would retain the management of the TMBC Internal Audit and Counter Fraud function with other staff seconded to supplement delivery. This would reduce staff resources and expertise for KCC as staff would solely be reporting to TMBC and not able to be utilised by KCC.
- 3.2 The current secondments to TMBC could be ended, with KCC no longer providing management capacity for the Borough Council. This would reduce income for the Internal Audit and Counter Fraud and reduce staff resources and

expertise.

#### **4. Financial Implications**

- 4.1 Overall the annual income to KCC will be £178,000 which will increase annually based on the CPI. This will be used to fund the transfer of the two TMBC staff and allow for additional recruitment/resource

#### **5. Legal implications**

- 5.1 Two members of TMBC staff will be transferred to KCC under TUPE. An Equalities Impact Assessment has been completed and no issues identified.

#### **6. Equalities implications**

- 6.1 An Equalities Impact Assessment has been undertaken and there are no equality implications in providing the Internal Audit and Counter Fraud service for Tonbridge and Malling Borough Council.

#### **7. Other corporate implications**

- 7.1 There are no other corporate implications arising from this decision.

#### **8. Governance**

- 8.1 Zena Cooke as the Corporate Director of finance would inherit the main delegated officer, under the Officer Scheme of Delegation.

#### **9. Conclusions**

- 9.1 The IAA has been developed to consider the requirements of, and provide benefits to, both Authorities. The agreement will allow for an effective and efficient delivery of Internal Audit and Counter Fraud service.

#### **9. Recommendation(s):**

- 9.1 **Cabinet Committee** - The Policy & Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Leader of The Council on the proposed decision to enter into an Inter Authority Agreement with TMBC for the provision of Internal Audit and Counter Fraud services. (See Appendix 1 – PROD).

#### **10. Appendices**

- Proposed Record of Decision

#### **11. Background Documents**

- Equality Impact Assessment

## 12. Contact details

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Relevant Director:  
**Zena Cooke**  
**Corporate Director Finance**

Telephone number:  
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Email address  
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# KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

Roger Gough - Leader of the Council

**DECISION NO:**

21/00061

**For publication**

**Key decision: NO**

**Subject Matter / Title of Decision**

Provision of Internal Audit and Counter Fraud Services to Tonbridge and Malling Borough Council

**Decision:**

As Leader of the Council, I agree to:

Kent County Council entering a Inter Authority Agreement (IAA) with Tonbridge and Malling, and receive payment to deliver Internal Audit and Counter Fraud services to Tonbridge and Malling Borough Council; and

Delegate authority to the Corporate Director of Finance to take relevant actions, including but not limited to entering into contract or other relevant legal agreements, as necessary to implement this decision.

**Reason(s) for decision:**

The implementation of an IAA will provide long term stability and allow additional recruitment with resources to be shared over the delivery Internal Audit and Counter Fraud for both Councils and provide a wider range of skills and experience and enable the team to consistently accommodate work across both Councils, maximising the use of resources, efficiencies, and the capacity of the team. This will improve the resilience within the function.

**Cabinet Committee recommendations and other consultation:**

The decision will be considered by Policy & Resources Cabinet Committee on 13 July and any formal comments will be recorded here.

**Any alternatives considered and rejected:**

Continuing the current secondment agreements, or alternatively ending arrangements and not providing support for the function

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

None

.....  
signed

.....  
date



**From:** Peter Oakford, Deputy Leader, Cabinet Member for Finance,  
Corporate and Traded Services

Ben Watts, General Counsel

**To:** Policy and Resources Cabinet Committee – 13 July 2021

**Subject:** **Work Programme 2021/22**

**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 2021/22

## **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” and these should also inform the suggestions made by Members for appropriate matters for consideration.

## **3. Work Programme 2021/22**

- 3.1 The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in the appendix 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 consider 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** a work programme for 2021/22

#### 6. Background Documents

None.

