

POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 13th July, 2022

10.00 am

**Council Chamber, Sessions House, County Hall,
Maidstone**





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 13 July 2022, at 10.00 am
Council Chamber, Sessions House, County
Hall, Maidstone

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 J P McInroy and Vacancy
- Labour (2): Mr A Brady and Dr L Sullivan
- Liberal Democrat (1): Mr A J Hook
- Green and Independent (1): Mr P Stepto

UNRESTRICTED ITEMS

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes
- 3 Declarations of Interest by Members in items on the Agenda
- 4 Minutes of the meeting held on 4 May 2022 (Pages 1 - 8)
- 5 Future Meeting Dates

The committee is asked to note that the following dates have been reserved for its meetings in 2022/23:-

Wednesday, 14 September 2022
Thursday, 10 November 2022

Wednesday, 18 January 2023
Thursday, 9 March 2023
Thursday, 11 May 2023
Tuesday, 4 July 2023 – 2.00 pm

All meetings, except July 2023, will start at 10.00 am at County Hall, Maidstone

- 6 Update from the Contract Management Review Group (CMRG) (Pages 9 - 14)
- 7 Covid-19 Financial Monitoring (Pages 15 - 44)
- 8 Budget Consultation Process (Pages 45 - 48)
- 9 Construction Consultancy Services Framework Commission - Update (Pages 49 - 58)
- 10 Update on Capital Construction Programmes as a result of COVID-19 (Pages 59 - 74)
- 11 Update on Rent Management as a result of COVID-19 (Pages 75 - 84)
- 12 Agreement for a lease and subsequent formal lease for new primary and secondary school at Alkerden, Eastern Quarry, Ebbsfleet. (Pages 85 - 100)
- 13 Disposal of former Conningbrook Depot, Kennington Road, Ashford, TN24 0LS (Pages 101 - 112)
- 14 Kent Public Service Network Re-Procurement Update (Pages 113 - 120)
- 15 Work Programme 2022/23 (Pages 121 - 126)

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 public)

- 16 Kent County Council Trading Companies - Update (Pages 127 - 148)

Benjamin Watts
General Counsel
03000 416814

Tuesday, 5 July 2022

KENT COUNTY COUNCIL**POLICY AND RESOURCES CABINET COMMITTEE**

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 4 May 2022

PRESENT: Mr R J Thomas (Chair), Mr N Baker (Substitute for Vacancy), Mr P Bartlett, Mr T Bond, Mr A Brady, Mr T Cannon, Mr N J D Chard, Mr G Cooke, Mr M Dendor, Mr M A J Hood (Substitute for Mr P Stepto), Mr A J Hook, Mr R C Love, OBE, Mr J P McInroy and Dr L Sullivan

ALSO PRESENT: Mr R W Gough and Mr P J Oakford

IN ATTENDANCE: Mrs A Beer (Corporate Director of People and Communications), Mr J Betts (Interim Corporate Director of Finance), Ms L Gannon (Director of Technology), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Ms S Annan-Veitch (Policy Advisor), Mr M Cheverton (Property Strategy and Policy Manager), Ms K Frearson (Head of Property Strategy, Infrastructure), Ms R Kennard (Chief Analyst, Strategic Commissioning Analytics), Mr J Sanderson (Head of Property Operations), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Miss T A Grayell (Democratic Services Officer) and Hayley Savage (Democratic Services Officer)

UNRESTRICTED ITEMS**75. Apologies and Substitutes**

(Item 2)

Apologies for absence had been received from Mr P Barrington-King and Mr P Stepto.

Mr M Hood was present as a substitute for Mr Stepto. Mr N Baker filled the Conservative vacancy for the duration of the meeting.

The committee noted that Mr T Cannon and the Leader of the County Council, Mr R W Gough, were joining the meeting remotely.

76. Declarations of Interest by Members in items on the Agenda

(Item 3)

There were no declarations of interest.

77. Minutes of the meeting held on 24 March 2022

(Item 4)

It was RESOLVED that the minutes of the meeting held on 24 March 2022 are correctly recorded and they be signed by the Chair. There were no matters arising.

78. Inflationary Pressures on Capital Construction Programmes

(Item 5)

1. Mr Oakford introduced the report and advised that the impact of inflation on a range of services was being assessed. The increase in the price of building materials would increase the price of planned work, possibly more than once in the duration of a project, as well as the time taken to complete the work. He advised that the County Council was unable to borrow to cover these increased costs so needed to build in measures to manage the impact. Disposal of assets could raise some funds to offset costs but assets could only be sold once. Mr Oakford responded to comments and questions from the committee, including the following:-

- a) the clarity and content of the report were welcomed;
- b) asked if the delegation set out in the third recommendation in the report would include the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, as well as the directors listed, Mr Oakford confirmed that it would and suggested that the wording be changed to include this, as has been done in the past with similar decisions. This change was welcomed. Mr Oakford confirmed that the proposed decision did not constitute any change to the normal way of working;
- c) asked about the possibility of re-phasing or delaying some works, and if this would help manage costs, Mr Oakford advised that, for some projects, for example, school building, re-phasing was not an option as the Council had a duty to provide sufficient school places for every child in time for the next school year, and temporary classroom accommodation as a short-term solution was not popular;
- d) concern was expressed that school projects should not involve any more expense than was necessary to provide the requisite school places; and
- e) asked how Members would be kept informed of which highways schemes might be delayed as a result of inflationary impact, and if Members would have the opportunity to call them in before final decisions were made, Mr Oakford advised that no change to the usual key decision-making process, including the call-in process, would be made. Some decisions previously taken, relating to projects and works which were yet to start, may have to be reviewed as their costs would inevitably increase, and some decisions previously falling below the threshold for a key decision would now increase in value and require a key decision to be taken. A report of all decisions affected in this way, including those falling just below the threshold, would be presented to a future meeting of the committee.

2. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to:-

- a) note the £28.8 million estimated impact on capital budget spend in the Medium-Term Financial Plan of £339.3 million across the capital programme for 2022-23. Schemes already approved via a key decision, or covered by appropriate delegated authority, would be funded from the options identified in paragraph 5.9 of the report;

- b) consider the use of Fluctuation clauses, when deemed necessary, to control costs to the County Council and alleviate adverse effects to the main contractor supplier of the rise in material costs; and
- c) delegate authority to the Director of Infrastructure, or, for Highway Schemes, the Corporate Director of Growth, Environment and Transport, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services and the Corporate Director of Finance, to take the necessary actions, including, but not limited to, entering into contracts and other necessary documentation to enable the delivery of the capital programme, taking into account construction and inflation, where existing Record of Decisions levels needed to be adjusted,

be endorsed; and
- d) a report of all decisions previously falling below the threshold for a key decision, which would now increase in value and require a key decision, be presented to a future meeting of the committee.

79. 22/00053 - Kent County Council Freehold Property Assets Disposal Policy
(Item 6)

1. Mr Oakford introduced the report and emphasised the importance for the County Council of maximising the value of every asset it had. This had led to the drafting of the disposals policy, which would boost both the revenue and capital budgets. Mr Oakford and Mrs Spore responded to comments and questions from the committee, including the following:-

- a) asked about the County Council's policy on disposing of housing stock, Mr Oakford pointed out that the Council was not a housing authority but sought and welcomed close working with district councils around managing surplus properties;
- b) Mrs Spore advised that the Council always complied with the appropriate legislative requirements and its Property Management Protocol and would always seek to gain the best value as part of any disposal;
- c) asked if the County Council could set up its own property management company, Mrs Spore advised that this would be possible but would be a difficult economic decision, given the Council's financial position and its limited resources and the need to ensure that it was able to fulfil its statutory duties;
- d) the policy set out was supported as being what currently happens, and had happened, for many years. There would inevitably be some instances for which there was no precedent and it was important to have a process to decide how these should be dealt with. When looking at value, monetary value was not the only consideration; what was important was to achieve the best overall deal for local residents;

- e) it was not clear how an asset's value beyond its monetary worth could be identified, for example, the value to a community of retaining green space for leisure use. It was confirmed that the proposed disposal policy enabled value to be considered, which directly related to the delivery of the Council's statutory services. The provision of green space was a consideration for the planning process;
- f) it was suggested that recommendation 3 in the report be changed to end with the words '*... after consultation with the Policy and Resources Cabinet Committee*' as any proposed future change to the policy should be first presented to the committee for discussion and comment. Mr Watts reminded the committee that its role was not to change a proposed decision but to comment and either endorse or make a recommendation to the Cabinet Member to consider; and
- g) asked how a decision about the Council's need would be made, when an asset was to be declared surplus, Mr Oakford advised that a directorate would identify a premises as being surplus to their service requirements. Where appropriate, this change in service may be subject to consultation. If the outcome was agreement that the premises was indeed surplus, the Infrastructure team would be asked to dispose of it, in accordance with the Property Management Protocol. Concern was expressed by another speaker that such a decision would need to take full account of all factors.

2. Mrs Spore undertook to provide written responses to detailed questions about disposals of property to Members and a comparison of Kent's disposals practice to that of other local authorities.

3. Mr G Cooke then proposed and Mr M Hood seconded that the first recommendation in the report have the words '*in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services*' added after '*Director of Infrastructure*' and that the third recommendation in the report be deleted. This was supported, with four abstentions.

4. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to:-

- a) adopt the Freehold Property Assets Disposal Policy attached to the report as Appendix B, which reflects the Executives priorities in the delivery of the Council's objectives; and
- b) delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to take such actions as are necessary to implement this decision, including, but not limited to, finalising the terms of, and entering into, contracts or other legal agreements,

be endorsed.

Mr A Brady, Mr M Hood, Mr A Hook and Dr Sullivan asked that their abstentions from this resolution be recorded in the minutes.

80. Strategic and Corporate Services Performance Dashboard

(Item 7)

1. Ms Kennard introduced the report and responded to comments and questions from the committee, including the following:-

- a) asked if it were possible to include more detail of the process for ensuring that targets currently missed could be met in future, Ms Kennard advised that this detail could be provided to the committee after the meeting;
- b) asked about a recent instance in which a meeting had been cancelled as supporting papers had not been issued in time, Mr Watts advised that the agenda and papers for a meeting of the Governance and Audit Committee had been published in the usual way on the Council's website but a problem at Royal Mail meant that paper copies of the agenda pack had not been received by the Members who required them. He clarified that, in instances where some reports were unavailable at the time of publishing the agenda and were sent later, the publication of the main agenda pack by the required deadline qualified it as meeting its target;
- c) Ms Gannon clarified that, where a target was expressed in 'working hours', this referred to 9.00 am to 5.00 pm, although Members acknowledged that many staff worked much longer and more varied hours than this;
- d) a view was expressed that Members should be aware of what information was available online so they could guide residents who called with enquiries. It was important that people had a good experience when engaging with the County Council, whoever they spoke to; and
- e) Mrs Beer advised the committee that the recording of staff sickness absence rates would no longer distinguish 'absence due to Covid' but would record simply 'absence'.

2. It was RESOLVED that the performance position for Strategic and Corporate Services be noted, with thanks.

81. Strategic and Corporate Services Key Performance Indicators 2022/23

(Item 8)

1. Ms Kennard introduced the report and advised that there had been some change to targets but not to key performance indicators (KPIs). She responded to comments and questions from the committee, including the following:-

- a) a view was expressed that regular checks should be made to ensure that the right things were being measured and that floor targets were realistic and gave some challenge. To be able to be sure of this, Members would need to have clear and full information. For example, for ICT01, the target for 2022/23 would be better as 80% rather than 70%, with a floor target of 75% rather than 65%. Ms Kennard advised that these targets were being reviewed and Ms Gannon added that all KPIs relating to the use of technology were being reviewed this year. Members would have the

opportunity to have input into the review and be able to comment, possibly in a briefing session, which Mr Whittle said he was happy to organise;

- b) asked about a review of CS06, as the current target seemed insufficiently challenging, Mrs Beer advised that the targets for responding to calls were included in the contract with Agilisys for the Contact Point but could be reviewed. However, to answer more calls more quickly would require more resources in terms of increased staffing;
- c) with reference to GL02, responses to Freedom of Information (FOI) requests, asked if general data publishing practice was to be reviewed, Mr Watts advised that ways of locating information could be reviewed but a broader revision of practice would be complex and require resources which were not currently available. Many FOI requests were very specific and required research which it would be difficult to standardise or 'short-cut';
- d) a view was expressed that a note of the resources taken to respond to an FOI request could be included with the reply, and Mr Watts accepted this suggestion as a good addition to future practice; and
- e) one speaker asked if targets for which performance was rated green would be reviewed automatically, to make them more challenging, while another expressed the view that, if performance was consistently good and exceeding its target, there was less need to monitor it.

- 2. It was RESOLVED that Members' comments on the proposed key performance indicators and targets for 2022/23, set out above, be noted.

82. Domestic Abuse Duty 2022/23 *(Item 9)*

1. Mr Gough introduced the report and emphasised the importance of the Government funding to support local authorities to fulfil their obligations under the Domestic Abuse Act of 2021. He advised that he proposed to take a key decision to accept and allocate this funding and was seeking the committee's views, endorsement or any recommendation it wished to make. Mr Gough, Mr Whittle and Ms Annan-Veitch responded to comments and questions from the committee, including the following:-

- a) asked if the Government funding allocation would be regular or a one-off, and if it covered the full costs to the County Council of meeting its obligations, Mr Gough advised that the obligations under the Act would have no direct impact on the Council's budget. Mr Whittle added that the £3.1m allocation was the second-year payment, to cover the 2022/23 financial year, and emphasised that the first-year payment had been received late. He advised that the Council would spend up to the budget available and, if needs were identified which were beyond the scope of the grant, would lobby the Government for more funding;
- b) concern was expressed that there should be no impact on the Council's budget and Mr Gough was asked to ensure that this would indeed be the

case. Mr Whittle assured the committee that the service would not overspend its budget allocation and would lobby for more funding if necessary to ensure that this did not happen. He undertook to prepare a separate report to set out the complexity of the domestic abuse landscape and how it was addressed, for example, via partnership working;

- c) asked about how the first year's funding had been spent, and how effective this had been in addressing need, Mr Whittle undertook to include this in the report mentioned above;
- d) a view was also expressed that updates on the management and spending of the fund should be presented to the committee frequently; a quarterly report was suggested but other speakers thought this was too frequent;
- e) asked when the Domestic Abuse Local Partnership Board mentioned in the report was to be established, and how its work would be reported to the Cabinet Committee, Mr Whittle advised that Kent already had established partnership working, which had continued its work as a new strategic governance body from May 2021. He undertook to include detail about its work in the additional report mentioned previously. Ms Annan-Veitch added that the Kent and Medway Domestic Abuse Strategy had been reported to the Cabinet Committee in 2019 and was due to be reviewed in 2023; and
- f) concern was expressed by some speakers that the committee would need to be able to understand clearly how partnerships worked in practice.

2. Mr Gough thanked Members for the interest they had shown and advised that the background documents listed at the end of the report would give some context to, and additional information about, the present decision.

3. It was RESOLVED that the decision proposed to be taken by the Leader of the County Council, to:-

- a) accept £3,112,501 domestic abuse funding (2022/23) for delivery of domestic abuse support in safe accommodation duties, as defined by the Domestic Abuse Act;
- b) delegate authority to the Corporate Director of Strategic and Corporate Services, in consultation with the Leader, the Corporate Director of Adult Social Care and Health and the Corporate Director for Children, Young People and Education, to accept future years' allocations of safe accommodation funding, provided that funding were given on similar terms; and
- c) continue to delegate authority to the Corporate Director of Strategic and Corporate Services to take other necessary actions, including, but not limited to, entering into contracts or other legal agreements, as required, to implement this decision,

be endorsed; and

- d) a further report setting out how the first year's funding had been spent, the work of the Domestic Abuse Local Partnership Board and how need was identified and addressed under the Kent and Medway Domestic Abuse Strategy, be presented to a future meeting of the committee, the timing and frequency of this to be determined and advised later.

83. Decisions taken between Cabinet Committee Meetings: 22/00037 - Homes for Ukraine Scheme

(Item 10)

1. Mr Oakford introduced the report and advised that a decision by the Leader of the County Council had been required urgently. Using the Council's process for taking urgent decisions, the decision had been supported by all parties, when consulted. Members made the following comments:-

- a) the urgency and consultation process to include opposition Members was welcomed and had worked well;
- b) asked about the provision of school places for Ukrainian children at short notice, Mrs Spore advised that spaces would be allocated using the Government's Fair Access Policy, and the cost of meeting any transport, special and additional needs, for example, translators, would be covered by the Government funding allocation set out in its guidance issued on 3 May 2022; and
- c) asked about funding for work to prepare children and their families in advance of them starting school, Mrs Spore advised that this would be covered by a funding allocation to support community work, where appropriate.,

2. The Committee NOTED that Decision 22/00037, Homes for Ukraine Scheme in Kent, had been taken in accordance with sections 12.32 and 12.35 of the Council's constitution and welcomed the approach taken.

84. Work Programme 2022

(Item 11)

It was RESOLVED that the committee's planned work programme for 2022 be agreed.

From: Mr Peter Oakford, Deputy Leader
Mr Paul Cooper, Deputy Cabinet Member for Finance
Dr Lauren Sullivan, Leader of the Labour Group
Mr Paul Stepto, Leader of the Green and Independents Group
Clare Maynard, Interim Strategic Commissioner

To: Policy and Resources Cabinet Committee – 13 July 2022

Subject: Update from the Contract Management Review Group (CMRG)

Classification: Unrestricted

Summary:

An update on the work of the Contract Management Review Group (CMRG), following its re-launch on 20 June 2022, and the proposed approach going forward.

Recommendation:

Policy and Resources Cabinet Committee is asked to **note** this update.

1. Introduction

1.1 The Contract Management Review Group (CMRG) was originally convened in September 2016. On 24 March 2022, Policy and Resources Cabinet Committee noted and agreed to updated the Terms of Reference (TORs) for the Group, membership changes, and a new approach to determining contracts for review. This recognised the time elapsed since such matters had been considered.

1.2 This report provides a reminder of those new TORs and, following the first meeting of the CMRG since they were agreed, an update on the work of the Group and the proposed approach moving forward.

2. Update on Changes to Membership

The Deputy Leader previously requested that the Deputy Cabinet Member for Finance should continue to chair the CMRG. As such, the Interim Strategic Commissioner and Commissioning Standards Managers met with Mr Paul Cooper on 17 February 2022 to discuss the proposed wider membership. The Deputy Cabinet Member for Finance was keen to ensure membership was drawn from across the political spectrum and, after discussion with fellow Members, the following standing membership was agreed.

Members

- Chair – Deputy Cabinet Member for Finance – Mr Paul Cooper
- Member 1 – Labour Group Representative – Dr Lauren Sullivan
- Member 2 – Green Party Representative – Mr Paul Stepto

Officers

- Interim Strategic Commissioner
- Head of Finance Operations or Corporate Accountant
- Commissioning Standards Managers
- Commissioning Standards Programme Officer
- Commissioning and Commercial Assistant (Minutes)

For each meeting, additional invitees would be:

- Presenting Contract Manager/s (mandatory)
- Head of Service for the Contract and/or Commissioning Manager (mandatory)
- Operational Director for the Service (optional)
- Cabinet Member for the Service (optional)

3. Changes to CMRG Process and Contract Register

3.1 CMRG is a “Member-chaired forum to review strategically important contracts”. The three appointed Members met with the Commissioning Standards Managers on 13 June 2022, to agree a range of principles underpinning how the CMRG would work, in practical terms, going forward.

