

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 20 July 2022.

PRESENT: Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr N J Collor, Mr G Cooke, Mrs S Hudson, Mr D Jeffrey, Mr R C Love, OBE, Mr H Rayner, Mr O Richardson, Dr L Sullivan, Mr A J Hook and Mr P Stepto

ALSO PRESENT: Mr R W Gough (Leader of the Council), Mrs C Bell (Cabinet Member for Adult Social Care and Public Health), Mr J P McInroy (Deputy Cabinet Member for Corporate Services), Mr A Brady, Ms M Dawkins and Mr M A J Hood

IN ATTENDANCE: Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mr J Sanderson (Head of Property Operations), Ms J Taylor (Head of Project Management), Mr M Cheverton (Senior Asset Manager), Mrs A Taylor (Scrutiny Research Officer) and Mr M Dentten (Democratic Services Officer)

IN VIRTUAL ATTENDANCE: Mr P Bartlett and Mrs T Dean

UNRESTRICTED ITEMS

48. Introduction

(Item A1)

The Chairman informed the Committee of an urgent item, to consider the call-in of decision 22/53 on KCC's Freehold Property Assets Disposal Policy, which had been brought to the meeting, following publication of the agenda, as it could not reasonably be delayed to the Committee's next meeting in September.

49. Declarations of Interests by Members in items on the Agenda for this Meeting

(Item A3)

No declarations were made.

50. Minutes of the meetings held on 17 May and 8 June 2022

(Item A4)

RESOLVED that the minutes of the meetings held on 17 May and 8 June 2022 were an accurate record and that they be signed by the Chairman.

51. Short Focused Inquiry Work Programme

(Item A5)

Mrs C Bell, Cabinet Member for Adult Social Care and Public Health and Mr P Bartlett, Chairman of the Health Overview and Scrutiny Committee were in attendance for this item.

1. Mrs Taylor explained that the Committee were asked to agree the work programme and set out a priority order for the future Short Focused Inquiries (SFIs), as detailed in the report. She highlighted the three suggestions made by Members: Gypsy, Roma and Traveller health inequalities; improved delivery of dementia care; and the condition of the KCC property portfolio.
2. A Member asked that future contract reviews be included within the scope of the Highways Improvement Plans SFI.
3. Mrs Bell addressed the Committee. She provided added context on dementia care in Kent and referenced the development of a Kent dementia strategy which was being formulated in partnership with the NHS. In relation to the care model used by the Harmonia Dementia Village, she gave an overview of the financing arrangements, which included Section 106 and Interreg grant funding. Concerning Gypsy, Roma and Traveller health inequalities, she observed that an inquiry would be good opportunity to clarify the role KCC played in reducing health inequalities, as well as for measuring the efforts of the Integrated Care System (ICS) as a whole. She suggested liaising with representatives of the communities, ahead of an SFI, to ensure that they were aware and comfortable with the scope.
4. Mr Bartlett addressed the Committee. He explained the ongoing work of the Health Overview and Scrutiny Committee in relation to the NHS's work tackling Gypsy, Roma and Traveller health inequalities. He welcomed an SFI into the issue and encouraged the inclusion of education within its scope.
5. Members discussed the merits of different priority orders for the future SFI work programme.
6. Mr Cooke proposed and Mr Rayner seconded a future work programme for SFIs, with the following priority order:
 1. The condition of the KCC property portfolio
 2. Improved delivery of dementia care
 3. Gypsy, Roma and Traveller health inequalities
7. Members voted on the motion. The motion passed by majority vote.

RESOLVED to:

- a) note the progress made on the S106 SFI;
- b) confirm that a Highways Improvement Plans SFI will commence in late August - early September;
- c) agree the future work programme for SFIs, with the following priority order:
 1. The condition of the KCC property portfolio
 2. Improved delivery of dementia care
 3. Gypsy, Roma and Traveller health inequalities; and

- d) agree to delegate to Officers the arrangement of the next Inquiry as outlined in the report.

**52. URGENT ITEM - Call-in of Decision 22/00053 - Kent County Council
Freehold Property Assets Disposal Policy
(Item B1)**

Mr J McInroy, Deputy Cabinet Member for Corporate Services; Ms R Spore, Director of Infrastructure; and Mr M Cheverton, Senior Asset Manager were in attendance for this item.