#### 7. Contact details

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Relevant Director:  
Benjamin Watts  
General Counsel  
03000 416814  
[benjamin.watts@kent.gov.uk](mailto:benjamin.watts@kent.gov.uk)



## POLICY & RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2021/22

<b>1 September 2021</b> *meeting dates are currently being reviewed – the revised dates will be announced as soon as possible		
• Annual Equality and Diversity Report	Annual – standing item	
• Contract Management Review Group update ( <b>Exempt</b> )	Bi-annual – standing item (Michael Bridger)	
• Strategic and Corporate Service Directorate Performance Dashboard	Every other meeting (Rachel Kennard)	
• Professional building support and the principal contractors' framework – For Decision		
• Decision No. TBC – Proposed freehold acquisition of the school land (Simon Langton for Boys)	Key Decision (Rebecca Spore)	Deferred from Nov 2020
• Kent Connects Update	Phil Murphy	
• Data Protection / Freedom of Information	Ben Watts	
• Work Programme 2021/22		
<b>9 November 2021</b> *		
• Work Programme 2022		
• Facilities Management Procurement Update	Agreed at P&R CC on 29 July 2020 by Rebecca Spore. <i>Likely to be a key decision</i> (James Sanderson and Karen Ripley)	
<b>21 January 2022</b> *		
• Budget and Medium-Term Financial Plan	Annual (Zena Cooke and Dave Shipton)	
• Strategic and Corporate Service Directorate Performance Dashboard	Every other meeting (Rachel Kennard)	
• Work Programme 2022		
<b>23 March 2022</b> *		

<ul style="list-style-type: none"> <li>• Risk Management report (with RAG ratings)</li> </ul>	Annual report (Mark Scrivener)	
<ul style="list-style-type: none"> <li>• Work Programme 2022</li> </ul>		
<b>10 June 2022</b> *		
<ul style="list-style-type: none"> <li>• Strategic and Corporate Service Directorate Performance Dashboard</li> </ul>	Every other meeting (Rachel Kennard)	
<ul style="list-style-type: none"> <li>• Work Programme 2022</li> </ul>		

**From:** Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Trading Services

Rebecca Spore, Director of Infrastructure

**To:** Policy and Resources Cabinet Committee, 13<sup>th</sup> July 2021

**Subject:** Disposal of Land at Langton Field, Langton Lane (off  
Nackington Road), Canterbury, Kent

**Key decision:** Yes - Expenditure or savings (capital receipt) of over £1m

**Classification:** Unrestricted

**Past Pathway of report:** Policy and Resources Cabinet Committee, July 2018  
Policy and Resources Cabinet Committee, July 2014  
(Decision No: 14/00080)

**Future Pathway of report:** N/A

**Electoral Division:** Canterbury City South

**Summary:** This report considers the proposed freehold disposal of Land at Langton Field, Langton Lane (off Nackington Road), Canterbury, Kent.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to approve the Director of Infrastructure to progress with and enter into the necessary documentation to complete the freehold disposal of the land in consultation with the Cabinet Member for Finance, Corporate and Traded Services.

## 1. Background

**1.1** The freehold land owned by KCC, outlined in red on the attached site plan at Appendix A, is located in Canterbury adjoining the southern extent of the urban area including the Kent & Canterbury Hospital. It comprises of a relatively flat and open agricultural field extending to approximately 5.8 hectares (c.14.4 acres).

**1.2** Canterbury City Council (CCC) own the adjacent farmland to the north west, extending to approximately 9.3 hectares (c.23 acres).

**1.3** Both parcels form a site allocated within Canterbury's adopted 2017 Local Plan known as Ridlands Farm & Langton Field allocated for 310 dwellings, together with a health element.

- 1.4** The NHS services have been considering options at Canterbury, Margate and Ashford for a number of years, in terms of its service delivery and estates transformation strategy. One of the options being considered is the expansion of the Canterbury Hospital which requires the use of the Council's land holdings at Langton Lane.
- 1.5** The final hospital configuration option to be progressed will be determined following further consultation and the approval of the option by NHS E/I. KCC are not part of this decision-making process. KCC however, by virtue of its landholding, would not want to restrict any of the options under consideration by the NHS for the provision of healthcare services to the residents of East Kent.
- 1.6** The extent of the land take required for the proposed hospital over the Council's land is illustrated in the plan at Appendix B, this requires the land, which is in both KCC's and CCC's ownership. The Canterbury expansion is reliant on a developer coming forward to develop and make contribution to a hospital development. Conversations have progressed with all parties with a view to ensuring that a transparent and robust process is progressed, which meets KCC best value and other statutory obligations, and allows the NHS to progress, if approved, with the development of a hospital facility. Our legal advisors and that of EKHUFT, have recommended that an OJEU (or equivalent) compliant procurement is run, which seeks a development partner to bring forward a proposal for a hospital on the land in the ownership of KCC and CCC.
- 1.7** The procurement process is designed to test the market further and establish the viability of any proposals that may come forward. The ability to proceed to the later stages of the procurement will be subject to a decision from NHS E/I as to the final hospital configuration in East Kent.
- 1.8** KCC therefore require a decision to include its landholdings for disposal as part of the proposed EKHUFT procurement process CCC obtained their decision in December 2020 to make its land available in principle as part of the hospital trust's procurement process.