3.2 It was agreed that, to foster the maximum levels of engagement, communication and clarity, the forum would be held in person, where possible, with a minimum of every other meeting (bi-monthly) being face-to-face.

3.3 Members were particularly interested in ensuring that CMRG presentations draw out the lived experience of Kent residents intended to benefit from the contract reviewed, as well as focusing on the achievement of outcomes and qualitative evidence for this over a simple assessment of adherence to KPIs. Members also wish to see an increased focus on how Contract Managers are pursuing opportunities for continuous improvement to maximise value for money for Kent residents, which may include refinements to the delivery model either as part of the current contract, or after the current contract term expires.

3.4 It was also agreed that a forward plan for contracts to be presented at CMRG, including meeting dates, will be developed and agreed with appointed Members at a minimum of six-monthly intervals, but ideally up to one year in advance.

3.5 Contracts will be selected for review by reference to the new Contract Register that for the first time provides a complete oversight of the Council’s contracts. This will be made available to the appointed Members, the Interim Strategic Commissioner and the Commissioning Standards Manager who will meet to agree to the forward plan for the CMRG. Members have access to the Contract Register and can extract contracts of interest based on category, value, and proximity to end date, amongst other criteria.

3.6 The ToRs set out clear criteria on which contracts can be selected for review, including information available in the Contract Register such as value and proximity to end date. Additional considerations include complexity, risk, performance, and overall strategic importance. The Chair, in conjunction with the two appointed Members, may also request contracts of political or strategic interest, or where there are expressed concerns.

3.7 The initial forward plan of reviews for CMRG is in the process of being agreed with the appointed Members based on the above criteria.

3.8 Finally, Members were keen to emphasise the importance of drawing out the common themes and lessons learned from the reviews at CMRG. It was agreed that this will support future policy development, the adaptation of the Council’s commissioning standards, and decisions on where to focus capability initiatives. In line with the TORs, the findings from CMRG will be summarised and reported back to Policy and Resources Cabinet Committee at six monthly intervals.

4. Findings from Initial CMRG Meeting – 20 June 2022

4.1 The first meeting of the revised CMRG took place on 20 June 2022, examining the Council’s contract for the Kent Integrated Domestic Abuse Service. The principles objectives of this contract are to:

- reduce the impact of domestic abuse on families and communities within Kent, and keep people safe; and
- support survivors in coping with the immediate aftermath of abuse and empower them to recover from the long-term effects of that.

4.2 The initial term for the contract was April 2017 to March 2022, with the option for two, two-year extensions, one of which is already in place having been subject to a Key Decision. The total potential value of the contract, including possible extensions, is £18.6 million. An example of partnership working, the contract is funded and jointly commissioned by ten district councils, the Office of the Police and Crime Commissioner, and the Kent Fire and Rescue Service.

4.3 A robust discussion was held with the conclusion that the contract was well managed and appeared to be delivering its intended objectives. A point of particularly positive note was that the contract had been showcased by the Local Government Association (LGA) as a good example of integrated working.

4.4 There were several key comments, findings, and requests from Members which are summarised below:

| Comments/Findings | Action |
|---|---|
| Members reported anecdotal feedback on the service which did not necessarily reflect reported performance of the service. | The Contract Manager will invite Members to visit the service and speak to the providers. |
| Members sought reassurance on the public awareness of the service. | The Contract Manager outlined ways in which the service had been promoted. This will be explored in the above invite. |

| | |
|--|--|
| Given the volume and extent of changes to the contract, Members asked about the value for money that the contract continued to represent to the Council. | Clear reasons for the contractual changes were provided, including new requirements in legislation, and it was outlined how such changes would be considered in any re-commissioning exercise. |
| Members were keen to understand the market and the need for its development | The Contract Manager explained that providers had demonstrated strong collaboration during the pandemic and are supportive of further strengthening the market. |
| The Contract Manager reported that key learning suggested a need for future contracts/specifications to have an agreed % to sub-contract to widen the market. | |
| Members expressed an interest in how male survivors are supported by KCC. | The Contract Manager will follow-up with this information. |
| A request for numbers of service users returning to partners was made. | |
| More information was requested in feedback of users exiting the service. | |
| Members were interested to understand the trend in new referrals during Covid. | |
| The possibility of extending the remit of the contract to cover wider prevention, including addressing perpetrator behaviour and further provision to support children, was raised by Members. | This will be considered as part of future re-commissioning activity. |
| Members suggested a greater focus on highlighting and understanding links between similar Council contracts. | This will be considered at future CMRG meetings. |

5. Conclusion

5.1 Members of the CMRG have provided clear direction on the type of information required from presentations delivered at the forum, to provide assurance as to how value for money and key objectives are being delivered in each contract. This helped inform how the inaugural meeting was structured and will provide a clear focus for the CMRG and the Council's wider contract management and reporting approaches moving forward.

5.2 The initial meeting of the Group found that the reviewed contract was an example of good practice and a satisfactory benchmark against which future contracts subject to review can be measured. The actions identified will provide additional assurance and their completion will be monitored, with outcomes reported back to the Group in due course.

6. Recommendation

Policy and Resources Cabinet Committee is asked to **note** this update.

7. Contact details

Report Author/s:

Chris Wimhurst, Commissioning Standards Manager (03000 410 966)
Michael Bridger, Commissioning Standards Manager (03000 410 110)

Relevant Director/s:

Clare Maynard, Interim Strategic Commissioner (03000 416449)

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

John Betts, Interim Corporate Director of Finance

To: Policy & Resources Cabinet Committee – 13 July 2022

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

Policy and Resources Committee is asked to note the report

Contact details

Report Author(s)

- Dave Shipton (Head of Finance Policy, Planning and Strategy)
03000 419418
dave.shipton@kent.gov.uk

Relevant Corporate Director:

- John Betts
03000 410 066
John.Betts@kent.gov.uk

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Covid-19 Finance Update

| | Section | Page |
|---------------------------------|---------|------|
| Summary | 1 | 2 |
| Background | 2 | 4 |
| Schedule of Covid-19 Grants | 3 | 6 |
| Covid-19 Monitoring Return | 4 | 8 |
| KCC 2021-22 Provisional Outturn | 5 | 11 |
| Appendices | | |
| Details of Grant Allocations | A | 12 |

Relevant Director Interim Corporate Director Finance, John Betts

Report author(s) Head of Finance Policy Planning and Strategy, Dave Shipton

Classification Unrestricted

Background Documents

1. 2021-22 provisional outturn report to Cabinet
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=8902&Ver=4>
2. Covid-19 Emergency Grant announcements
<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>

1. Summary

| | |
|---|---|
| <p>£419.4m grants to KCC provided by central government to support responding to the pandemic</p> | <p>Additional grants have come from a number of departmental announcements during the year. The main emergency grant from Department for Levelling Up, Housing and Communities (DLUHC) 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).</p> <p>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). These grants have come from DLUHC, Department for Health and Social Care (DHSC), Department for Education (DfE), Department for Transport (DfT), Department for Work and Pensions (DWP) and Department for Environment, Food and Rural Affairs (DEFRA)</p> <p>£2m of specific grants have been unspent by the end of 2021-22 and will be repaid.</p> |
| <p>£27.0m additional grants since last update report to P&R</p> | <p>An additional £16.5m has been received in compensation for local tax losses and business rate reliefs.</p> <p>Further tranches of Infection Control (Omicron Support Fund) £1.5m, NHS Hospital Discharge £1.6m, Winter Support Grant £4.2m, Home to School Transport £0.4m, Bus Services (£1.5m in 2022-23), Wellbeing for Education Recovery £0.2m, and Practical Support for Self-isolation £1.1m have also been released since the last update.</p> |
| <p>Covid-19 monitoring return shows an overall surplus between grants and forecast additional spending, delayed savings, income losses and underspends in 2021-22</p> | <p>KCC submits regular monitoring returns to DLUHC. The return includes spending against the emergency grant and a number (but not all) of departmental specific grants. The latest return was submitted on 13th May 2022 based on indicative outturn information for 2021-22. DLUHC accepted that the deadline for submission meant information could not be supplied based on the final outturn. The May return showed a significant movement from previous returns with a surplus of £69.2m against the grants included in the return including £46.3m grants paid in 2020-21 rolled forward into 2021-22.</p> |
| <p>The un-ringfenced grant has been used to support a variety of Council activity across all directorates</p> | <p>Spending on adult social care includes additional demand for care packages including projects to tackle backlogs. Spending on children's services includes additional latent demand for care packages, higher cost of delayed court proceedings and additional temporary buildings due to delays on capital projects. Spending in Growth, Environment and Transport includes additional waste volumes from increased in kerbside tonnage, etc. Spending in Strategic and Corporate Services includes</p> |

increased revenue contributions to capital, Member Covid-19 grants, IT/hybrid working and social distancing measure in Council buildings.

Underspends due to the pandemic have arisen due to delayed recruitment, ongoing closures of facilities and reduced take-up of services.

KCC 2021-22
outturn report shows
spending against the
emergency grant

The emergency grant is held in a Covid-19 reserve and drawn down at year end. In 2021-22 there was £30.6m of additional spending associated with the pandemic, £4.2m income losses, and £2.2m unrealised savings. These were offset by £19.0m of underspends leaving net spend of £18.0m to be funded from the reserve. The opening balance on the reserve was £71.7m leaving a residual balance of £53.7m to carry into 2022-23. Commitments of £38.8m have already been identified leaving £14.9m for any emerging spend and income losses.

2. Background

2.1 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 Autumn 2021 Budget identified that the government has provided an additional £15.9bn to help local authorities in England respond to the impacts of Covid-19 in 2020-21 from DLUHC. This is in addition to £1.6bn made available in 2019-20. A further £9.8bn has been provided from DLUHC in 2021-22 taking the total support provided to local authorities to over £27bn since March 2020. This does not include specific grants from other government departments as the amounts made available to local authorities were not separately identified in the statement.

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 DLUHC 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 the Department 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 assumed that ring-fenced grants which were not spent in full in 2020-21 would roll forward to 2021-22. There was no facility in the latest return to show rollover in 2022-23.

2.6 The 2021-22 budget was approved by County Council on 11th February 2021. This included additional spending associated with the Covid-19 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 (one-offs for Covid-19), 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 The 2022-23 budget was approved by County Council on 10th February 2022. The 2022-23 budget did not include any Covid-19 emergency grant but did include compensation for Covid-19 business rates reliefs, write-off of local tax collection deficits from 202-21 over three years together with the there-year spread of compensation grants for irrecoverable losses.

2.8 A specific Covid-19 reserve was created as part of 2020-21 outturn from unspent grant (excluding amounts rolled forward for specific approved programmes and projects).

2.9 Local tax collection was significantly disrupted due to the pandemic and economic recession. Kent districts estimated some of the largest Council Tax losses among all County Councils in 2020-21. This was reflected in a 1.04% reduction in the 2021-22 tax base for the Council Tax precept (representing £7.8m less Council tax for the 2021-22 budget compared to 2020-21) and an estimated collection fund deficit of £13.9m. A local Council Tax support grant was provided as part of the 2021-22 settlement amounting to £14.3m as a well a £7.0m grant to partially compensate for irrecoverable losses on collection.

3. Schedule of Covid-19 Grants

3.1 Table 1 shows the latest amounts allocated from all the various grants provided by government departments in response to the pandemic. The table also shows the amounts where grant was unspent at the end of the year.

Table 1 – Covid-19 Grants

| | National | KCC | | | | | TOTAL | Repayment |
|---|-----------------|------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | £m | allocation £m | 2019-20 £m | 2020-21 £m | 2021-22 £m | 2022-23 £m | | |
| Unringfenced Grants | | | | | | | | |
| Emergency Grant | 6,157.0 | 127.3 | 39.0 | 55.9 | 32.4 | | 127.3 | 0.0 |
| Compensation for irrecoverable tax losses | 800.6 | 7.0 | | 7.0 | 0.0 | | 7.0 | 0.0 |
| Compensation for Covid related Business Rate reliefs | 14,191.8 | 42.1 | | 25.6 | 16.5 | | 42.1 | 0.0 |
| Council Tax Support | 670.0 | 14.3 | | | 14.3 | | 14.3 | 0.0 |
| Loss of Sales, Fees & Charges - tranche 1-4* | 1,535.0 | 10.5 | | 11.3 | -0.8 | | 10.5 | 0.0 |
| | 23,354.4 | 201.3 | 39.0 | 99.8 | 62.4 | 0.0 | 201.3 | 0.0 |
| <i>* the 2020-21 accounts included an estimate of compensation for the period Nov - Mar. The estimate was too high, hence a reduction is now showing in 2021-22, which has been partially offset by compensation for Q1 of 2021-22.</i> | | | | | | | | |
| Social Care Grants | | | | | | | | |
| Infection Control | 1,788.0 | 54.9 | | 34.8 | 19.1 | | 53.9 | 1.0 |
| Rapid testing/Vaccines | 547.9 | 16.8 | | 4.7 | 11.7 | | 16.4 | 0.4 |
| Workforce capacity/recruitment & retention | 582.5 | 15.0 | | 3.1 | 11.8 | | 14.9 | 0.1 |
| NHS Hospital Discharge | N/A | 13.6 | | 10.6 | 3.0 | | 13.6 | 0.0 |
| | 2,918.4 | 100.2 | 0.0 | 53.2 | 45.6 | 0.0 | 98.7 | 1.5 |
| Public Health Grants | | | | | | | | |
| Contain Outbreak Management | 1,817.1 | 48.1 | | 8.4 | 39.2 | 0.5 | 48.1 | 0.0 |
| Test & Trace | 300.0 | 6.3 | | 1.3 | 2.7 | 2.3 | 6.3 | 0.0 |
| Clinically Extremely Vulnerable | 175.3 | 5.0 | | 4.6 | 0.4 | | 5.0 | |
| Asymptomatic Community Testing | N/A | 12.3 | | 7.2 | 5.1 | | 12.3 | 0.0 |
| | 2,292.4 | 71.7 | 0.0 | 21.6 | 47.3 | 2.8 | 71.7 | -0.0 |
| Other Grants | | | | | | | | |
| Winter Support | 429.1 | 11.4 | | 4.5 | 6.9 | | 11.4 | -0.0 |
| Emergency Assistance for Food & Essential Supplies | 63.0 | 1.7 | | 1.7 | | | 1.7 | -0.0 |
| School & College Transport capacity funding | 145.1 | 6.7 | | 4.2 | 2.4 | | 6.6 | 0.1 |
| Bus Services | 279.6 | 8.7 | | 4.9 | 2.3 | 1.5 | 8.7 | 0.0 |
| Targeted Support for UASC | 6.0 | 0.8 | | 0.8 | | | 0.8 | -0.0 |
| Household Support Fund | 421.0 | 11.1 | | | 9.2 | 1.9 | 11.1 | -0.0 |
| Other | 173.8 | 5.7 | | 1.8 | 3.8 | -0.4 | 5.2 | 0.4 |
| Other - reclaim of costs | N/A | 0.1 | | 0.1 | 0.0 | | 0.1 | -0.0 |
| | 1,517.6 | 46.2 | 0.0 | 18.0 | 24.6 | 3.0 | 45.6 | 0.5 |
| TOTAL | 30,082.7 | 419.4 | 39.0 | 192.5 | 179.9 | 5.8 | 417.3 | 2.0 |

3.2 At this stage we have assumed that grants made on claim are fully taken up. When the claims are reviewed there may be some variances to report and repay in 2022-23 e.g. Practical Support for Self Isolation. Similarly other unspent grants where a receipt in advance has been set up in 2021-22 accounts may not be fully spent in 2022-23 leading to further repayments.

3.3 Additional grants have been announced since the last Covid-19 update including:

- Compensation for business rates reliefs. This includes the final compensation for Covid-19 reliefs in 2020-21 based on actual cost, the extension of

mandatory reliefs in 2021-22 and additional relief fund for 2021-22. In total these amount to £16.5m. The amount (£11.9m) for the extension of reliefs in 2021-22 was included in 2022-23 budget as drawdown from reserve to offset the impact on collection fund balances on upper tier authorities.

- Additional tranche of Infection Prevention and Control through Omicron Support Fund. KCC's share is £1.5m
- Further tranche of Local Support Grant (winter support) for June to September of £4.2m taking the total for 2021-22 to £6.9m
- An increase in tranche 3 of the NHS hospital discharge taking the total for 2021-22 to £3.0m
- Further tranches of grant for home to school transport of £0.4m taking the total for 2021-22 to £2.4m
- Extension of Bus Services support until October 2022 with £1.5m of grant due in 2022-23
- Further tranche of Wellbeing for Education Recovery of £0.2m in 2021-22
- Further tranche of Practical Support for Self Isolation covering October 2021 to February 2022 of £1.1m, increasing the total allocation for 2021-22 to £3.7m although as already indicated the final claim may be less.

3.4 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 additional grants since the last Covid-19 grants have been highlighted in Appendix A.

3.5 The Household Support Fund has been extended in 2022-23 to help older residents, families with children and other vulnerable families with the cost of living due to higher inflation (particularly energy and food). However, this extension is unrelated to Covid-19 pandemic and not covered in this report.

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

- Emergency Covid-19 Grant
- 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)

3.7 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.

4. Covid-19 Monitoring Returns

Covid-19 Monitoring – Key Numbers from May 2022 Submission

| | |
|----------------|---|
| £32.4m | Un-ringfenced emergency grant funding |
| £44.7m | Public Health ring-fenced grants (Outbreak Management, Test & Trace) |
| £43.3m | Social Care ring-fenced grants (Care Homes Infection Control, Rapid Testing, Workforce Recruitment & Retention) |
| £13.0m | Other ring-fenced grants (Clinically Extremely Vulnerable, Winter Support, Home to School Transport) |
| £3.1m | Hospital discharge |
| £46.3m | Surplus from 2020-21 |
| £182.8m | Net funding available |
| £106.6m | Forecast additional spending (including spending from ring-fenced grants) |
| £7.0m | Forecast loss of income |
| £113.6m | Total change in KCC spend and income |
| £69.2m | Net Surplus |

4.1 The latest MHCLG returns only include the impact of Covid-19 in the current financial year (2021-22) with previous years now closed. The most recent return for May 2022 includes actual spending and income losses recorded on the Covid-19 monitoring system. The return was submitted before the outturn for 2021-22 was finalised and thus includes some minor differences from the final outturn.

4.2 The final return for 2020-21 showed a surplus of un-ringfenced grant (after carry forward of unspent ring-fenced grants) of £46.3m, this has been carried forward for comparison purposes. Overall, across 2019-20 to 2021-22 shows that after the carry forward of the surplus from 2020-21 the additional Covid-19 grants are significantly more than the additional actual/forecast costs including delayed savings and income losses leaving a forecast net surplus of £69.2m from the un-ringfenced emergency grant and specific grants. This comprises £54.3m from the emergency grant and £14.9m from specific grants.