1. The Chairman introduced the item and shared his disappointment that the decision maker, Mr Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, was not present. He invited the proposer of the call-in, Mrs Dean, to provide an overview of the reasons for her call-in. Mr Brady and Mr Hood as seconders were also invited to speak.
2. Mrs Dean presented the reasons for her call-in. She began by clarifying that she had no concern regarding the disposal of Council assets where there was no KCC service need or community interest. She explained her concern that the Freehold Property Assets Disposal Policy's community value principle could obligate voluntary and community sector groups, financially or otherwise, in a way which would make community bids unlikely. It was noted that the principle was not mentioned in the Council's Strategic Statement or Civil Society Strategy. She stated that the Policy required accompanying guidance for community groups and local councils, explaining the bidding criteria and purchase process. She added that many organisations within the voluntary and community sector faced challenges funding the necessary legal assistance required to finalise contractual arrangements with KCC. An assertion was made that community groups with limited financial resources would be put at a disadvantage when competing with commercial bids. The ambition to increase community resilience was welcomed, though it was stated that the aspiration would be in direct conflict with the ambition to achieve the highest price for property. She asked that the Policy be reconsidered to reconcile the two objectives.
3. Mr Brady shared his concerns that the Policy would limit the Council's ability to retain open spaces, in opposition to the Strategic Statement's commitments to protect those spaces, improve access and support nature recovery. He stressed the need for the Policy to assess open spaces against multiple values, not limited to finance, including their environmental benefit. In response to Mr Brady's statement, Ms Spore explained that the Policy came into effect when the Council had exhausted its own requirements to use the property for its own services, such as use as country park. She confirmed that Infrastructure worked in cooperation with colleagues in Growth, Environment and Transport (GET) to maximise biodiversity on the Council's estate.
4. Mr Hood stated that the Policy needed to be reconsidered to allow for district councils to be given the first chance to buy Council property, for the purpose of

developing social housing. He added that the option to dispose of property below market price should be included within the Policy, so long as it had a significant positive community benefit. Following the statement, Ms Spore confirmed that KCC would consider community bids from district councils.

5. Mr McInroy, on behalf of Mr Oakford, made a statement. He confirmed that the Policy was clear in its commitment to provide community organisations with the opportunity to purchase Council property, with the proceeds financially benefitting statutory services. He explained that the Council needed to prioritise measures which eased its financial pressures, with the protection of statutory services being the main priority. It was emphasised that the Policy should be taken into account in conjunction with the Council's Civil Society Strategy and Strategic Statement.
6. Ms Spore clarified that the Policy would take account of an asset's community value when it contributed to supporting the Council's statutory services. She reminded Members that the Policy was subject to community asset legislation and gave reassurance that the Council provided advice and extensions, where possible, to aid community groups in their bids and business cases. Concerning the typical property for disposal, she noted that the majority were small and often within local planning allocation areas. The means of comparing bids, be that community or commercial, were explained, with it stressed that the process was clear and even-handed. It was noted that the Policy was only applicable when a property was declared surplus. She concluded by explaining that KCC were required to follow local plan designations, set by district councils.
7. Mr Watts explained the role of Democratic Services in assessing the validity of a call-in against the criteria set out in the Council's Constitution. He emphasised the impartiality of the process and explained that in determining the validity no judgement was passed on the reasons put forward by the Members.
8. Concerns were raised by a Member in relation to the centralisation of decision making set out in the Policy and 'special purchaser' exception, which they stated could impact bid competition.
9. In response to a question from a Member, Ms Spore confirmed that, on average, 5 community asset requests were received annually. She explained the typical timeline for a building disposal, which included interaction with communities, with community groups having 6 months to act after KCC announces its intention to dispose.
10. Mr McInroy confirmed, following a question from a Member, that it was a political decision not to have a community asset policy.
11. Members emphasised the importance of developing clear guidance for community groups, which accommodated local needs and requests.