## **2. Proposed Terms and Financial Implications**

- 2.1** KCC and CCC officers, supported by legal advisors, have drafted public sector heads of terms in order to include the Councils' respective landholdings within the proposed EKHUFT procurement process. These heads of terms seek to set out the principles of any land sale and to protect the Councils' interests and are set out in more detail as part of the exempt report.
- 2.2** KCC are required to achieve best value in the disposal of any land. The proposed process is transparent and allows developers to come forward on the basis that KCC require full value for the site based on the Local Plan Allocation. Further financial information is set out in the exempt report.

### 3. Timeline

3.1 The indicative timeline is set out below:

Timeline	Key Milestone
July 2021	KCC Key Decision
July 2021	OJEU notice issued to start procurement to invite developers to come forward with proposals to assemble the land and develop a hospital hell
Note the procurement will be paused following the review of initial bids subject to a decision by NHS E/I as to future hospital configuration in East Kent.	
December 2022	Procurement Complete

3.2 Please note, the above timeline is highly indicative and subject to delays outside of KCC's control.

### 4. Planning

4.1 The KCC and CCC land, together known as Ridlands Farm & Langton Field, is allocated in the 2017 adopted Local Plan for 310 homes plus a health element.

4.2 CCC have been progressing a call for sites as part of the local plan. A joint KCC/CCC "Call for Sites" Submission was made in June 2020, to protect current residential allocation (completed June 2020).

### 5. Communications

5.1 It is intended that the first stage of the Trust's procurement process (soft market testing) will take place in July 2021, which will comprise of a Public Information Notice (PIN) and accompany briefing note.

5.2 This will broadly set out how the Councils will be making their land available for the proposed new hospital at best value (reflecting residential land values), subject to the outcome of the ongoing NHS consultation and approval processes around their options.

5.3 A communication statement will be put in place to manage any press enquiries.

### 6. Equalities implications

6.1 There are no equalities implications.

## 7. Governance

**7.1** The site has been declared surplus to KCC's requirements with a key decision being sought in line with the Council's governance processes. External legal advice has been sought following discussion with General Counsel.

## 8. Conclusions

**8.1** This KCC site has been considered surplus to the Council's requirements.

**8.2** If this proposal is agreed as set out in this report and the exempt report, the Council will make a commitment to include its land in the NHS Trust's hospital procurement exercise, leading to a contractual obligation to sell to the successful bidder to deliver a significant hospital expansion and supporting residential development.

**8.3** This proposal has the potential to generate a major capital receipt for the Council and will allow the NHS decision making process to reach a conclusion.

## 9. Recommendation(s)

### **Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to approve the Director of Infrastructure to progress with and enter into the necessary documentation to complete the freehold disposal of the land in consultation with the Cabinet Member for Finance, Corporate and Traded Services.

## 10. Background Documents

Appendix A KCC land site plan.

Appendix B KCC & CCC land site plan showing extent earmarked for new hospital.

Appendix C KCC & CCC land in context of wider schemes in area.

## 11. Contact Details

Report Author: Simon Dodd, Investment & Development Consultant Tel: 03000 416976 Email: <a href="mailto:s.dodd@kent.gov.uk">s.dodd@kent.gov.uk</a>	Relevant Director: Rebecca Spore, Director of Infrastructure Tel: 03000 416717 Email: <a href="mailto:rebecca.spore@kent.gov.uk">rebecca.spore@kent.gov.uk</a>
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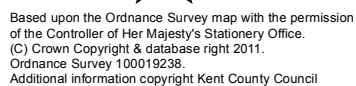
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MasterMap