4.3 The main areas of additional spending in 2021-22 include the following:

- Adult social care – additional demand for care including placements and assessment costs for clients discharged from hospitals, market sustainability for care providers (including infection control) and PPE/rapid testing costs
- Children’s services – forecast latent demand for care placements and complexity due to the impact on vulnerable families from sustained lockdown and court delays
- Education – market sustainability payments to home to school transport providers, additional temporary school accommodation and Reconnect programme
- Public transport – market sustainability for transport providers
- Public Health – spending on Contain Outbreak Management, Test & Trace, Clinically Extremely Vulnerable and Winter Support
- Environment – waste management through increased kerbside tonnage

4.4 Main income losses come from sales, fees and charges (Kent Travel Saver, Registration and libraries, and adult social care day centres), and investment income.

4.5 Table 2 shows the amounts received from the un-ringfenced emergency grants spread over the years and the amount of spending/delayed savings and income losses. Essentially, the spend and income losses against non-ringfenced grants is the spend that the Council decides.

Table 2 – Split of spend/income from un-ringfenced emergency grant

| | Total | 2021-22 | 2019-20 & 2020-21 |
|-----------------------------------|---------|---------|-------------------|
| | £m | £m | £m |
| Emergency Grant Funding | 127.316 | 32.357 | 94.959 |
| Spend Funded from Emergency Grant | 45.611 | 17.431 | 28.180 |
| Loss of Income* | 27.414 | 6.974 | 20.440 |
| Surplus / (Shortfall) | 54.291 | 7.952 | 46.340 |

* income losses include sales, fees and charges which must be reported in the DLUHC return although losses can be partially compensated by the separate grant made by claim as shown in table 1

4.6 Table 3 shows the amounts received from the specific ring-fenced grants which have to be reported in the DLUHC return. Not all of the specific grants shown in table 1 are reported in the return.

Table 3 – Specific Grants

| | Grant Funding | 2021-22 Spend | 2020-21 Spend | Surplus / (Shortfall) |
|-----------------------------------|---------------|---------------|---------------|-----------------------|
| | £m | £m | £m | £m |
| Contain Outbreak Management | 48.115 | 31.971 | 8.434 | 7.710 |
| Test & Trace | 6.311 | 2.703 | 1.309 | 2.300 |
| Infection Control | 54.940 | 19.093 | 34.831 | 1.016 |
| Rapid Testing | 16.011 | 11.126 | 4.686 | 0.199 |
| Workforce Recruitment & Retention | 14.962 | 11.881 | 3.082 | -0.002 |
| Clinically Extremely Vulnerable | 5.002 | 0.000 | 1.399 | 3.603 |
| Winter Support | 11.369 | 6.899 | 4.470 | 0.000 |
| Food and Essential Supplies | 1.669 | | 1.669 | |
| Home to School Transport | 6.739 | 2.403 | 4.214 | 0.121 |
| Active Travel | 0.470 | | 0.470 | |
| Hospital Discharge | 8.490 | 3.057 | 5.433 | 0.000 |
| Ring-fenced grant and spend | 174.078 | 89.134 | 69.997 | 14.948 |

4.7 Table 4 provides a breakdown of the additional spending between the main service areas including the amounts funded from specific grants. Additional spending in adult social care includes additional demand for care packages related to the pandemic, additional support to social care providers, workforce pressures, procurement of personal protective equipment (PPE), and investment in telecare. Children's services include additional residential care related to the pandemic, special educational needs, adaptations to school accommodation and mobile

classrooms, Environment and Regulatory includes mortuary accommodation and additional demand for waste services.

Table 4 – Total spending by service area (including ringfenced spending)

| | Total | 2021-22 | | 2019-20 & 2020-21 | |
|--------------------------|---------|---------|-------------------------|-------------------|-------------------------|
| | | Spend | of which specific grant | Spend | of which specific grant |
| | £m | £m | | £m | |
| Adult Social Care | 110.086 | 46.974 | 45.158 | 63.112 | 48.031 |
| Children's Services | 12.910 | 8.253 | 2.403 | 4.657 | 4.214 |
| Highways & Transport | -4.167 | -4.167 | | 0.000 | 0.470 |
| Public Health | 57.704 | 41.604 | 41.573 | 16.100 | 17.281 |
| Environment & Regulatory | 8.937 | 3.653 | | 5.284 | |
| IT & Remote Working | 3.438 | 0.404 | | 3.034 | |
| Delayed Savings | 6.229 | 2.100 | | 4.129 | |
| Other | 9.603 | 7.743 | | 1.860 | |
| | 204.741 | 106.565 | 89.134 | 98.176 | 69.997 |

5. KCC 2021-22 Provisional Outturn

5.1 The provisional outturn report was reported to Cabinet on 23rd June. The report included a section outlining the spending from the Covid-19 reserve. The reserve only covers spending from the Covid-19 un-ringfenced emergency grant. Spending from ring-fenced departmental grants is netted off by grant income. The outturn was finalised after the May 2022 DLUHC monitoring return and as a result includes some slight differences due to timing and treatment of year-end creditors and debtors. The DLUHC monitoring return does not include any monitoring on expenditure and income losses rephased into 2022-23.

5.2 The Covid-19 reserve prior to drawdown amounted to £71.718m. The final outturn identified additional spending and unrealised savings of £32.790m less underspends due to the pandemic of £18.960m leaving nett additional spending of £13.830m. A little less than the DLUHC monitoring due to timing differences and year-end adjustments that could not be reflected in the DLUHC return (largely the provisions for repayment of specific grants). The final outturn showed loss of income of £4.160m, again less than the DLUHC returns for similar reasons. The overall impact of additional spending, unrealised savings, underspends and loss of income resulted in a net drawdown from the Covid-19 reserve of £17.990m, leaving a balance of £53.728m to roll into 2022-23 (very close to the amount identified in DLUHC monitoring return).

5.3 Commitments identified against the reserve in 2022-23 amount to £38.782m for ongoing programmes under the Helping Hands scheme, Children's Reconnect programme, Contain Outbreak Management, market sustainability and other grant roll forwards. This leaves a balance of just under £15m for any residual issues associated with the pandemic.

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Details of Grant Allocations (allocations since last report highlighted yellow, repayments highlighted in green)

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 Tranche1 £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 and 2021-22 accounts based on the county Council's share of business rates from business rates estimates returns (NNDR1). The grant includes a reconciliation of 2020-21 based on the final business rates returns (NNDR3).

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% was paid in May with a second instalment based on outturn data paid in March.

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 was 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 and first quarter of 2021-22.

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). In the 2020-21 accounts £0.724m was treated as a receipt in advance and rolled forward into 2021-22 leaving a net £18.154m accounted for in 2020-21. The receipt in advance from tranche 1 has been repaid.

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 and £0.009m transfer leaves a total of £34.798 m in 2020-21 as per table 1. £0.092m from tranche 2 was unspent and is to be repaid.

Tranche 3 £0.2025bn – March 2021 (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.

The 70% made via direct allocations is intended to be passed on to 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 £6.176m (3.05% of the total). £0.198m from tranche 3 is unspent and is to be repaid.

Tranche 4 £0.1425bn – July 2021

This tranche represents an extension of funding until September 2021 and is allocated via the same formula as tranche 3 with the same expectations to pass on funding to providers.

KCC's allocation for tranche 4 £4.393m (3.08% of the total).

Tranche 5 £0.237bn – October 2021

This tranche represents an extension of funding until March 2022 and is allocated via the same formula as tranche 3 with the same expectations to pass on funding to providers.

KCC's allocation for tranche 5 £7.275m (3.07% of the total).

Omicron Support Fund £0.06bn – January 2022

New grant announcement following the further pressures arising from the Omicron variant. The purpose of this fund is to support the adult social care sector with measures already covered by the infection prevention and control (IPC) allocation of the Infection Control and Testing Fund (round 3) to reduce the rate of COVID-19 transmission within and between care settings.

Additionally, this funding may also be used to increase ventilation in care homes, and to enhance local authorities' current direct payment offer particularly when the only way a person's care needs can be met is by a friend or family member, or to enhance support for carers.

It may also be used to pay for temporary staffing to cover increased staff absence caused by COVID-19 and maintain staffing levels and workforce capacity.

KCC's allocation is £1.541m (2.57% of the total)

This together with tranches 3, 4 and 5 of Infection Control Grant (and repayment of unspent amounts from tranches 2 and 3) results in a total of £19.095m 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) in 2020-21 as per table 1. £0.071k of tranche 1 is unspent and is to be repaid

Tranche 2 £0.139bn – March 2021 (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). £0.292m of tranche 2 is unspent and is to be repaid.

Tranche 3 £0.1088bn – July 2021

This tranche represents an extension of funding until September 2021 and is allocated via a revised formula with 70% 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. This element should be passed on to providers.

30% discretionary element is allocated on the basis of users supported by community care providers.

KCC's allocation for tranche 3 is £3.330m (3.06% of the total).

Tranche 4 £0.1263bn – October 2021

This tranche represents an extension of funding until March 2022 and is allocated via the same formula as tranche 3 with the same expectations to pass on funding to providers.

KCC's allocation for tranche 4 is £3.852m (3.05% of the total).

Care Workers Access to Vaccines Fund £0.025bn – October 2021

This was a new element added as part of the extension of Infection Control and Rapid Testing in October 2021 to support care providers and social care staff with the costs associated with accessing COVID-19 and flu vaccinations.

35% 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. 35% is allocated on the basis of users supported by community care providers. As with Infection Control and Rapid Testing this 70% direct element should be passed directly to 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 £0.743m (3.0% of the total).

This allocation together with tranches 2, 3 and 4 of the Rapid Testing Fund (less repayments of tranches 1 and 2) make up the £11.705m in 2021-22 as per 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

KCC's allocation is £3.082m (2.57% of the total) and is shown in 2020-21 as per table 1. £0.103m is unspent and is to be repaid

This funding enable 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.

Workforce Recruitment & Retention Fund Round 1 £0.1625bn – October 2021

This grant is intended to support local authorities and social care providers to recruit and retain sufficient staff over winter, and support growth and sustain existing workforce capacity.

Councils are expected to work closely with their provider partners to think innovatively about the measures they put in place individually and collectively, including passporting funding directly to providers where appropriate. It will be important to retain existing staff capacity as well as encourage new and returning entrants.

This is a new grant, separate to the third Infection Control and Testing Fund, which will further help the care sector respond to the challenges posed by winter pressures and will be paid to local authorities in England.

The grant is ring-fenced and will be paid in 2 instalments to local authorities, £97.5 million (60%) in November 2021 and the second instalment worth £65 million (40%) in January 2022 subject to competing a return to the Department of Health and Social Care by 14 January 2022. It is expected the grant will be spent in full by 31 March 2022.

The distribution of this grant to local authorities is based on the standard adult social care relative needs formula (RNF), KCC's share is £4.174m (2.57% of the total)

Workforce Recruitment & Retention Fund Round 2 £0.300bn – December 2021

Additional allocation to address staffing concerns. This allocation can be used to increase pay or staff capacity. Detailed allocations have not been announced but we have estimated KCC's share as £7.705m based on the same 2.57% share of the national total.

The two allocations of the workforce recruitment and retention fund (less the amount to be repaid from Workforce Capacity fund) amount to £11.777m 2021-22 as 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 was treated as a receipt in advance in 2020-21 and rolled forward into 2021-22 leaving a net £1.309m accounted for in 2020-21 in table 1. £2.292m remains unspent at the end of 2021-22 reducing the spend for the year to £2.711m in 2021-22 and £2.292m rolled forward into 2022-23.

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 31st March 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 was treated as a receipt in advance in 2020-21 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 20th June 2021

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

Local Support Grant (Winter Scheme extension)

Tranche 3 £0.040bn – February 2021 (paid in April 2021)

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

KCC's allocation is £1.060m (2.65% of the total).

Tranche 4 £0.160bn – June 2021

The scheme has been extended to reflect the rollout of the roadmap to recovery from 21st June 2021 to 30th September

KCC's allocation is £4.239m (2.65% of the total)

Tranches 2, 3 and 4 and the receipt in advance from tranche 1 leaves a total of £6.899m 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 £0.0327bn – 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 (2.72% of the total)

Tranche 2 £0.0088bn – December 2020

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

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

Tranche 3 £0.0317bn – January 2021

Allocated to upper tier Councils (county Councils and single tier authorities) on updated CEV patient count

KCC's allocation is £0.900m (2.84% of the total)

Tranche 4 £0.0408bn – February 2021

Allocated to upper tier Councils (county Councils and single tier authorities) on updated CEV patient count

KCC's allocation is £1.104m (2.70% of the total)

Tranche 5 £0.0613bn – March 2021

Allocated to upper tier Councils (county Councils and single tier authorities) on updated CEV patient count

KCC's allocation is £1.601m (2.61% of the total)

Total for CEV for 2020-21 is £5.003m as shown in table 1. £0.379m is 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). £8.434m was spent in 2020-21 (as shown in table 1) with the balance £4.219m rolled forward into 2021-22

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 was 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 £0400bn – March 2021 (paid in April 2021)

A further £400 million was 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.

The £4.219m rollover from November plus rollover of £27.112m from December to March payments plus the £8.350m for 2021-22 less £0.524m rollover into 2022-23 makes up the total of £39.157m shown in 2021-22 in table 1

11. 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 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 per test is set at a maximum of £14, for all local authorities participating in the Community Testing Programme, however up to £6 of materials per test can be sourced from centrally procured arrangements in place. This funding per test 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.

KCC's estimated share of tranche 1 was £2.1m based on the number of tests anticipated be delivered across 24 sites

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.

KCC's estimated share of tranche 2 was £4.2m. In addition to the first two tranches of estimated income a debtor for £0.893m was set up in the final accounts for 2020-21 based on further estimated income. This takes the total estimated funding for 2020-21 to £7.193m as shown in table 1.

The scheme has been extended until end of October 2021. The estimated income for 2021-22 is £5.617m (including a debtor of £0.637m for income not yet received) less £0.893m reversal of 2020-21 debtor (of which only £0.335m was received) leaving a net £5.060m as shown in table 1.

12. 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 £0.0274bn – November 2020

Extension for second half of autumn term

KCC's share £1.057m

Tranche 3 £0.0271bn – February 2021

Extension to March 2021 for first half of spring term

KCC's Share £1.928m

Tranche 4 £0.010bn – March 2021 Additional top-up for second half of Spring term

KCC did not receive any funding from tranche 4

KCC's total for tranches 1 to 3 in 2020-21 was £4.528m. 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 5 £0.020bn – April 2021

Extension for first half of summer term.

KCC's share £0.869m

Tranche 6 £0.007bn – June 2021

Extension for second half of summer term to 25th June

KCC's share £0.852m

Tranche 7 £0.010bn – August 2021

Extension for second half of summer term to end of term

KCC's share £0.490m

This takes the total for 2021-22 to £2.403m including the £0.314m receipt in advance rolled forward from 2020-21 less £0.121m unspent and is to be repaid in 2022-23

13. Covid Bus Services Operators Grant

An 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 was £0.723m.

A separate restart grant to support bus operators has been allocated in tranches:

Tranche 1 - £0.620m

Tranche 2 - £0.718m

Tranche 3 - £0.856m

Tranche 4 - £0.856m

At the end of 2020-21 debtors were set up for tranche 5 (£0.915m) and tranche 6 (£0.227m). These together with BSOG and earlier tranches of the restart grant took the total for 2020-21 to £4.916m as shown in table 1.

The tranches for 2021-22 include

Tranche 5 - £0.915m} offset by

Tranche 6 - £0.227m} debtor reversal

Tranche 7 - £0.568m

Tranche 8 - £0.753m

Tranches 7 and 8 amount to £1.321m for 2022-23 as shown in table 1

A further tranche of £1.540m is expected for 2022-23 to extend support up to October 2022.

14. 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.

15. Household Support Fund

£0.421bn – September 2021

In September 2021 the government announced that vulnerable households across the country will be able to access a new £500m support fund to help them with essentials over the winter. This funding covers the period 6 October 2021 to 31 March 2022 inclusive. £421m has been made available to County Councils and Unitary Authorities in England to support those most in need this winter during the final stages of economic recovery.

Local authorities have discretion on exactly how this funding is used within the scope set out in guidance and Grant Determination conditions. The expectation is that the grant should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.

The grant should be spent or committed before 31 March 2022 and cannot be rolled forward. This includes payments made, or committed to, by the Authority or any person acting on behalf of the Authority, from 06 October 2021 to 31 March 2022. For example, this would allow any vouchers issued before the end of the funding period to be redeemed in April 2022. All authorities are encouraged to ensure that any vouchers issued are redeemed before the end of the scheme, or shortly thereafter, or consider recycling unused vouchers

Local authorities should develop a 'local eligibility framework and approach' to enable them to distribute grant funding that best supports households most in need. At least 50% of the funding is for vulnerable households with children. The remainder of the funding (up to 50%) is available for vulnerable households without children (including individuals).

Local authorities have flexibility to develop a local delivery approach that best fits the scheme's objectives. Where Authorities choose to work with multiple organisations to

provide a local delivery network or where Authorities engage with District Councils to deliver this grant on their behalf, detailed arrangements and funding should be made available to those organisations as soon as possible so that support for vulnerable households can be provided as soon as is practically possible.

County Councils are expected to work collaboratively with District Councils and other organisations in their area who may come into contact with those households who are eligible and would benefit from this grant. Authorities that do not have the mechanisms in place to administer this grant should consider whether District Councils are better placed to do so on their behalf. If Authorities decide to engage with District Councils in this way they are encouraged to do so as quickly as possible to ensure roles, responsibilities and effective arrangements are put in place to deliver the scheme promptly and efficiently. Where Authorities are working with Third Party Organisations (TPOs), this should be done on an objectively fair, transparent and non-discriminatory basis, having regard to the time available to deliver the scheme.

Local authorities are required to make two Statements of Grant Usage and management information (MI) to the Department for Work and Pensions (DWP). An interim MI return is required by 21 January 2022 for spend for the period 6 October 2021 to 31 December 2021. The interim MI return will be used to determine eligible spend to 31 December 2021 and an interim grant payment will be made to for this period when the information in the return has been verified.

A final MI return is required showing total spend from 6 October 2021 to 31 March 2022 by 22 April 2022. The final MI return will be used to determine total eligible spend to 31 March 2022 and a final grant payment will be made for this period when the information in the return has been verified.

Household Support Fund is ring-fenced. KCC's notional share is £11.065m (2.63% of national total). Of this £1.903m has been rolled into 2022-23, leaving £9.162m spending in 2021-22.

The household support fund has been extended into 2022-23 in response to increased inflation and cost of living crisis, however, this is unrelated to Covid-19.

16. Practical Support for Self-Isolation

£12.9m per month March 2021 to June 2021

Funding to allow Councils to provide financial support and to design and deliver bespoke interventions to support their local communities to self-isolate successfully when instructed to do so.

The amount above is the overall funding allocation that is divided and distributed amongst Upper-Tier Local Authorities according to COVID-19 relative needs formula

Practical support funding can only be used to deliver practical, social and emotional support to people who are self-isolating as positive cases or close contacts. This funding cannot be used to deliver financial support.

KCC's share is £0.341m per month (2.65% of the total) for the period March 2021 to June 2021 totalling £1.365m

£15.6m per month July 2021 to September 2021

KCC's share is £0.412m per month (2.65% of the total) for the period July to September totalling £1.237m

£8.1m per month October 2021 to February 2022

KCC's share is £0.214m per month (2.65% of the total) for the period October to February totalling £1.070m

A total of £3.672m for this grant is shown in 2021-22 under the "other" line in table 1.

We are anticipating that the equivalent of two month's of the third tranche (£0.428m) will be unspent and have to be repaid in 2022-23. This has been reflected in table 1.

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

John Betts, Interim Corporate Director of Finance

To: Policy & Resources Cabinet Committee 13th July 2022

Subject: Budget Consultation Process

Classification: Unrestricted

Summary:

This report provides an overview of this year's budget consultation process with residents, businesses, voluntary and community groups and other interested parties.

Recommendations:

Policy and Resources Cabinet Committee is asked to comment on the process of this year's budget consultation as set out in this report.

1 Background

1.1 The Constitution sets out a requirement for the Council to undertake sufficient internal and external consultation on the annual budget and medium-term financial plan proposals. The external consultation has included a very broad public consultation on the overall budget strategy. In the past we have undertaken both quantitative and qualitative research through budget surveys, workshops, and focus groups. The strategy consultation has not sought views on individual aspects of the budget other than Council Tax. Detailed consultation on individual aspects of the budget is undertaken by services. The consultation culminates with the opportunity for Cabinet Committees to scrutinise the final draft budget proposals and make recommendations on them.

1.2 In recent years, the strategic consultation questions have focused on three key areas.

- Area 1 - Spending priority/Spending reduction – we have provided a list of the 14 main front line service areas and asked respondents to prioritise where we should be spending additional investment or focussing on spending reductions.
- Area 2 – Council Tax – we have asked for views on increases to Council Tax, both the general increase and the adult social care levy.
- Area 3 – Doing things differently – we have asked for views on generic areas, where we are proposing a different approach to service delivery e.g., greater automation or reducing the number of buildings we operate from.

1.3 A link to the 2022-23 Budget Consultation webpage, where all documents including the final report can be found, is located in the background document section at the end of this report.

2 The Budget Consultation Process

2.1 Staff in Finance have already started planning, with colleagues within the Engagement and Consultation team, for this year's strategic budget consultation. This plan takes into consideration other planned consultation activities within the Council as well as being able to report on key messages from the consultation ahead of the publication of the draft budget proposals in late December 2022/early January 2023.

2.2 The plan is to launch a strategic consultation later this month before school holidays commence. The consultation is planned to run for seven weeks and will close in early September 2022. A media release will be produced to accompany the launch of the consultation.

2.3 The consultation will, like in recent years, be online based through the Council's engagement website "Let's Talk Kent". It will be promoted through KCC's social media channels (Facebook, Twitter, Instagram, LinkedIn and Next Door) with paid adverts on Facebook to help extend the reach of the consultation. Promotional posters and postcards will also be available in some of our community buildings e.g., libraries, Gateways and Country Park visitor centres. Hard copies and alternative formats will be available and publicised through the media release, posters and postcards, with a telephone number, Text Relay facility and email address.

2.4 The consultation will be promoted through email to a range of voluntary and community sector organisations, business networks, the Kent Association for Local Councils, and over 5,000 people who have signed up to KCC's engagement platform and expressed an interest in hearing about consultations regarding budget and finance and general interest. It will also feature in the residents' e-newsletter. We intend to engage with the voluntary sector through existing forums or to re-establish a budget specific discussion with the sector.

2.5 We will be seeking the assistance from Healthwatch Kent to promote the consultation through its various forums.

2.6 We will engage with both staff and trade unions as part of the consultation. Staff engagement will be through the promotion of the consultation through internal communication activity, and meetings with the trade unions are currently being arranged.

2.7 It is proposed that the consultation will consist of the following documents, which will all be available on the launch day on the consultation webpage.

- A background document setting out the context of the financial challenges facing the Council. This year the impact of rising inflation on the budget will be a key part of this context, as will the continuing impact on demand for our services. We intend to provide a high-level analysis setting out the estimated

scale of the challenge. In the absence of an indicative settlement from central government this will be based upon our assumptions for grant settlement and Council Tax referendum principles using evidence from the Autumn 2021 Spending review. This showed the only additional resources for the local government sector as a whole in 2023-24 (other than grant to implement the social care funding reforms) coming from Council Tax and retained business rates

- A questionnaire with consultation questions. The intention is to have a shorter set of questions this year, with the focus being on Council Tax. It is believed that a shorter questionnaire, taking less time to complete, may result in a greater number of responses. The questionnaire will also include optional questions about the respondent so that we can analyse response from particular social groups, as part of our equality impact assessment.
- Alongside the questionnaire we will use a “Virtual Ideas” board to provide the opportunity for people to feedback on their preferred method of working smarter or making savings, by liking our ideas or suggesting their own or liking or commenting on others. This feature aims to provide a fresh and engaging way for people to provide their feedback.
- An initial equality impact assessment on the budget strategy.

2.8 A report summarising the consultation responses and its key messages will be produced shortly after the consultation closes. The report will be published on the consultation webpage. This report will accompany the draft budget proposals which will be presented to all Cabinet Committees, including the Scrutiny Committee in January 2023.

3 Recommendations

Policy and Resources Cabinet Committee is asked to comment on the process of this year’s budget consultation as set out in this report.

4 Background Documents

KCC’s 2022-23 Budget Consultation webpage
<https://www.kent.gov.uk/about-the-council/finance-and-budget>

5 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 – 13th July 2022

Subject: Construction Consultancy Services Framework Commission - Update

Classification: Unrestricted

Previous Pathway of Paper: Not applicable

Future Pathway of Paper: For Cabinet Member decision

Electoral Division: Countywide

Summary: The Council's Consultancy Framework for appointment of specialist consultancy services, relating to construction works, expired in June 2020. Since then, the appointment of such services has been conducted on a project-by-project basis, tendered, with 3-quotes, or direct award procurements in-line with Spending the Council's Money Policy and Public Contract Regulations 2015 (where applicable).

This current method of procuring consultancy services is time consuming and resource intensive and requires a more efficient approach. In addition, we need a Consultancy Services Framework that aligns to the new Construction Partnership Framework and the proposed Minor Works Framework.

A new delivery model is required to allow future consultancy appointments to be procured expediently and efficiently, using pre-agreed (tendered) rates to support the Construction works appointed through the Construction Partnership Framework and the proposed Minor Works Framework.

Three options have been considered before outlining the recommended approach to the Construction Consultancy Framework model.

Anticipated spend will be over £1m and this proposal will require a Key Decision, currently planned for late 2022/early 2023.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **Note** the proposal, the preferred option, and the procurement programme.

1. Introduction

- 1.1 Kent County Council (KCC) had been using consultancy services for the Capital Delivery programme for several years. The consultants would undertake a range of services including mechanical and electrical engineering, structural engineering, architectural services, construction

design and management (CDM) services and cost control. The provision of programme and project management is predominantly delivered in-house.

- 1.2 The Framework expired in June 2020 and procurement of such services since then have been conducted on a project-by-project basis, tendered, with 3-quotes or direct award in-line with Spending the Council's Money Policy, and Public Contract Regulations 2015.
- 1.3 Since the expiry of the previous Consultancy Framework, KCC have appointed in excess of 80 separate consultancy services (the majority being quantity surveying) via the following routes:
 - Contract novation from Gen2 Property Ltd
 - Competitive 3-quote process
 - Direct award via national frameworks.
- 1.4 In addition, since April 2021, there have been over 400 minor works schemes let through the Amey and Skanska Total Facilities Management (TFM) contracts. Each of these schemes required consultancy services that were undertaken via the TFM Contractor. Going forwards these works will be procured through the proposed Minor Works Framework and as such will require consultancy services to also be procured through the recommended Consultancy Services Framework.
- 1.5 The number of consultancy appointments is therefore expected to be significant over the term of the framework.
- 1.6 This report recommends that we undertake a procurement exercise to create a Construction Consultancy Services Framework, returning to the Policy and Resources Cabinet Committee for a Key Decision in late 2022/early 2023.

2. Delivery Options

- 2.1. Three options for the future provision of these services have been considered, as set out below.

2.1.1. ***Option 1 - Insource of consultancy provision (not recommended option)***

The following would need to be considered:

Resources

- Defined organisational structures will need to be created to determine who the team would report to and the numbers and grades of people that would be required. This would take considerable time in getting a new structure planned and approved.
- A recruitment campaign would need to be undertaken to obtain a pool of technically qualified professionals who could not only manage the pipeline but also allow cover for other aspects such as, annual leave and sick leave.

- There is a current shortage of supply of skilled labour following the recovery from the COVID-19 pandemic due to the increase in workload and recruitment may not be successful.
- Demand and salaries have increased and KCC would face challenges to retain staff based on the salaries being offered. This could create high levels of staff turnover which adds pressures and resource to an ongoing recruitment challenge.
- Current average market rates within the South East region are included below. Should KCC look to appoint consultants the average salary would fall within the pay grades of KR10-15, the majority of which would be a KR13 and above (£55.5K - £80K).

| Discipline | Salary minimum | Salary max | Average Salary |
|---|-----------------------|-------------------|-----------------------|
| Architect | £47,500 | £77,500 | £62,500 |
| Mechanical and Engineering Services | £32,500 | £60,000 | £46,250 |
| Structural / Civil Engineering Services | £37,500 | £57,500 | £47,500 |
| Building Surveyor | £47,500 | £67,500 | £57,500 |
| Contract Administrator | £23,500 | £52,500 | £38,000 |
| Construction Design Management Compliance Consultant | £47,500 | £77,500 | £62,500 |
| Principal Designer | £42,500 | £57,500 | £50,000 |
| Technical Advisor (competent in mechanical and engineering) | £32,500 | £62,500 | £47,500 |
| Quantity Surveyor | £52,500 | £77,500 | £65,000 |
| Supervisor | £32,125 | £47,500 | £39,813 |
| Project Manager | £32,000 | £75,000 | £53,500 |

- The cost of recruitment would need to be considered and the resource and time taken with existing staff undertaking the selection process and interviews.

Design Risk and liability

- KCC would retain design liability for all projects (except design and build schemes) and in the event of a design failure, KCC would have to cover the costs via KCC's Public Liability Insurance.
- Currently our business activity does not include "designers" and we would therefore need to inform our insurance providers, who may not cover for this activity, as it is a significant move from our current "core business activity". KCC would also need to ensure designers were fully competent for any insurance to be valid.
- Many of the projects are complex in design and could include aspects such as energy schemes, structural requirements, mechanical and electrical installations, and architectural design. These are very specialist in nature, requiring highly skilled professionals.
- KCC currently do not have the required technical skills and capabilities across the team internally to undertake these consultancy services. To insource would require a significant recruitment campaign and the creation of an entire new division within Infrastructure.

2.1.2. Option 2 - Continuing with current arrangement of tendering/direct award for each requirement (not recommended option)

- Whilst this is a compliant route to procuring services, it is time consuming when fee bids are sought on a project-by-project basis, requiring more governance (depending on value).
- With the large number of projects to be delivered this also adds further pressures on resources.
- When new consultants are appointed for only one project, training time is needed to familiarise with KCC processes, templates and governance, this can cause delays to the project delivery, whilst also adding additional pressure to the KCC project team.
- When new Consultants are appointed for only one project, there is minimal opportunity for collaboration, innovation, and continuous improvement between the project team, particularly when trying to align with the new Construction Partnership Framework.

2.1.3. Option 3 – Establishing a new Construction Consultancy framework (recommended option)

- This would provide KCC with a range of consultants, appointed following a fair and open procurement process.
- This would demonstrate best value, give cost assurance, and create flexibility and efficiency when selecting consultants to support project delivery.
- In addition to this having a regular pool of consultants this approach will support effective delivery of the Construction Partnership Framework and the proposed Minor Works Framework through collaboration and combined knowledge sharing, pipeline reviews, best practice etc.

2.2. This report explores Option 3 further and reviews the benefits and challenges facing the Council and its partners should this option be progressed.

3. Construction Consultancy Services Framework

3.1 It is proposed to develop a Construction Consultancy Services Framework, to support the delivery of the pipeline of construction. If adopted, this will create an efficient way to appoint construction consultancy services.

3.2 The proposed Construction Consultancy Services Framework is an approach whereby, a framework is established with a number of technical professional consultants. If adopted, this will create a much slicker process for appointing Consultancy Services to support construction projects and will create a pool of available suppliers, who will be familiar with KCC processes, governance and templates and will work and collaborate in partnership with KCC and other Construction Partners.

3.3 Projects would be allocated on a rotational basis (subject to satisfactory performance on previous projects), rather than conducting individual mini competitions on a project-by-project basis. In addition to this, if a project is deemed specialist, for example net-zero projects, or of a significantly high

value, the Framework will allow KCC to undertake a mini competition across the consultants on the Framework.

3.4 It is recommended that the following consultancy services are procured on behalf of KCC to support the delivery of the Capital Delivery Programme.

| Discipline | Typical services |
|--|---|
| Multi-discipline Building Surveyors (one stop shop) | To provide services where a project requires a full range of consultancy support, including but not limited to planner, architect, building surveyor, mechanical and engineering services, structural engineer services, civil engineering services. |
| Construction Design Management Compliance Consultant | Provide the client or principal designer with sound competent advice on health and safety in relation to the construction design processes, risk mitigation, best practice in complying with health and safety during construction and current legislation. |
| Principal Designer | Provide effective coordination of health and safety during the design/pre-construction phase, ensuring principles of prevention are actively promoted into the designs and have a focus on the identification and elimination of hazards. |
| Technical Advisor | Provide sound advice on contractor design submissions after assessing project deliverables have been met. Their areas of expertise will be in monitoring design submissions, assist with the design approval process in terms of buildability and design efficiency |
| Quantity Surveyor | Provide independent cost consultancy services which include, but are not limited to, the following services: feasibility studies, cost planning, tendering and procurement of contracts, value engineering, valuation of compensation events or variations, cost/financial reporting. |
| Supervisor | Provide independent service that is responsible for monitoring and controlling quality of construction, issuing instructions for works, for testing or for rectifying defects, witness testing, checking compliance with the works information and that all works are carried out in accordance with the contract and manage the defects process. |
| Project Manager | Project management is typically delivered in-house via the Major Capital Programme Team within Property, Infrastructure. At times, where necessary due to capacity within KCC or driven by specialist requirement, New Engineering Contract (NEC) competent Project Management services may be bought in from external agencies. |

3.5 It is recommended that there are 3 consultants per discipline to:

- ensure there is sufficient works for the consultants to get familiar with KCC processes and procedures
- provide some resource flexibility to flex with the pipeline.

- 3.6 It is proposed that the fee structure will predominantly be by tendered fee percentage rates for each discipline. Pricing schedules for each discipline will be split into different project scopes, procurement routes, project complexity and construction value bands and fee percentages will be provided for each permutation.
- 3.7 In addition to the fee percentages, hourly/daily rates for key disciplines will be tendered, these will be used for variations/compensation events/ad hoc services that are not covered by the fee percentage.
- 3.8 In essence this model creates a table where the KCC representative can select the project type, complexity and value etc. and then see the consultants fee percentage that will be applied and undertake a swift appointment using these rates.
- 3.9 The new Framework will be:
- Nil-commitment framework with no guaranteed pipeline of works. This will be made clear to all potential candidates in the Invitation to Tender documentation.
 - NEC4 Professional Services Short Contract (PSSC) contract and all projects will adhere to the appropriate governance process.
 - 4 years in duration

4. Benefits and Challenges of Construction Consultancy Services

4.1 Benefits

- Consultancy appointments – fast and efficient.
- Consultancy flexibility/choice to flex with the pipeline changes.
- Consultancy familiarity with KCC governance, process, templates.
- Collaboration through partnering arrangements will drive best value across the pipeline working with other Consultants, the Construction Partnership Framework Contractors, and the Minor Works Framework Contractors.
- Drive consultancy performance as works are allocated on a rotational basis, but not if the supplier is not performing.
- Standardisation of contract terms e.g. NEC 4 which provide a clear understanding of contract management requirements and will promote cooperation and a focused approach.
- Support Kent County Council's Strategic Plan 2020-2023 by:
 - Supporting the delivery of the Council's Infrastructure Capital Delivery programme.
 - Supporting the delivery of the Kent Commissioning Plan for Education Provision 2020-2024, including the Basic Need programme.
 - Supporting the KCC Corporate Estate maintenance programme.
 - Supporting the KCC Education Estate maintenance programme.

4.2 Challenges

- Maximising Kent based suppliers - Lotting strategy will encourage Kent based suppliers or suppliers with office locations in Kent. This will be identified at the Invitation to Tender stage where potential consultants not primarily based in Kent will be asked to demonstrate their locality within the county.
- Incorporating social value – ensuring that KCC maximise their commitment to Social Value within the county. Consideration to using the Social Value Exchange platform as part of the tender process could be given as the platform will allow suppliers to provide their time, equipment, and opportunities to accredited community-based organisations and projects. It will also allow suppliers to contribute to skills, employment, and enterprise in the local area - for instance, by offering apprenticeships.
- Demonstrate to suppliers' a consistent volume of work. A pipeline of work over the 4-year contract period will be included within the tender documents and will articulate which projects would typically require which discipline.
- Mobilisation of consultants onto the Framework – a number of successful consultants may require onboarding which will put some strain on KCC resources. However, this will be a short-term challenge during the early stages of the Framework.
- TUPE implications associated with the new model will be considered.

5. Financial Implications

- 5.1. The establishment of this framework is considered to offer the best route to obtain optimum value for money for the Council's construction projects.

6. Legal implications

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

7. Equalities and Data Protection Implications

- 7.1. An Equalities Impact Assessment has been completed.

8. Conclusion and Next Steps

- 8.1. It is envisaged that the new Construction Consultancy Services Framework is implemented in early 2023 to support the Construction Partnership Framework and the proposed Minor Works Framework. To ensure the timely delivery of the new framework, the following indicative activities are required:

| |
|--|
| July – November 2022 |
| 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. |
| November 2022 – February 2023 |
| Those candidates that pass the Selection Questionnaire will be invited to submit a tender based on fee percentage rates for each discipline and hour rates for ad hoc services. There will be scope to negotiate with tenderers to clarify requirements prior to seeking best and final offers. |
| February 2023 - April 2023 |
| Complete the evaluation report and seek governance approval to award the Construction Consultancy Services Framework. Commence the onboarding of appointed consultants. |

8.2. A further update will be brought to the Policy and Resources Cabinet Committee to ensure that the Key Decision is in place ready for any contract awards.

9. Recommendation(s)

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **Note** the proposal, preferred option and the procurement timetable.

10. 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 July 2022

Subject: Update on Capital Construction Programmes as a result of COVID-19.

Classification: UNRESTRICTED

Past Pathway of Paper: Urgent Cabinet Member Decision (20/00056)

Future Pathway of Paper: Not Applicable

Electoral Division: Countywide

Summary:

Kent County Council (KCC) capital construction programmes have been impacted by the COVID-19 pandemic over the last two years. To mitigate this, the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services agreed up to £7.89m of additional funds to cover the cost of temporary accommodation solutions, contractor relief payments and contractual claims across the capital construction programme as a result of the COVID pandemic.