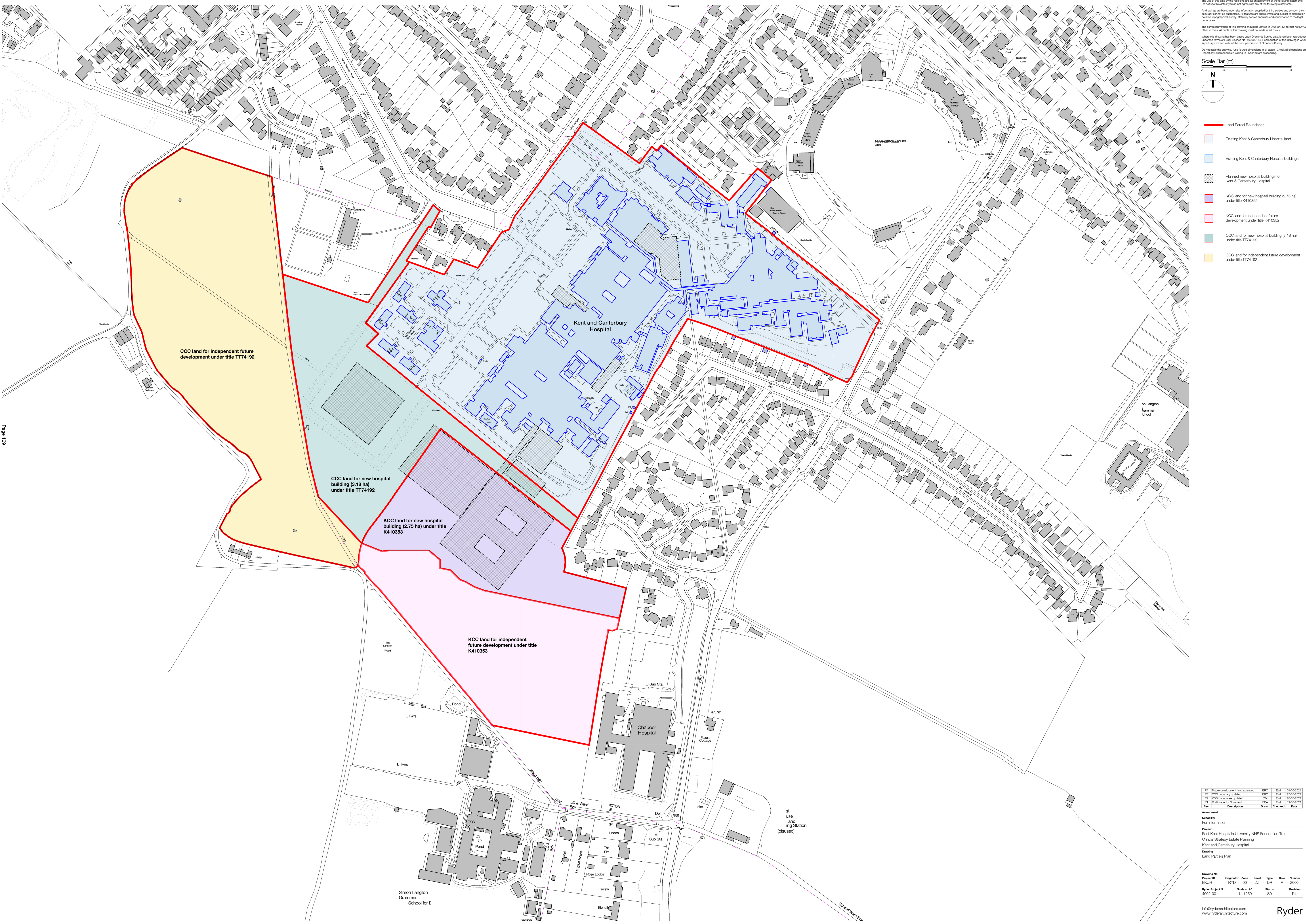
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Scale Bar (m)  
0 2 4 6  
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- Land Parcel Boundaries
- Existing Kent & Canterbury Hospital land
- Existing Kent & Canterbury Hospital buildings
- Planned new hospital buildings for Kent & Canterbury Hospital
- KCC land for new hospital building (2.75 ha) under title K410352
- KCC land for independent future development under title K410352
- CCC land for new hospital building (3.18 ha) under title TT74192
- CCC land for independent future development under title TT74192

Rev.	Description	Drawn	Checked	Date
P4	Future development land extended	BRD	EW	01/08/2021
P3	CCC boundary updated	BRD	EW	27/05/2021
P2	KCC boundaries updated	EW	EW	26/03/2021
P1	Draft issue for comment	BRD	EW	10/03/2021

**Assessment**  
**Suitability**  
For Information

**Project**  
East Kent Hospitals University NHS Foundation Trust  
Clinical Strategy Estate Planning  
Kent and Canterbury Hospital

**Drawing**  
Land Parcels Plan

Drawing No.	Project ID	Originator	Zone	Level	Type	Rate	Number
BRD	RYD	00	ZZ	DR	A	-	2000

**Ryder Project No.** 4002-00  
**Scale of A0** 1 : 1250  
**Status** SO  
**Revision** P4

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## Appendix C – KCC & CCC land in context with proposed schemes in South Canterbury



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