This report provides an update on how this funding has been used on KCC's capital programmes.

Recommendation(s):

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

1. Introduction

- 1.1 The outbreak of COVID-19, which was declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets and restrictions were implemented by many countries, including the UK.
- 1.2 Following the necessary response to limiting the spread of COVID-19 by the UK Government, the construction industry has been heavily impacted, with some sites unable to operate safely, resulting in site closures or sites operating with a reduced labour force. The supply of materials has also been significantly impacted following the restriction of movements and the closures of key suppliers.
- 1.3 KCC has a significant capital construction programme that has been adversely

impacted by the COVID-19 pandemic. A review identified over 30 capital projects, which were at risk due to contractors having stopped work or reporting delays due to reduced labour and material supply issues.

- 1.4 In response to COVID-19, the government introduced measures to reduce the spread of COVID-19. In addition to these measures, the government issued the following guidance notices to support government suppliers:
- Procurement Policy Note 02/20: supplier relief due to coronavirus (COVID-19)
 - Procurement Policy Note 03/20: Use of procurement cards - COVID-19
 - Procurement Policy Note – Recovery and Transition from COVID-19.
- 1.5 The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services agreed, in decision 20/00056, up to £7.89m of additional funding to cover the cost of temporary accommodation solutions, contractor relief payments and contractual claims, across the capital construction programme to support implementation of the above changes in law and government guidance on the management of suppliers. The additional funding was not used to support any central government COVID-19 relief initiatives, such as furlough schemes, loans, and grants. The additional funds identified in this report are strictly related to direct financial assistance in the delivery of the capital project programme needs.
- 1.6 This report sets out the circumstances that arose during the pandemic as well as a financial summary of spend against decision 20/00056.

2. Areas of COVID-19 Spend

- 2.1 Additional site costs incurred by KCC contractor suppliers were in relation to fulfilling the following list of COVID-19 measures:
- 2.1.1 Social distancing 1 meter apart on sites – requirement of extra site office space and welfare facilities.
 - 2.1.2 Wearing facemasks and gloves – Additional required funds to purchase these additional preliminary items.
 - 2.1.3 Increased requirement for cleaning surfaces and introduction of hand sanitiser stations – Extra cleaners employed on site.
- 2.2 Additional costs on preliminaries and fees - extended programme on construction sites caused by following COVID-19 measures:
- 2.2.1 Social Isolation – Operatives that have been in contact with someone who tested positive had to isolate for a stipulated time. Less operatives on site due to social isolation.
 - 2.2.2 Social isolation – Whole site shut down due to exposure to an operative testing positive thus requiring all individuals on site to isolate.
 - 2.2.3 Social distancing on sites - less operatives than planned could be on site resulting in decreased productivity and extended programme.
 - 2.2.4 Contractual mechanisms entitlement – due to introduction of government COVID-19 measures the KCC contractor suppliers were entitled to claim for.
 - 2.2.5 Extension of time to complete the works as well as compensation for any additional costs.

- 2.3 Costs incurred due to delays of projects programmed to meet the Kent Commissioning Plan (KCP). The capital programme typically consists of education projects to provide basic needs requirements for school places at the start of the academic year in line with the KCP.
- 2.3.1 Due to project delays identified above, some schools could not be delivered on time therefore temporary classrooms/accommodation had to be hired until the programmed construction projects could be completed.
- 2.3.2 Where possible contractual provisions to accelerate programmes were utilised, however the use of this option was limited by the other COVID-19 measures identified above, which limited the number of operatives on site.
- 2.3.3 Consultant fees incurred due to extended programme and additional contract administration due to implementing the contractual mechanisms.
- 2.3.4 Additional costs incurred for legal fees, to provide advice on contractual matters related to COVID-19 and advice on the drafting and implementation of COVID-19 clauses into KCC contracts, as recommended in the Procurement Policy Papers.

3. Governance and Budget Management

- 3.1 To control budget allocation of the COVID-19 funding, an approved list of items that could be applied to the contractor's monthly application for payments, was established. Funding could only be allocated to a project cost for those items listed. The types of items that could be approved were as follows:
- additional preliminaries sundries - sanitisers, gloves, aprons, masks, thermometers, signing in and out stations etc.
 - additional cabins hired on site
 - extension of time - loss and expense claims
 - resequencing of works - Abortive costs by subcontractors, protection for materials and works, storage of materials
 - additional cleaners.
- 3.2 The project teams were informed of the types of payments to be paid, with payments only approved once proof of spend (paid invoice) had been submitted by the supplier. Where delayed/extended projects required temporary accommodation, requirements were jointly agreed between Infrastructure and the Area Education Officers.

4. Supplier Relief and Contract Amendments

- 4.1 Throughout the period, the Infrastructure Division continued to liaise with the contractors delivering construction projects in response to the Procurement Policy guidance notices, until the government relaxed all COVID-19 restrictions in England. COVID-19 contractual provisions were also introduced to all KCC contracts, as well as a dedicated email account to field specific suppliers in distress requests. The supplier relief measures put in place ensured that all suppliers invoices were paid promptly to maintain cash flow.

5. Non-Financial Measures

5.1 By working collaboratively, there were a number of challenges that KCC departments and the contractor supply chain managed to overcome, that did not have a financial impact. A couple of challenges and mitigation used were as follows:

5.1.1 Shortage of materials due to logistics affecting delivery to stores or sites. Mitigation used:

- contractor suppliers stockpiled materials on site and KCC facilitated early payment of the materials
- shared supply chain knowledge with other suppliers of material availability.

5.1.2 Unavailability of specified material due to non-production due to COVID-19 absences in manufacturer factories. Mitigation used:

- KCC planners accepted planning applications that included several alternative materials for use, thus providing the contractors some flexibility
- KCC project team and stakeholders were more open in discussing and approving alternative materials.

6. Financial Summary

| Record of Decision (20/00056) Additional Funding | Actual Spend (2020/21) | Actual Spend (2021/22) | Forecasts spend (2022/23) | Total Spend |
|---|-------------------------------|-------------------------------|----------------------------------|--------------------|
| £7,890,000 | £4,862,572 | £1,436,803 | £690,623 | £6,989,998 |

Forecast spend in 2022/23 is for retention for projects which were completed in financial year 2021-22.

7. Recommendation(s)

Recommendation(s):

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

8. Background Documents

- Appendix A – Executive Decision Report relating to 20/00056
- Appendix B – Record of Decision 20/00056

9. Contact details

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|---|--|
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Executive Decision Report

From: Rebecca Spore – Director of Infrastructure and David Adams,
Interim Director of Education

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

Subject: Decision 20/00056 - Capital Construction Programme Delays to
projects as a result of COVID 19

Key decision – *Expenditure or savings of > £1m – including if over several
phases*

Classification: **Appendix A&B Exempt**

Electoral Division: County Wide

Summary:

KCC has a significant capital construction programme that has and will be, adversely impacted by COVID-19 pandemic. A review has identified over 30 capital projects, which are at risk due to contractors having stopped work or reported delays due reduced labour and material supply issues. This paper sets out proposals to mitigate delays and provide contractual relief measures, together with the associated costs. An urgent decision is required to implement these measures in the time available to avoid disruption to front line services, in particular the need to secure the contractual arrangements for the provision of school places by September 2020 to meet KCC's statutory duties.

Recommendation(s):

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to agree to:

- a) approve up to £7.89m of additional funds to cover the cost of temporary accommodation solutions, contractor relief payments and contractual claims across the capital construction programme where already approved via key decision or covered by appropriate delegated authority.
- b) delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Finance, Corporate and Traded Services and the Cabinet Member for Education and Skills to finalise the contractual terms and enter into any associated documentation.

1. Introduction

- 1.1 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Restrictions have been implemented by many countries including the UK.
- 1.2 Following the necessary response to limiting the spread of Covid19 by the British Government, the construction industry has been heavily impacted with some sites unable to operate safely and therefore closing or operating with a reduced labour force. The supply of materials has also been significantly impacted following the restriction of movements and the closures of key suppliers.
- 1.3 KCC has a significant capital construction programme that has and will be, adversely impacted by COVID-19 pandemic. A review has identified over 30 capital projects, which are at risk due to contractors having stopped work or reported delays due to reduced labour and material supply issues. This paper sets out proposals to mitigate delays and provide contractual relief measures recommended by central government, together with the associated costs.

2. Current position

- 2.1 From the beginning of the crisis the Capital Projects Team has been monitoring the performance of the construction supply chain supporting the programme, reporting to Corporate Management Team and Corporate Members Meetings on 28th April and 14th May 2020.
- 2.2 Our supply chain, much of which is locally based has generally adopted a proactive approach, working with the Capital Projects Team attempting to maintain progress, despite encountering restrictions required as a result of implementing social distancing procedures on site. In addition, there have been materials shortages across supply chains, with working restrictions affecting suppliers. Some sites have closed temporarily and reopened, as and when materials and labour are available. Several contractors have continued to work together to share supply chains.
- 2.3 The Government is encouraging the construction industry to resume output and contractors have responded by resequencing works and reprogramming activities to observe social distancing.

3. Impact assessment

- 3.1 The inevitable result of the above is that virtually all projects on site have been delayed, with the further risk of construction programmes lengthening. This occurs particularly in the latter phases, where works would normally assume multiple trades working inside. Certain projects have also experienced delay due to the uncertainty around arrangements for the planning committee sitting in March, April, May and June. The impact of this mainly falls on projects completing in 2021 and 2022 and is currently being assessed.

- 3.2 Under the terms of existing contractual arrangements, contractors are able to claim for additional costs. There are also additional costs to KCC, associated with the implementation of the government's Procurement Policy Note 02/20-guidance for construction contracts. Additionally, there is a risk that KCC will be unable to meet its statutory responsibility to deliver sufficient school places in 2020, 21 and 22 without mitigation measures being put in place.
- 3.3 The table in Appendix A identifies the 2020 capital projects currently under contract in the capital construction programme that have been impacted by the COVID 19 emergency.

4. Mitigation

- 4.1 The majority of our supply chain has and continues to keep in regular contact and has worked hard to mitigate the impact of delays on the capital programme, with project reviews being undertaken on a twice weekly and in some instances, daily basis. This is recorded in a live mitigation plan document, which is updated on a weekly basis
- 4.2 *Education Projects* – There are 366 places in the primary sector, 450 in the secondary sector and 232 specialist provision places that are required for September 2020. Area Education Officers and the Capital Projects Team have continued to work closely with Schools and Academy Trusts to identify measures to ensure that sufficient accommodation is ready to provide additional school places from September 2020 onwards. Schools and Trusts have generally adopted a realistic approach and have been pragmatic about their accommodation needs. The solutions that are being proposed represent the minimum required and are set out in Appendix A.
- 4.3 The Capital projects team are in continuing contact with the DfE over DfE schemes being locally delivered by KCC and CYPE have completed a return to the DfE confirming the arrangements that will be in place to meet the school place requirements.
- 4.4 *Non Education Projects*: As previously noted delays in these programmes will have an impact for service delivery, with services continuing to operate in accommodation which is not fit for purpose and consequential impact on the ability in some instances to meet the savings identified in the MTFP, release assets for disposal or increased operational costs. The Capital Projects Team is working with the finance business partners to determine these.

5. Contractual Position, KCC and Central Government Guidance

- 5.1 The Cabinet Office has issued guidance notes that set out the various forms of relief an authority may agree with a supplier in order to deal with business disruption caused by COVID-19. These are designed to protect local suppliers and supply chains and to avoid double counting of relief offered by the Treasury through the Employee Furlough scheme.

5.2 The Capital Projects Team has reviewing each construction project and is preparing where appropriate Deeds of Variation as recommended by the PPN 02/20 – Guidance Notes for Construction Contracts issued by the Cabinet Office. This states that contracting authorities should continue to pay suppliers at risk due to COVID-19 on a continuity and retention basis until at least the end of June 2020, to:

- ensure supplier cash flow
- maintain cash flow into the supply chain
- protect jobs
- ensure suppliers are better able to cope with the current crisis and to fulfil
- contractual obligations once the COVID-19 crisis over
- ensure continuity of suppliers' businesses during and after the crisis; and
- ensure suppliers are able to resume delivery of public services once the outbreak is over.

5.3 These set out the terms on which payment relief will be granted and include: the modifying payment terms, increasing frequency of payments, additional relief payments.

5.3KCC has contracted with its supply chain mostly using JCT or NEC contracts. Both allow for extensions of time due to Force Majeure provisions, however only the NEC contract allows contractors to request recompense. Notwithstanding this, the JCT contract allows either party to determine the contract if the period of delay exceeds a predetermined period, usually 4 to 6 weeks.

5.4 The capital projects team has discussed with each building contractor mitigation measures to ensure school places are available for the September 2020 term. This will require instructions to be issued irrespective of the contract form. This additional work may increase contract programme time, which will together with resequencing or phasing works which will be reclaimable under the terms of both the NEC and JCT contract. These have been factored in Appendix A below.

5.5 Each contract will therefore be reviewed to determine a relief package to ensure the best outcome is achieved.

6. Financial Implications

6.1 The table in appendix A reflects the current assessment of the impact on the 2020 programme per project, including:

- Potential contractual claims for extension of times depending on the form of contract used and applying the PPN2 cabinet office guidance,
- Internal staff and consultancy costs as projects require more time input, due to delays,
- The cost of mitigation measures required in order to meet operational requirements. The majority of these claims arise from the need to provide temporary measures in order to meet basic need requirements for school spaces at the start of the 2020 academic year, in line with the Kent Education Plan (KEP).

- It should be noted that there will also be an impact on the 2021 and 2022 projects which is yet to be assessed.

6.2 The total capital/revenue allocation against the programme is insufficient to absorb the additional pressures identified above. Additional funds will need to be allocated to meet the costs identified. These have been separated between capital and revenue in Appendix A to show the impact on each project and is summarised in Appendix B.

6.3 The Capital Projects Team will continue to work with contractors, schools AEO's and other service directorates to minimise costs where possible. For the purposes of the Key Decision it is recommended that budget is set at £7.89 million which includes a contingency figure to avoid a further urgent decisions requirement for the September 2020 programme, should further mitigations be required beyond those that have been identified and to enable the project team to act swiftly should there be a supplier failure in this period. Any expenditure over the estimate and up to the £7.89 million will be authorised with relevant sign off from Finance, Education and Infrastructure. The proposed expenditure has been acknowledged by Finance as a COVID related expenditure and will be incorporated as part of the COVID 19 returns. There is a risk that KCC is not able to reclaim all of its COVID 19 expenditure. It should also be noted that the expenditure is a mix of capital and revenue.

6.4 As the impact on budgets exceeds £1m and will take the project costs over the allocated budgets, an urgent decision is required to authorise use of funds to meet contract relief costs and mitigation measures to counter programme delays. In particular our supply chain advises that there is an urgent need to place orders for temporary accommodation and organise works in time for September 2020.

7. Requirement for a Decision under the Urgency Procedure

7.1 The assessment of the impact on the capital programme has been undertaken as quickly as possible working with Schools, Stakeholders and Contractors. KCC are contractually obligated to agree the relief claims where these are provided for under the contracts and there are increasing requests from contractors for KCC to apply the Cabinet Office PPN guidance to assist with financial pressures that are being experienced by the contractors. These measures now need to be urgently applied so to support the supply chain.

7.2 The most significant initial impact for KCC of any delays are the delivery of the basic need programme and ensuring that KCC is able to meet its statutory duties to provide school places for September 2020. In order to achieve this and secure the temporary accommodation and any temporary works, orders are required to be placed on the 1st June 2020.

7.3 An urgent decision is required to increase the financial provision in the Capital Programme and the individual ROD for the capital projects to meet these timelines, following the normal FED publication and decision making process would mean that order could not be placed until after the deadlines required to place the orders to meet the school place provision in September 2020 with an increased risk of contractor distress with the resulting delays and the ability of KCC to meet its contractual requirements.

8. Legal implications

- 8.1 Where the contracts already provide for relief, KCC is already contractually obligated to meet financial claims. The application of the Government Procurement Policy Note 02/20 - Guidance Notes for Construction Contracts, will be used to support any variations required to the contracts. In the absence of mitigation action in relation to the school projects due to complete for September 2020 that KCC will not be able to meet its statutory duties to provide school places.

9. Equalities implications

- 9.1 An impact assessment has not been carried out, but it should be noted that failure to implement measures to offset delays to building contracts will in turn delay the delivery of special needs school places which are particularly in demand.

10. Governance

- 10.1 The funding, mitigation activity and delegated authority provided by this decision applies only to capital programme projects approved via the necessary formal governance arrangements (Executive Decision or appropriate delegated authority).
- 10.2 It is proposed that under the scheme of delegation the Director of Infrastructure, in consultation with the Cabinet Member for Finance, Corporate and Traded Services and the Cabinet Member for Education and Skills to finalise the contractual terms and enter into any associated documentation.

11. Conclusions

- 11.1 KCC has a significant capital construction programme that has and will be, adversely impacted by COVID-19 pandemic. A review has identified over 30 capital projects, which are at risk due to contractors having stopped work or reported delays due reduced labour and material supply issues. This paper sets out proposals to mitigate delays and provide contractual relief measures, together with the associated costs. An urgent decision is required to implement these measures in the time available to avoid disruption to front line services, in particular the provision of school places by September 2020.

12. Recommendation(s):

Cabinet Member Decision –

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to agree to:

- a) approve up to £7.89m of additional funds to cover the cost of temporary accommodation solutions, contractor relief payments and contractual claims across the capital construction programme where already approved via key decision or covered by appropriate delegated authority.
- b) delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Finance, Corporate and Traded Services and the Cabinet Member for Education and Skills to finalise the contractual terms and enter into any associated documentation.

13. Background Documents

Appendix A – **EXEMPT** Summary of delay assessment and costs per project
Appendix B – **EXEMPT** Summary table of impact costs

14. Contact details

| | |
|--|---|
| Lead officer: Andrew Chauvin - Capital Commissioning Team Name and Job title Phone number +443000417953 E-mail: Andrew.chauvin2@kent.gov.uk | Lead Director: Rebecca Spore - Director of Infrastructure Name and Job title Phone number 443000416716 E-mail: Rebecca.spore@kent.gov.uk |
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KENT COUNTY COUNCIL – URGENT RECORD OF DECISION

DECISION TAKEN BY:

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

DECISION NO:

20/00056

For Publication**Key decision: YES**

The decision will:

Incur Revenue and Capital spend over £1m

Capital Construction Programme – Delay costs to projects as a result of COVID-19**As Cabinet Member for Finance, Corporate and Traded Services,**

I agree to:

- a) approve up to £7.89m of additional funds to cover the cost of temporary accommodation solutions, contractor relief payments and contractual claims across the capital construction programme where already approved via key decision or covered by appropriate delegated authority.
- b) delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Finance, Corporate and Traded Services and the Cabinet Member for Education and Skills to finalise the contractual terms and enter into any associated documentation

Reason(s) for decision:

KCC has a significant capital construction programme that has and will be, adversely impacted by COVID-19 pandemic. A review has identified over 30 capital projects, which are at risk due to contractors having stopped work or reported delays due to reduced labour and material supply issues. Under the terms of existing contractual arrangements, contractors are able to claim for additional costs. There are also additional costs to KCC, associated with the implementation of the government's Procurement Policy Note 02/20 guidance for construction contracts. Additionally, there is a risk that KCC will be unable to meet its statutory responsibility to deliver sufficient school places in 2020, 2021 and 2022 without mitigation measures being put in place.

Financial Implications:

The proposed expenditure is as a direct result of the impact that the COVID-19 pandemic has had on the delivery of the Council's construction programme and is outside of the budget allocations provided for in the capital programme and revenue budgets. The additional costs have been included on the Council's COVID-19 return to government. There is a risk that the Council may not recover all of its COVID-19 related expenditure. The position will be carefully monitored each month, and any forecast shortfall will be highlighted within the monitoring reports with the associated impact that this could have on our reserves.

Reason for Urgency:

The assessment of the impact on the capital programme has been undertaken as quickly as possible working with Schools, Stakeholders and Contractors. KCC are contractually obligated to agree the relief claims where these are provided for under the contracts and there are increasing requests from contractors for KCC to apply the Cabinet Office PPN guidance to assist with financial pressures that are being experienced by the contractors. These measures now need to be urgently applied to support the supply chain.

The most significant initial impact for KCC is the delivery of the Basic Need programme and ensuring that KCC is able to meet its statutory duties to provide school places for September 2020. In order to achieve this and secure the temporary accommodation and any temporary works, orders are required to be placed on 1 June 2020.

An urgent decision is required to increase the financial provision in the Capital Programme and the individual ROD for the capital projects to meet these timelines, following the normal FED publication and decision making process would mean that orders could not be placed until after the deadlines necessary to meet the school place provision in September 2020. In addition to prevent further contractor distress and resulting delays it is now necessary to implement the Governance guidance and meet its contractual requirements.

Member and other consultation:

The Chair of the Scrutiny Committee, in addition to agreeing that the decision could not be reasonably deferred provided the following comments:

None

The Group Spokespeople of the Scrutiny Committee providing the following comments:

None

The Chair and Group Spokespeople of the Policy & Resources Cabinet Committee provided the following comments:

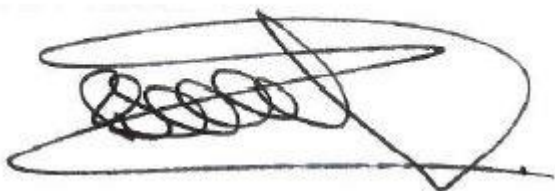
Mr Sweetland supported the decision.

Any alternatives considered and rejected:

Contractual obligations and statutory requirements to provide school places limited consideration of alternative options.

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

None



.....
signed

1 June 2020

.....
date

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 2022

Subject: Update on Rent Management as a result of COVID-19.

Classification: Unrestricted with exception of Appendix C that is exempt from publication under paragraph 3 of Part 1 of schedule 12a of the Local Government Act 1972

Past Pathway of Paper: Cabinet Member Decision (20/00048)

Future Pathway of Paper: Not Applicable

Electoral Division: Countywide

Summary:

On 4 May 2020, in response to the COVID-19 lockdown and the likely impact to Kent County Council's (KCC) tenants' businesses, the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, took a decision to adopt the COVID-19 Response to Rental Management Policy. This report updates the Committee on the position regarding the COVID-19 Rent Management Policy and the financial impact to KCC to date, which has been minimal to the overall rental income budget.

Recommendation(s):

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

1. Introduction

- 1.1 The outbreak of COVID-19 was declared by the World Health Organization as a "Global Pandemic" on 11 March 2020 and has impacted global financial markets. Restrictions were implemented by many countries including the UK, leading to trading restrictions that have had a considerable impact on businesses.
- 1.2 The Government offered support packages and enacted legislation to protect businesses. KCC took an aligned approach by adopting the *COVID-19 Response to Rental Management Policy*. Please refer to Appendix A for the Record of Decision 20/00048 and Appendix B for the COVID-19 Response to Rental Management Policy.
- 1.3 The policy enabled KCC to enter into deferred rental payment arrangements with its tenants where there had been an impact on ability to trade and cover costs (such as payment of rent).

- 1.4 A key feature of the policy was that tenants given support would not be placed into a better position than they would have found themselves in had there not been a pandemic. Before agreeing any support, tenants were requested to apply for all government support for which they were entitled, which served many of them as a signpost to its availability.
- 1.5 A standard request form was sent to tenants requesting landlord assistance during the qualification period set out in the policy. This data was reviewed, and some flexibility was accepted for applications since it became apparent that some tenants needed time to consider the necessity for a deferment given other support available.

2. Outcome

- 2.1 In total 25 application forms were received from a potential 173 tenants (equating to about 14% of qualifying tenants) initially seeking support. The number of tenants receiving rent deferment support under this policy was 8 (5% of the total number of qualifying tenants). 17 tenants (about 68% of those who initially applied) decided not to take their request forward, likely following their further investigations into government support.
- 2.2 The decision report that accompanied the policy identified that in a worst case just over £1m of cashflow could have been deferred under the policy arrangement. Just under £140,000 was deferred (under 10% of the qualifying rent role).
- 2.3 5 tenants received a waiver of rent payment totalling £12,660 where their premises could not be accessed (through KCC closing down its premises). An example here would be where there was a café situated in a closed country park.
- 2.4 A breakdown of statistical data including the amount of rent deferred can be found within Appendix C. All tenants placed onto a deferred payment scheme have been able to maintain their agreed repayments.

3. Impact of the Policy

- 3.1 In view of the limited take up, the impact of the policy to KCC has been limited with only marginal cashflow implications. It has however provided a means with which to manage support requests and has ensured that KCC can act responsibly as a landlord with its tenants.
- 3.2 From a tenant's perspective business support from UK government has been comprehensive and many tenants originally applying for the support decided not to take their application forward. However, offering deferment support was taken up by a handful who may otherwise have struggled.

4. Equalities implications

- 4.1 The decision report advised, *‘There should be no negative Equalities Impacts in respect of this policy. Where this policy may ease impacts of Policy Return tenants (e.g. nurseries) there may be some positive impacts in supporting services to groups identified in the Equalities Assessment criteria.’*
- 4.2 At least 3 of the tenants receiving deferment support under the policy are “Policy Return” tenants where there may be some positive impact to the sustainability of these businesses.

5. Conclusions

- 5.1 Only 14% of tenants qualifying under the policy applied for an application with only 5% taking the application forward. The total amount deferred was circa £137,815. These tenants were placed under a repayment agreement and have maintained payments as agreed, with 3 tenants remaining to complete their repayment scheme.

6. Recommendation(s)

Recommendation(s):

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

7. Background Documents

- Appendix A – Record of Decision 20/00048
- Appendix B – COVID-19 Response to Rental Management Policy
- Appendix C – Specific Data (**Exempt**)

8. Contact details

| | |
|--|---|
| <p>Report Authors:</p> <p>Mark Cheverton Property Assets Policy & Strategy Manager Telephone: 03000 41 67 57 E-mail: Mark.cheverton@kent.gov.uk</p> <p>James Sanderson Head of Property Operations Telephone: 03000 41 76 06 E-mail: James.sanderson2@kent.gov.uk</p> | <p>Relevant Director:</p> <p>Rebecca Spore Director of Infrastructure Telephone: 03000 41 67 16 E-mail: Rebecca.spore@kent.gov.uk</p> |
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KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TO BE TAKEN BY:

Mr. Peter Oakford

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

DECISION NO:

20/00048

For Publication**Key decision: YES**

Whilst the report does not project an impact to the Property Estate budgets in excess of negative £1m, there remains a risk that the impact may climb above this level.

SUBJECT: COVID-19 – Treatment of Rental Payments to the Corporate Landlord Estate and Property Investment Fund

As Cabinet Member for Finance, Corporate and Traded Services, I agree to:

1. Adopt the COVID-19 Response to Rental Management Policy;
2. Delegate authority to the Director of Infrastructure to take such actions as are necessary to implement this decision, including but not limited to finalising the terms of and entering into contracts or other legal agreements; and
3. Delegate authority to the Director of Infrastructure, ongoing management and review of the Policy during the initial 6-month period.

Reason(s) for decision:

COVID-19 has had a considerable impact on businesses. Whilst the Government is offering a level of support, many tenants will still be impacted. Whilst arrangements may be contractual, responsible landlords are maintaining a spirit of partnership with their tenants and doing what they can to mitigate the extraordinary circumstances they find themselves in. The decision will:

1. Support tenants during their most critical time of vulnerability.
2. As a landlord, support Kent's economy and particularly SMEs against the considerable impact during this time.
3. Mitigate some of the impact KCC as landlord is likely to experience to its investment portfolios and ensure that voids and bad debt are minimised.
4. Ensure it has a ready to go solution to offer tenants with minimal resource deployment.
5. Many of the tenants provide community, social and policy benefit to the county and this policy will, together with support offered by Government, go some way to preserve these valued services.

Financial Implications:

The impact of the policy would be a change in the timing that income is received into the council, impacting on the council’s cashflow. The report also highlights the financial risk of several tenants not surviving the resulting economic turbulence and that some rental income may have to be foregone.

Reason for Urgency:

The decision is required urgently following the extension of lockdown period by Government to support businesses that may already be struggling and mitigate against some having to cease trading. If this policy is not timely then the effects and reasons for the decision will be lessened.

Member and other consultation:

No Cabinet Committee consultation prior to PROD publication possible due to urgency process. The following responses were received following PROD publication:

Rob Bird, Leader of the Liberal Democrat Group supports the proposed decision “which is both necessary and appropriate at the current time”.

Trudy Dean, Member for Malling Central supports this action “as proposed”.

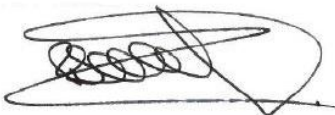
Any alternatives considered and rejected:

Providing no support – This may result in negative impact to KCC’s tenants and therefore the future income of the portfolio and bad debt.

Other options of relief – At this time and considering KCC’s fiduciary duty to the Kent taxpayer this is not required; the recommended policy is designed to facilitate an immediate response to KCC’s tenants’ cashflow. Cases of severe hardship can be considered under normal arrangements for rent payment management.

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

None



.....
signed

04 May 2020

.....
date

KENT COUNTY COUNCIL POLICY

PROPERTY INFRASTRUCTURE

| | |
|-----------------------------------|---|
| Policy | COVID-19 Response to Rental Management |
| Description | <p>Kent County Council operate property portfolios from within its Estate from which rental income is derived.</p> <p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, and the UK Government’s necessary response to it has adversely impacted several the Council’s tenants. Whilst the Government has offered affected businesses comprehensive support, further mitigation may be required by the landlord in some instances.</p> <p>Kent County Council will continue with its existing process for rental management, but for a period operate under an additional arrangement as set out within this policy whereby it will offer its tenants up to 6 months’ rent deferment.</p> |
| Requirements of the Policy | <ol style="list-style-type: none"> i. The policy should set out KCC’s position as a landlord, which is even-handed and transparent. ii. Simple and effective as possible with easy roll-out. iii. Provide landlord support for tenants additional to the Government’s Business Support Package. iv. Protect the landlord from not having to expend resources pursuing arrears and bad debt and/or incurring other extra-ordinary property management costs as a result of the Covid19 impact on businesses. v. Not put its tenants in a better position than they would have been in otherwise at the expense of the taxpayer. vi. Observe the Council’s fiduciary duty. vii. Run for a period of up to 6 months which should include not only the national response impact, but recovery time for businesses to restart. viii. Keep policy under review and consider readjustment as circumstances evolve. |
| Impact | <p>To Kent County Council</p> <ul style="list-style-type: none"> • Predominantly cashflow where up to 6 months rental income could be deferred and then repaid within the following financial year. • Some risk that some tenants may not be able to pay-back the deferred amount although this would be managed through its normal income management processes. • Reduction in risk of void assets and the inevitable cost of managing them. • Support for Community, Social and Policy service supply (where tenants are operating in these areas). <p>To the Tenant</p> <ul style="list-style-type: none"> • Provide improvement to its cashflow position during a difficult time. • Provide support additional to the Government’s package to improve prospect of recovery. |

| | |
|------------------------------------|--|
| EQIA | No negative Equalities Impacts in respect of this policy. Where this policy may ease impacts for Policy Return tenants (e.g. nurseries), there may be some positive impacts. |
| Policy Operating Principles | <p>Rental deferment requests will be considered on the following basis:</p> <ol style="list-style-type: none"> 1. To access, tenants must make a request to KCC by 24th June 2020. 2. Rent deferment will be for a maximum period of up to 6 months from 25th March 2020 (i.e. until 29th September 2020). The request can be backdated. 3. The amount of rent that can be deferred can be up to 100% of the tenant's periodic rental payments (although a tenant can request less). 4. The rent deferred will accrue without interest and be repaid by the tenant later, according to an agreed repayment schedule between KCC and the tenant. 5. Repayments will commence from 25th December 2020 for a maximum period ceasing by 25th March 2022. 6. Service charge payments are excluded from this policy and must be paid in full as usual where applicable. 7. The tenant must confirm that this arrangement will not place them into a more advantageous position to that which may have existed if these extra-ordinary circumstances did not exist. 8. The tenant must also confirm that it will be accessing all government business support that it can. 9. The following tenants will be excluded from this policy – Government departments, Public Sector, tenants that hold a tenancy in conjunction with a KCC service contract who will be dealt with on a case by case basis. 10. The policy should be kept under review during the period of the National Covid19 response and after as the country returns to normality 11. KCC can refuse to grant deferment support. 12. Where KCC is temporarily closing a multi-occupancy building and tenants will have no access, no rent will be charged during the period of closure. |
| Period of Operation | <ul style="list-style-type: none"> • Rent from 25th March 2020 until 28th September 2020 (6 months) can be requested for deferral. • Requests must be made before 24th June 2020. • Repayment periods must commence by 25th December 2020 for a period of up to 18 months (25th March 2022). |
| Review | Given the unknown future impact that COVID-19 might have on the economy, the policy and its management will be kept under review. |
| Policy Ownership | <p>Mr. Peter Oakford - Cabinet Member for Corporate and Democratic Services Rebecca Spore – Director of Infrastructure</p> <p>Contact: Mark Cheverton MRICS Infrastructure Property Policy & Strategy Manager 03000 415940 mark.cheverton@kent.gov.uk</p> |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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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 July 2022

Subject: Agreement for a lease and subsequent formal lease for new primary and secondary school at Alkerden, Eastern Quarry, Ebbsfleet.

Key Decision: Non-Key Decision

Classification: UNRESTRICTED

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: Dartford Rural – Jeremy Kite, MBE

Summary:

This report sets out the proposal to enter into an agreement for a lease and a new lease for 999-years with Henley Camland, for occupation and use of a new primary and secondary school, and subsequently granting a 125-year lease to the Academy Trust.

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:

1. authorise the taking of an agreement for a lease for a term in excess of 20 years, in order that a new primary and secondary school can be built for use and occupation. The lease term to formally commence upon completion of the new schools in 2024;
2. agree that upon completion and satisfactory handover of the new primary and secondary school, Kent County Council shall take a formal lease of the new schools for a term of 999-years, commencing in 2024;
3. agree that upon completion and satisfactory handover of the new primary and secondary school, and taking of a formal lease, the Director of Infrastructure is authorised to enter into a 125-year lease to the Academy Trust;
4. note that the main heads of terms for the leases are already agreed and recorded within a section 106 agreement, which Kent County Council is already a party to; and
5. authorise the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to take necessary actions, included but not limited to entering into relevant contracts or other legal agreements, as required to implement this.

1. Introduction

- 1.1 Kent County Council entered into a section 106 agreement with the original developers of Eastern Quarry, Land Securities, in 2007, for the development of new schools, which would be required to serve anticipated pupil numbers generated from the development of Eastern Quarry. Three primary schools and a secondary school were considered to be necessary to serve the anticipated pupil numbers.
- 1.2 The first primary school provided within the new development was Cherry Orchard Primary School. The school opened as an Academy at the time of its transfer to the County Council and is currently operated by Leigh Academy Trust.
- 1.3 It was the intention of the 2007 Agreement that the second school to be provided would be an All-Through School, providing primary and secondary education provisions from the same location at Alkerden. This proposal was and is still supported by the Department for Education.
- 1.4 It was also the intention of the 2007 Agreement that the County Council would be responsible for provision of two schools using funding obtained by the developer of Eastern Quarry. The funding was to be sourced by developer contributions having regard to projected pupil numbers generated from the development of Eastern Quarry, which would need to be used by the County Council within defined timescales, to ensure the new schools were provided within a timely manner within the overall development.
- 1.5 Land Securities' original desire was to see the new schools developed as a "Lifelong Learning Centre", which would necessitate other community uses being developed at the school site, which are not directly related to education. These uses included health facilities and a dual-use sports hall. Henley Camland confirmed that they would provide these within the new school development on the proviso that the new schools would be transferred to the County Council within a 999-year lease, commencing on handover of the new schools, rather than a direct transfer of the site. This would ensure that the desired community facilities would be maintained and controlled by Henley Camland via appropriate covenants within the 999-year lease, rather than similar covenants within the transfer.
- 1.6 In order that the developer can proceed with the issuing of a building contract for the development of the new schools, it first requires Kent County Council to commit to the taking of a 999-year lease by first entering into an agreement for a lease, with a view to granting the formal 999-year lease upon completion/handover of the new schools.

2. Proposed Terms

- 2.1 Annex 2 to Schedule 7 of the Deed of Variation, dated 28 March 2018, defines the core terms for the agreement for a lease, which the developer requires Kent County Council to complete, in order that a building contract for the proposed school development can be issued. A copy of Annex 2 is included within Appendix A.
- 2.2 Annex 4 to Schedule 7 of the Deed of Variation, dated 28 March 2018, defines the core terms for the 999-year lease, which the developer requires Kent County Council to complete upon handover of the new schools. A copy of Annex 4 is included within Appendix A.

- 2.3 Kent County Council is already bound by the terms of the 2018 deed to take the proposed agreement for a lease and subsequent 999-year lease.

3. Financial Implications

- 3.1 Each party to bear its own costs upon completion of the agreement for a lease and 999-year lease.
- 3.2 A rent of one peppercorn per annum, if demanded, is proposed within the 999-year lease.

4. Legal implications

- 4.1 Kent County Council is already bound by the terms of the 2018 deed to take the proposed agreement for a lease and subsequent 999-year lease.

5. Equalities implications

- 5.1. It is not felt that this decision represents any impact on any of the nine areas specified by Kent County Council under its Equality Impact Assessments (EqIA). No detailed EqIA has been completed based on clear lack of impact.

6. Consultations

- 6.1 The local Member has been notified.

7. Governance

- 7.1 A Cabinet Member decision is required due to the length of the leases exceeding 20 years.
- 7.2 The proposed decision will delegate authority to the Director of Infrastructure to take necessary actions, included by not limited to entering into relevant contracts or other legal agreements, as required to implement this decision.

8. Conclusion

- 8.1 In order that the developer can proceed with the issuing of a building contract for the development of the new schools, it requires Kent County Council to commit to the taking of a 999-year Lease, by first entering into an agreement for a lease, with a view to granting the formal 999-year lease upon completion/handover of the new schools.

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:

1. authorise the taking of an agreement for a lease for a term in excess of 20 years, in order that a new primary and secondary school can be built for use and occupation with the lease term to formally commence upon completion of the new schools in 2024;
2. agree that upon completion and satisfactory handover of the new primary and secondary school, Kent County Council shall take a formal lease of the new schools for a term of 999-years, commencing in 2024;
3. agree that upon completion and satisfactory handover of the new primary and secondary school, and taking of a formal lease, authorise the Director of Infrastructure to enter into a 125-year lease to the Academy Trust;
4. note that the main heads of terms for the leases are already agreed and recorded within a section 106 agreement which Kent County Council is already a party to; and
5. authorise the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to take necessary actions, included but not limited to entering into relevant contracts or other legal agreements, as required to implement this.

10. Background Documents

- Appendix A – Annex 2 and 4 to Schedule 7 of the Deed of Variation, 28 March 2018
- Appendix B – Proposed Record of Decision

11. Contact details

| Report Authors: | Relevant Director: |
|---|--|
| Andrew White Principal Estates Manager Telephone: 03000 41 68 25 E-mail: Andrew.White@kent.gov.uk | Rebecca Spore Director of Infrastructure Telephone: 03000 41 67 16 E-mail: Rebecca.spore@kent.gov.uk |
| James Sanderson Head of Property Operations Telephone: 03000 41 76 06 E-mail: James.sanderson2@kent.gov.uk | |

Annex 2 to Schedule 7

Owner Constructs Agreement for Lease Core Terms

- **Landlord Obligations**
 - Design and construct premises
 - Procure Requisite Consents in relation to design
 - Consult in accordance with the Consultation Protocol
 - Permit access to site for verification of certificates
 - Provide collateral warranties from designers and building contractors
 - Grant Lease on Completion of School Premises
- **Tenant Obligations**
 - Expeditiously verify certificates
 - Enter into Lease on Completion
- **Landlord's default rights**
 - Rescission of Agreement for Lease
- **Trigger for grant of Lease**
 - Completion of Premises
- **Premium for grant of Lease**
 - Nil
- **Other**

- Dispute resolution
- SDLT and VAT - to be borne by the Eastern Quarry Owner if anything other than nil and are irrecoverable by the County Council (by way of set off or otherwise) or not capable of being covered by any allowance or waiver from which the County Council benefits

Annex 3 (not used)

Annex 4 to Schedule 7

School Lease Core Terms

Unless otherwise stated the terms defined in this set of lease terms have the same meanings as in the Section 106 Agreement

Bespoke definitions

| | |
|------------------------------|--|
| Conduits | all pipes, wires, drains, cables, ducts and mains and other conducting media of any kind; |
| Premises | the land and buildings to be known as [] [Primary/Secondary] School being further described in Schedule 1 [to the lease/lease terms] and where the context so admits includes each and every part of them and all additions and improvements to them; |
| Section 106 Agreement | the agreement entered into by the Parties dated [] pursuant to the outline planning application reference [] |

1 PARTIES:

1.1 Landlord: or its successors in title and assigns

1.2 Tenant:

(a) the County Council or School Provider (see below for terms associated with assignments and successors in title)

2 TERM:

2.1 999 years from a date to be determined

3 RENT:

3.1 Peppercorn

4 SERVICE CHARGE:

4.1 if the Tenant seeks Landlord's approval for either a change of the Permitted Purpose (other than alienation permitted under this Lease) then the Landlord shall, as part of any approval given, be entitled to set the ongoing service charge for that change of use

5 TENANT'S COVENANTS:

5.1 Rent:

(a) To pay rents, rates and outgoings together with any service charge that may become payable under the provisions of clause 4 (above)

5.2 User:

(a) Subject to Clauses 5.2(b) and 5.2(c), the primary use of the Premises shall be as a school for the education of children between the ages of 3 and 19 the primary source of income for which is the public sector ("**the Permitted Purposes**")

(b) Subject to 5.2 (c), the restriction in 5.2 shall not prevent use of the following parts of the Premises for the following purposes provided that these uses shall not be inconsistent with the primary use of the Premises as a school:

(i) up to 120 square metres of floorspace for Multi Agency Space or associated with the Permitted Purpose;

(ii) up to 400 square metres nursery care or provision;

(iii) sports and recreation facilities areas and playing fields at the Premises for sports and recreation use by members of the public;

(iv) teaching accommodation during evenings during term-time and during school holiday periods for adult education purposes; and

(v) such other education and community purposes that benefit the community or the School including the sharing of school facilities;

- (vi) uses or activities for fund raising for the school
- (c) The restriction in 5.2(b) shall not prevent use of the parts of the Premises for other uses or activities (including commercial use or activities) ancillary to the Permitted Purpose provided that any such ancillary uses must be consistent in character, nature, type and scale with those being undertaken in other schools within the local authority boundaries of Dartford and Gravesham

5.3 Maintenance Repairs & Decoration:

- (a) To keep the exterior of any building on the Premises in good repair and decorative order to the Landlord's satisfaction acting reasonably and to a standard comparable to the standards and quality and finish no less good than that of neighbouring buildings and spaces within Eastern Quarry and to ensure that standards remain consistent with or better than the overall quality of the Development

5.4 Alterations and additions:

- (a) Tenant to be entitled to make alterations and additions subject to:
 - (i) permanent additional buildings only to be permitted with Landlord's consent acting reasonably (and approval of design)
 - (ii) major external alterations permitted only with Landlord's consent acting reasonably
 - (iii) all permanent alterations are consistent with the Site Wide Design & Access Strategy (as amended/updated and approved from time to time) and any subordinate design code submitted to and approved from time to time under the New Planning Permission
 - (iv) the parties will from time to time agree classes of works where the Tenant will consult the Landlord before carrying out such works

5.5 Insurance:

- (a) To procure both buildings insurance and public liability insurance at its own cost

5.6 Alienation:

- (a) Not to sublet the whole or a major part (to be defined by reference to the size of the School) without the consent of the Landlord (not to be unreasonably withheld)
- (b) Not to assign the whole without the consent of the Landlord (not to be unreasonably withheld)
- (c) Not to assign part

5.7 Tenant to observe covenants and encumbrances:

- (a) To observe and perform the agreements, covenants and other matters contained or referred to in the documents (if any) specified in title numbers [insert reference to the 6 EQ title numbers] insofar as the same relate to the Premises and are still subsisting and capable of taking effect and to keep the Landlord indemnified against all actions, proceedings, costs, claims, demands, expenses and liability in any way relating to them.
- (b) To comply with all registered local land charges to which the Premises are subject and all notices, orders, resolutions, restrictions, agreements, directions and proposals made by any local or competent authority which are in the public domain and affect the Premises.

Informative: the location of the site will be chosen having regard to title restrictions, and there should be none that would affect the operation of the school

5.8 Landlord's right to inspect:

- (a) To permit the Landlord to enter the Premises at all reasonable times outside school hours upon reasonable prior written notice for inspecting the Premises to establish whether the Tenant has been performing its covenants under the terms of the Lease;
- (b) To permit the Landlord to enter the Premises at reasonable times upon reasonable prior written notice (save in emergencies in which case notice might not be practicable) to execute repairs or alterations (so far as they cannot conveniently be done outside the Premises) to any adjoining property belonging to the Landlord provided that the Landlord shall use reasonable endeavours to execute such repairs outside school hours and shall carry out such repairs diligently and without damage to the Tenant's property

and if any damage is caused to the Tenants property the Landlord shall restore the property to its former condition immediately and to the Tenants satisfaction

6 LANDLORD'S COVENANTS:

6.1 Peaceful enjoyment:

- (a) The Landlord covenants that the Tenant may peaceably and quietly hold and enjoy the Premises without any interruption from the Landlord or any person lawfully claiming through, under or in trust for the Landlord

6.2 Maintenance of Services:

- (a) The Landlord covenants to maintain to no less standard than neighbouring and equivalent roads and infrastructure serving the Landlord's retained land access roads, drainage etc. (where not adopted) within the Landlord's retained land over which rights of use in favour of the Premises are granted under this Lease

7 SURRENDER/FORFEITURE:

7.1 The lease can be surrendered/forfeited if:

- (a) at any time during the Term failure for a full school year plus one day to use the Premises for the Permitted Purpose but not if such non-use is due to causes (other than pupil numbers) beyond the Tenant's reasonable control;
- (b) at any time during the Term the Premises are declared to be no longer required by the Education Service Provider for the Permitted Purpose or the Premises are permanently closed; or
- (c) there is a material and continuing breach of the obligation to maintain; or
- (d) there is a material and continuing breach of the obligation not to use the Premises for a use other than the Permitted Purposes

Provided that if and only to the extent that the breach is capable of remedy the Landlord is required to give notice of any intended forfeiture, giving Tenant [x] days to remedy any alleged breach

8 RIGHTS GRANTED/RESERVED:

- 8.1 Access to and from the Premises by foot, bicycle and vehicle over estate roads (reciprocal rights for Landlord and Tenant)
- 8.2 Access to adjoining land in order maintain and repair premises, but not within buildings (reciprocal rights for Landlord and Tenant)
- 8.3 Access to adjoining land to facilitate construction works at premises, but not within buildings (reciprocal rights for Landlord and Tenant)
- 8.4 Rights of way for services to be laid and maintained, and rights to the use of such conduits as may be laid (at date of lease and in the future) but not within buildings (benefit of both Landlord and Tenant)
- 8.5 Support, shelter and protection for adjoining land (benefit of both Landlord and Tenant)
- 8.6 Not to do anything that interferes with the Landlord's retained land or services [excluding anything pursuant to the Permitted Purpose or rights granted under this Lease] (benefit of both Landlord and Tenant)
- 8.7 Right with Tenant's agreement (not to be unreasonably withheld provided that Tenant's use of the Premises will not be materially affected by the Landlord's proposals) to divert/connect to School services and lay services through parts of Premises not built upon (benefit of Landlord) provided that the Landlord shall carry out such works in such a way as to cause as little inconvenience and disruption as possible using reasonable endeavours to execute such works outside school hours and making good any and all damage to the Tenant's satisfaction acting reasonably
- 8.8 Other appropriate rights

9 OTHER APPROPRIATE TERMS:

- 9.1 Bind successors in title
- 9.2 Compliance with all statutory requirements/obligations etc.

- 9.3 No person other than a contracting party hereto may enforce any provision of this Lease by virtue of the Contracts (Rights of Third Parties) Act 1999;
- 9.4 The Landlord will pay all SDLT (if any)
- 9.5 The Landlord does not warrant that the Premises may lawfully be used for any purpose authorised by this Lease;
- 9.6 The Tenant shall not be entitled on quitting the Premises to any compensation under s 37 Landlord and Tenant Act 1954;

10 GENERAL BOILER PLATING BESPOKE TO THE LEASE:

- 10.1 Unless otherwise provided in this Lease any consent or approval required from the Landlord must be obtained before the act or event to which it applies is carried out or done and shall be effective only if the consent or approval is given in writing;
- 10.2 Any right to enter the School Premises conferred upon the Landlord by this Lease shall be exercisable also by the Landlord's employees, agents and workpeople and any others authorised by it (provided that the Tenant shall be permitted to refuse entry onto the Premises where necessary to discharge its statutory duty of child protection).

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

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

DECISION NO:

To be allocated by Democratic Services

For publication

Key decision: Non-Key Decision

Subject Matter / Title of Decision:

Agreement for a lease and subsequent formal lease for new primary and secondary school at Alkerden, Eastern Quarry, Ebbsfleet.

Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I agree to:

1. authorise the taking of an agreement for a lease for a term in excess of 20 years, in order that a new primary and secondary school can be built for use and occupation with the lease term to formally commence upon completion of the new schools in 2024;
2. agree that upon completion and satisfactory handover of the new primary and secondary school, Kent County Council shall take a formal lease of the new schools for a term of 999 years, commencing in 2024;
3. agree that upon completion and satisfactory handover of the new primary and secondary school, and taking of a formal lease, the Director of Infrastructure is authorised to enter into a 125-year lease to the Academy Trust;
4. note that the main heads of terms for the leases are already agreed and recorded within a section 106 agreement which Kent County Council is already a party to; and
5. authorise the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to take necessary actions, included but not limited to limited to entering into relevant contracts or other legal agreements, as required to implement this.

Reason(s) for decision:

In order that the developer can proceed with the issuing of a building contract for the development of the new schools, it first requires Kent County Council to commit to the taking of a 999-year lease by first entering into an agreement for a lease, with a view to granting the formal 999-year lease upon completion / handover of the new schools.

Cabinet Committee recommendations and other consultation:

To be discussed at the Policy and Resources Cabinet Committee on 13 July 2022.

Any alternatives considered and rejected:

None.

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

None.

.....
signed

.....
date

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

Rebeca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee - 13 July 2022

Subject: Disposal of former Conningbrook Depot, Kennington Road,
Ashford, TN24 0LS

Key decision: Yes, Involves expenditure or savings of maximum £1m

Classification: *Unrestricted report with exempt appendix, not for publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

Past pathway of report: N/A

Future Pathway of report: Member decision.

Electoral Division: Ashford Rural East, Clair Bell

Summary: This report considers the proposed disposal of the former Conningbrook Depot, Kennington Road, Ashford TN24 0LS.

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 disposal of the property, the former Conningbrook Depot, Kennington Road, Ashford TN24 0LS and delegate authority to:

1. The Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the terms of the disposal.
2. The Director of Infrastructure to authorise the execution of all necessary or desirable documentation required to implement the above.

1. Introduction

- 1.1 This paper addresses the Council's intention to sell the former Conningbrook Depot site, which comprises approx. 1.4 acres (0.58 hectares).
- 1.2 Located north of Ashford town centre, on the north-eastern side of the A2070, as illustrated on the aerial photograph below:



- 1.3 To the south-west of the site is a pair of semi-detached cottages. Land to the north-east was formerly used for gravel and sand extraction; this is now managed by Kent Wildlife Trust on behalf of Ashford Borough Council, as Conningbrook Lakes Country Park.
- 1.4 To the south-west is a mixture of light industrial and commercial premises.
- 1.5 It is a level site, mainly laid to hard surfacing and part being compacted material. There are 2 dilapidated buildings: a garage and workshop with mezzanine amounting to c7,400sqft. A further single-storey prefabricated building is on site, in poor condition and unusable: this requires demolition.
- 1.6 A site plan is shown in Appendix B.

2. History

- 2.1 The Council acquired the freehold interest of the land in 1934.
- 2.2 The site was originally used as a local authority works/highways depot, then used by the Landscape Services Team from the 1980s until it became vacant in December 2018.
- 2.3 Following internal consideration, no operational use for the site could be established and it has subsequently been declared surplus and suitable for disposal.

3. Financial Implications

- 3.1 The sale of the property will result in a capital receipt which will be reinvested back into the Council's Capital Programme. Further financial information is set out in the exempt appendix A.

3.2 The disposal of the property will remove holding costs associated with the property easing pressure on revenue budgets.

4. Marketing

4.1 Subject to the necessary approvals being forthcoming, Kent County Council will appoint a suitably qualified agent to openly market the site in Q3 2022 on an “all enquiries” basis to allow any interested parties to submit a bid for the site.

4.2 A marketing campaign to advertise the site through various media channels will be undertaken to ensure a wide potential audience is reached; appropriate due diligence will be undertaken on any bidders.

4.3 Bids will be appraised in line with the Council’s legislative and fiduciary duties, and in compliance with any relevant Council policy.

4.4 Following the formal submission of bids, the bids will be assessed taking into account the following:

- Overall price, any pricing caveats or exclusions
- Any conditionality on the proposals and the deliverability of these
- Compliance with the Local Plan affordable housing requirements if appropriate
- Deliverability of the proposals submitted if they are reliant on the planning process
- Funding security
- Any factors of opportunity cost that KCC may wish to consider other than those described above delivering operational or policy returns.

4.5. Due diligence will be undertaken as appropriate which may include valuation, planning or other specialist advice.

4.6. Following the consideration of initial bids best and final offers may be requested. It is proposed to appoint the best proposal that enables KCC to deliver the maximum capital receipt for the Council, taking into account all the factors described in 4.4 will be selected.

5. Options

5.1. Following internal consideration, no operational requirement for the site has been established, therefore other options to be considered were limited to holding the property for investment return or disposal.

5.2. Continuing to hold the site would leave the Council exposed to ongoing costs during void periods, or if an occupier could not be found, and the buildings on site remain an inherent risk due to their current condition. The site would also require significant investment either by the Council or by an incoming tenant as a precursor to occupation and use.

5.3. The exempt appendix A sets out the approaches which have been received by the Council since the site was declared surplus.

- 5.4. A freehold disposal will allow a capital receipt to be generated for reinvestment back into the Council's stated capital priorities.
- 5.5. A freehold disposal is the preferred option for the site, seeking offers on an "all enquiries" basis to ensure all market interest is explored in line with the Council's statutory duties.

6. Governance and Legal implications

- 6.1. A Key Decision is being sought in line with the constitution and the Council's governance processes. The views of the local Member in accordance with the property management protocol have been sought and will be reported to the Cabinet Member before a Key Decision is taken.
- 6.2. The Council has a duty under s123 of the 1972 Local Government Act to obtain not less than best consideration in the disposal of property assets.
- 6.3. External legal advisors will be appointed in consultation with General Counsel.

7. Equalities implications (EQUIA)

- 7.1. The Key Decision to be taken by the Cabinet Member does not relate to a service delivery or change.
- 7.2. The site has been vacant since 2018 and has already been declared surplus to the Council's operational requirements.
- 7.3. No direct impact on any groups with protected characteristics have been identified in relation to the proposed decision to authorise disposal.

8. Next Steps and Conclusions

- 8.1. An indicative timetable for the planned disposal is set out below:

| Stage | Timescale |
|--|-------------------|
| Marketing | Q3 2022 |
| Bid appraisal | Q4 2022 |
| Exchange | Q4 2022 / Q1 2023 |
| Completion assuming unconditional sale | Q1 2023 |
| Completion assuming conditional sale | Q4 2023 / Q1 2024 |

- 8.2. The site has been declared surplus to the Council's operational requirements. In accordance with the Council's strategy of recycling assets to produce capital receipts for reinvestment into capital project priorities, a decision to authorise the disposal of the site is sought from the Cabinet Member, and the Committee's views are sought on the proposed decision.

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 authorise the disposal of the property, the former Conningbrook Depot, Kennington Road, Ashford TN24 0LS and delegate authority to:

1. The Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the terms of the disposal.
2. The Director of Infrastructure to authorise the execution of all necessary or desirable documentation required to implement the above.

10. Background Documents

Appendix A – Exempt Appendix
Appendix B – Site Plan
Appendix C – Proposed record of Decision

11. Contact details

| Lead Officer: | Relevant Director: |
|--|---|
| Hugh D'Alton Investment & Disposals 03000 41 88 35 Hugh.D'Alton@kent.gov.uk | Rebecca Spore Director of Infrastructure 03000 41 67 16 rebecca.spore@kent.gov.uk |
| Karen Frearson MRICS Head of Property Strategy, Infrastructure 03000 41 62 93 karen.frearson@kent.gov.uk | |

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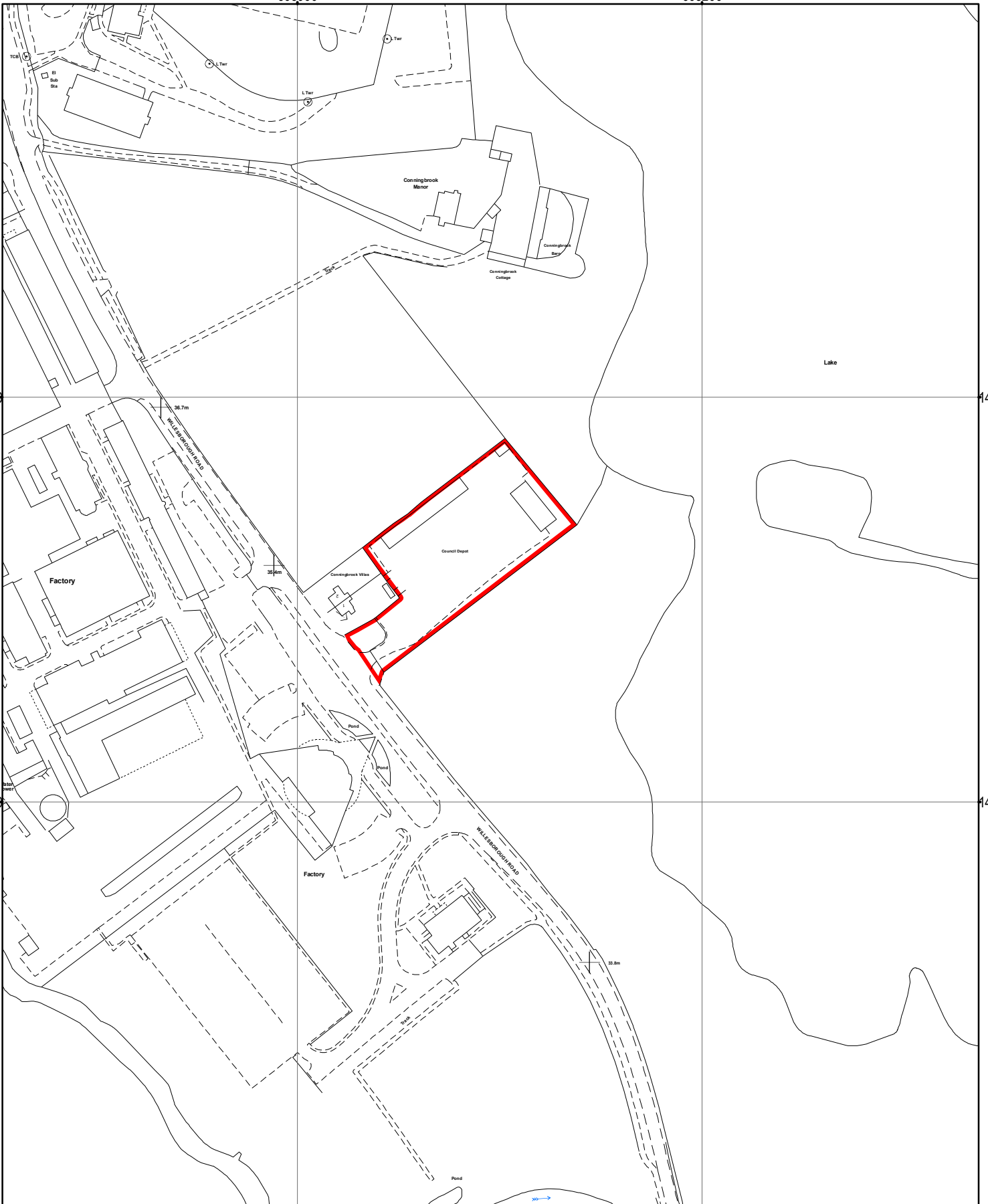
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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MasterMap

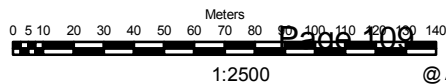
LANDSCAPE SERVICES
 CONNINGBROOK DEPOT
 KENNINGTON ROAD
 ASHFORD
 TN24 0LS



PROPERTY AND
 INFRASTRUCTURE SUPPORT
 County Hall, Maidstone
 Kent ME14 1XQ
 Tel:08458 247247

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Date
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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:

To be allocated by Democratic Services

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).

Title: Disposal of former Conningbrook Depot, Kennington Road, Ashford TN24 0LS

Decision:

As the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I agree to the disposal of the property, the former Conningbrook Depot, Kennington Road, Ashford TN24 0LS and delegate authority to:

1. The Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the terms of the disposal.
2. The Director of Infrastructure to authorise the execution of all necessary or desirable documentation required to implement the above.

Reason(s) for decision:

The property is surplus to the Council's operational requirements and due to the values requires a key decision per Kent County Council's constitution.

The sale of the property will result in a capital receipt which will be reinvested back into the Council's Capital Programme.

Cabinet Committee recommendations and other consultation:

The matter is due to be considered by the Policy and Resources Cabinet Committee 13th July 2022.

The views of the Local Member will be sought and reported to the Cabinet Committee and the decision taker.

Any alternatives considered and rejected:

The Council has an overarching duty under Section 123 of the Local Government Act 1972 to secure not less than best consideration in respect of property disposals. It also has a fiduciary duty to the residents of Kent.

As the property is not required for the Council's operational purposes. The only alternative option would be to seek a tenant and gain a rental income stream from the asset. However, this approach does not align with the Council's investment strategy and a disposal provides an opportunity to reinvest capital in agreed priorities, as set out in the Council's Capital Programme.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None.

.....

signed

.....

date

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

Lisa Gannon, Director of Technology

To: Policy and Resources Cabinet Committee - 13th July 2022

Subject: Kent Public Service Network Re-Procurement Update

Key decision – Yes, *decision affects more than 2 Electoral Divisions and involves expenditure or savings of maximum £1m*

Classification: Unrestricted

Past Pathway of report: Policy and Resources Cabinet Committee, 13 July 2021

Future Pathway of report: Policy and Resources Cabinet Committee
Cabinet Member Decision

Electoral Division: All - Countywide

Summary:

The Kent Public Sector Network Partnership (KPSN) 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 30 multi-agency Partners across 1500 sites including Schools, Blue Light Services, Universities and NHS.

The KPSN agreement with Daisy Udata Communications Ltd (DUCL), is due to expire in August 2024. All contract extensions have been utilised and a replacement supplier is required to continue providing network connectivity.

This report updates Members on the re-procurement of this contract and sets out the next steps.

Recommendation(s):

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

1. Introduction

- 1.1. The Kent Public Services Network (KPSN) agreement with Daisy Udata Communications Ltd (DUCL), a company of Capita Plc, is due to expire in August 2024. All contract extensions have been utilised and a replacement supplier is required to continue providing network connectivity to our partners.

- 1.2. In addition to providing secure and resilient core network connectivity, KPSN provides a range of value-added services, such as network security, public and commercial internet, Wi-Fi, CCTV, mail filtering, remote access services and cyber security protection.
- 1.3. KPSN is a partnership, it is not a legal entity and Kent County Council (KCC) is the owner of the KPSN contract.

2. Background

- 2.1. The KPSN is a broadband ICT network developed by a Partnership of public sector agencies. Built to the highest standards, this integrated network has been designed to meet growing demands for better access to services, collaboration, and multi-agency shared services. The core principles of KPSN are that a collective approach to the provision of telecommunications services decreases the cost and increases the value proposition to our partners.
- 2.2. 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 | Dartford Borough Council | Canterbury City Council |
| Ashford Borough Council | Cantium Business Services | Medway Unitary Council |
| Citizens Advice North & West Kent | Pilgrims Hospices | Medway Community Health (MCH) |
| South, Central and West CSU (SCWCSU) | Medway and Tunbridge Wells Trust (MTW) | Kent and Medway CCG |
| JANET UK (Jisc) | Kent Community Health Foundation Trust (KCHFT) | University of Greenwich (Medway) |
| Northeast London Commissioning Support Unit (NELCSU) | Kent Fire and Rescue Service | Canterbury Christ Church University |
| Maidstone Borough Council | Gravesham Borough Council | University of Kent |
| Sevenoaks District Council | Folkestone and Hythe District Council | Swale Borough Council |
| Tonbridge & Malling Borough Council | Thanet District Council | University for the Creative Arts |
| Tunbridge Wells Borough Council | Dover District Council | |

- 2.3. DUCL is the service provider of the contract that underpins the KPSN Partnership which is due to expire in August 2024. DUCL is a joint venture between Udata Infrastructure Ltd, a leading communications integrator to the public sector and part of Capita IT Services, and Daisy Group plc, an experienced supplier of unified business communications services.
- 2.4. The contract was originally let in August 2014 for 6 years with various options to extend for a further 4 years. The 2014 contract opportunity was advertised for a value of £75m over the 10-year duration, however due to consolidation of

demand on the network core, the overall spend from 2014-2024 is estimated to be £50-55m.

- 2.5. The challenges of Brexit and the COVID-19 pandemic have completely reset the baseline for public services within Kent and has reinforced the value of an integrated resilient public service network, which underpins service delivery and enables mutual support between public sector agencies.

3. Objectives of the KPSN Re-procurement

- 3.1. Ensuring the continuation of the Council's (and other partners on KPSN) network connectivity requirements are delivered and managed, including a whole range of services providing resiliency, security and flexibility.
- 3.2. Continuing to be the trusted partnership model and vehicle for Kent public sector organisations.
- 3.3. Provide services that are excellent value for money by continuing to aggregate partner requirements and streamline infrastructure where possible.
- 3.4. Be the go-to solution to assist partners with their migration from on premise infrastructure to Cloud solutions, and/or a hybrid of both.
- 3.5. Continue to remove the task of managing a network away from KPSN partners to allow them to focus on their own individual organisation's objectives.
- 3.6. Continue to be a vehicle for partner collaboration throughout the public sector in Kent.

4. Collaboration Efforts

The following options have been considered:

4.1. Collaboration with another County Council

- 4.1.1. Essex County Council (ECC) provide a similar service to KPSN, as they aggregate user requirements to access advantageous pricing, contractual terms, higher levels of services etc. The main difference to the KPSN model is the ECC model was designed as a framework, so ECC user organisations contract directly with the service provider.
- 4.1.2. The ECC service provider is also DUCL, the main difference being DUCL are sited permanently at Essex County Hall and Essex County Council maintain a 'hands-off' approach in the day-to-day activity.
- 4.1.3. The contract between ECC and DUCL terminates at the end of 2024 (4 months after the KPSN contract), the timing of which is prompting KCC discussions with ECC. Collaborative discussions started in 2019 as there was an opportunity to jointly terminate both DUCL contracts in 2022 (and not take advantage of the final contract extension).

4.1.4. KPSN and ECC participated in joint early market engagement in 2020 (ECC leading as the lead authority) which involved virtual meetings with 18 suppliers in the network and communications market.

4.1.5. ECC decided not to progress onto a procurement after the early market engagement activity as the information obtained proved that the network and communications market was unstable due to the effects of Covid-19 and the sudden change in what customers needed to continue to operate.

4.1.6. KPSN and ECC jointly decided to discontinue the option of collaboration due to various factors listed below:

- Both organisations had differing appetites to extend the existing contract and KPSN wanted to take advantage of the available extensions left on the contract to allow the market more time to stabilise during the COVID-19 pandemic.
- It was agreed determining the 'lead authority' would be challenging, i.e., ownership, liability, and governance.
- Different operating models were preferred, i.e., partnership working vs. framework call-offs.
- Different funding models were preferred, i.e., self-funding via partner contributions vs. 'hand-off' approach and the supplier manages the financial model.

4.2. Collaboration with NHS

4.2.1. There is an appetite to explore a more centred/grouped collaboration with the NHS, however, there has not been an opportunity to open dialogue, despite the attempts from KPSN. This could have been due to the Clinical Commissioning Group (CCG) consolidation (reduction from 9 to 1 CCG) and resources available. In addition, the CCG were in the process of changing their CSU (Clinical support Unit) provider during this time. We anticipate this to stabilise in this calendar year (2022) and hope to work with them in the near future.

5. Financial implications

5.1. 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.

5.2. 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.

- 5.3. 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.
- 5.4. 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.
- 5.5. The team intends to undertake a market engagement activity with the issuing of a PIN (Prior Information Notice) to the market. The intention of the PIN is to understand the current stance and situation of the market, and to learn how best to deliver the next 10 years of KPSN services.
- 5.6. Financial information will later be shared from the outcome of the tender in 2023. There may be a possibility that any indicative costs can be shared, if any are obtained through the PIN process.
- 5.7. Overall contract spend to date, as of March 2022 is £39,771,135.32.
- 5.8. Anticipated total contract duration spend by 2024 is £49,500,000.00 based on the previous 8 years and considering decrease/increase of partners.

6. Legal implications

- 6.1. 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.
- 6.2. The procurement will be undertaken using recognised public sector procurement guidelines in consultation with Strategic Commissioning. Legal advice will be sought in support of the procurement.

7. Equality implications (EQIA)

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

8. Governance

As the contract is held by KCC, any re-procurement of the contract will require a key decision in accordance with KCC's constitution and governance process.

9. Conclusions and Next Steps

- 9.1. 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.
- 9.2. The KPSN – DUCL contract has now used all possible extensions, making the final expiration of the contract August 2024. The 30+ partners contributing to KPSN have all expressed an interest to continue utilising KPSN services for their network connectivity needs. It is also worth noting the contracts governing the relationship between KPSN and the partner have no end date. They are automatically renewed each year and have strict termination periods (12 months plus the remainder of the financial year the notice is served) to protect the stability and funding of the partnership.
- 9.3. It is proposed to undergo a full procurement after a successful PIN activity, to continue providing competitive connectivity services to the partners of KPSN and future organisations that wish to take advantage of the proven partnership.
- 9.4. As many services will be factored into the procurement as possible to best serve the customers’ needs. We anticipate having a service to offer no matter where the partner is, whether they require services we provide today currently, a hybrid set of requirements or fully implemented Cloud based services. We aim to futureproof the service offering as best as possible, to cover all ranges of requirements.
- 9.5. The indicative key milestones are as follows:

| Indicative Milestone | Key Dates |
|-----------------------------|-----------------------------|
| Partner engagement activity | May 2022 – June 2022 |
| PIN activity | July 2022 – December 2022 |
| Undertake Procurement | January 2023 – October 2023 |
| Contract Award | November/December 2023 |
| Contract Mobilisation | January 2024 – August 2024 |
| New supplier fully in place | August 2024 onwards |

- 9.6. It is proposed to update the timeline further following the procurement activity in 2023.

10. Recommendation(s)

Recommendation(s):

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

11. Background Documents

None.

12. Contact details

| | |
|---|---|
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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 2022

Subject: Work Programme 2022/23

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 note its planned work programme for 2022/23

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 Chair, Vice-Chair and group spokesmen.
- 1.2 Whilst the Chair, 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 2022/23

- 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 agendas 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 Chair or the Democratic Services Officer between meetings for consideration.

5. Recommendation: The Policy and Resources Cabinet Committee is asked to consider and note its planned work programme for 2022/23

6. Background Documents

None.

7. Contact details

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POLICY AND RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2022/23

| 14 September 2022 – 10 am | | |
|--|--------------------------------------|--|
| <ul style="list-style-type: none"> • Property Accommodation Strategy –Strategic Headquarters Decision <i>September or November</i> | Rebecca Spore | <i>New item requested by Infrastructure team on 29 March 2022 – timing TBC later</i> |
| <ul style="list-style-type: none"> • Update on asset management plan | Karen Frearson Mark Cheverton | <i>Deferral from May meeting requested by Infrastructure team</i> |
| <ul style="list-style-type: none"> • Disposal of Saxon House | Alister Fawley Karen Frearson | <i>Deferral from July meeting requested by Infrastructure team</i> |
| <ul style="list-style-type: none"> • Total Facilities Management | Rebecca Spore | <i>Regular item</i> |
| <ul style="list-style-type: none"> • Strategic and Corporate Service Directorate Performance Dashboard | David Whittle Rachel Kennard | <i>Regular item</i> |
| <ul style="list-style-type: none"> • NEW a broad briefing paper on Domestic Abuse <i>Members need to be able to discuss and ask questions and, have input as soon as possible. Appropriate Cabinet Member must be able to attend to answer Members' questions.</i> | David Whittle Serine Annan-Veitch | <i>New item added at 11 May agenda setting, to respond to note about how/when/how often to update on the Domestic Abuse Accommodation item to April mtg.</i> |
| <ul style="list-style-type: none"> • Work Programme 2022/23 | | |
| 10 November 2022 – 10 am | | |
| <ul style="list-style-type: none"> • Annual Equality and Diversity Report | David Whittle | <i>Regular item – in 2022 moved from September with Chair's agreement</i> |
| <ul style="list-style-type: none"> • Property Accommodation Strategy –Strategic Headquarters Decision <i>September or November</i> | Rebecca Spore | <i>New item requested by Infrastructure team on 29 March 2022 – timing TBC later</i> |
| <ul style="list-style-type: none"> • Disposal of Phase II Youth Centre Site, Station Road, New Romney | Karen Frearson Alister Fawley | <i>Deferral from May meeting requested by Infrastructure team</i> |
| <ul style="list-style-type: none"> • Work Programme 2023 | | |

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|---|---------------------------------|---------------------|
| 18 January 2023 – 10 am | | |
| • Draft Revenue and Capital Budget and Medium-Term Financial Plan | John Betts Dave Shipton | <i>Regular item</i> |
| • Contract Management Review Group update | Clare Maynard Chris Wimhurst | <i>Regular item</i> |
| • Implementation of the Armed Forces Covenant in Kent | Tim Woolmer | <i>Regular item</i> |
| • Total Facilities Management | Rebecca Spore | <i>Regular item</i> |
| • Covid Finance (as long as is needed) and then regular Medium Term Financial Plan (MTFP) update | John Betts Dave Shipton | <i>Regular item</i> |
| • Strategic and Corporate Service Directorate Performance Dashboard | David Whittle Rachel Kennard | <i>Regular item</i> |
| • Work Programme 2023 | | |
| 19 March 2023 – 10 am | | |
| • Risk Management (Including RAG ratings) | David Whittle Mark Scrivener | <i>Regular item</i> |
| • Cyber Security | Lisa Gannon | <i>Regular item</i> |
| • Work Programme 2023 | | |
| 11 May 2023 – 10 am | | |
| • Covid Finance (as long as is needed) and then regular MTFP update | John Betts Dave Shipton | <i>Regular item</i> |
| • Strategic and Corporate Service Directorate Performance Dashboard | David Whittle Rachel Kennard | <i>Regular item</i> |
| • Work Programme 2023 | | |

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|------------------------------|--|--|
| | | |
| 4 July 2023 – 10 am | | |
| • Work Programme 2023 | | |

PATTERN OF REGULAR ITEMS - *this is being reviewed so has been temporarily removed*

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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