12. A Member asked whether local Members would be notified of proposals to dispose assets in their division. Ms Spore confirmed that, in line with the Property Management Protocol contained within the Council's Constitution, local Members were consulted on property transactions or decisions which had an impact on property matters in their division.
13. Ms Spore confirmed, following a question from a Member, that the Council had disposed of property under their asset value. An example was given, with it noted that the disposal formed part of a wider regeneration project.
14. A Member asked that examples of successful bids be shared with community groups, to improve their understanding of the process and general requirements.
15. Following the comments made by the Committee, the Chairman offered the proposer and seconders the opportunity to reply. Mr Brady stated that the Policy needed to be reconsidered to realign the policy with the Strategic Statement. He stressed the need to develop a mechanism to explain how the Policy would be implemented and could be referenced by community groups. He reiterated his concern that the Policy did not determine how a community could quantify the public value of a property.
16. Mr Love proposed and Mr Cooke seconded recommendation (b) "that the Scrutiny Committee express comments but do not require reconsideration of the decision."
17. Members voted on the motion. The motion passed by majority vote.

RESOLVED that the Scrutiny Committee expressed comments but did not require reconsideration of the decision.

53. Revenue and Capital Budget Outturn Report 2021-22 *(Item C1)*

Mr R Gough, Leader of the Council and Mr D Shipton, Head of Finance Policy, Planning and Strategy were in attendance and Mr J Betts, Interim Corporate Director of Finance; Ms C Head, Head of Finance Operations; and Ms E Feakins, Chief Accountant were in virtual attendance for this item.

1. The Chairman introduced the item and invited Mr Gough to provide an overview of the Provisional Revenue and Capital Budget Outturn Report for the 2021-22 financial year.
2. Mr Gough began by noting that the Council had finished the 2021-22 financial year in budget, for the 22nd consecutive year. He addressed the financial pressures across the Children's, Young People and Education (CYPE) and Adult Social Care and Health (ASCH) directorates, as well as the lasting financial impact of the Covid-19 pandemic, which had increased case complexity. He highlighted the underspend in community adult social care which had transpired as a result of shortages in social care staff. He reminded Members of the difficulty faced when forecasting future government funding.

3. Mr Shipton added that the 2020-21 and 2021-22 financial years had been anomalies in the grand scheme, due to the heightened level of funding and spending directly related to the pandemic. He noted that this made it particularly difficult to compare these to other years.
4. A Member asked whether in year budget realignment had impacted policy commitments. Mr Gough reassured the Committee that realignment did not reflect a shift in policy and was required to meet changing demand in-year.
5. In relation to the Adult Social Care budget, a Member asked how the underspend had impacted service delivery and whether any financial commitments had been made to address long term staff vacancies. Mr Gough recognised that the staff shortages were not a welcomed development and reflected an industry-wide issue, reassurance was given that the Personnel Committee would continue to monitor the issue. Mr Shipton confirmed that additional funding had been made available to providers to ensure increases in staff pay. He recognised that the sharp increase in wages across the social care industry, since the onset of the pandemic had been a significant factor, with providers still having issues recruiting despite the additional financial support.
6. Mr Gough confirmed that, with the steer of Cabinet, Finance were developing a clearer and earlier budget development process. Mr Shipton added that work was underway to improve the clarity of outturn reports, in order to increase accessibility.
7. Ms Head confirmed the accuracy of the £170m capital rephasing programme, and that it took account of existing and anticipated levels of debt costs.
8. The Chairman asked how long-term support for the provision of community mental health services had been built into future budget planning. Mr Gough informed Members that Cabinet would be considering the extension of the Reconnect Programme at its 21 July meeting, which would provide support and wellbeing opportunities for children.
9. Following a question from a Member on whether Decarbonisation Fund monies had been used ahead of the centrally set deadlines, Mr Gough agreed to clarify the position following the meeting.
10. Mr Gough was asked for an indication of KCC's current position in relation to the Dover Inland Border Facility. He reminded Members that the decision to establish the facility had been made by government and recognised that the site had the potential to be used for other future border operations, in order to reduce local pressures.

RESOLVED that the report be noted.

54. Inflationary Pressures on Capital Construction Programmes (Decision 22/00050)
(Item C2)

Mr J McInroy, Deputy Cabinet Member for Corporate Services; Ms R Spore, Director of Infrastructure; Mr J Sanderson, Head of Property Operations; and Ms J Taylor, Head of Project Management were in attendance for this item.

1. The Chairman introduced the item and noted that it had been requested by Mrs Dean. The Committee were reminded that any Member of Council could request an item for Scrutiny.
2. Mr McInroy provided an overview of the Inflationary Pressures on Capital Construction Programmes executive decision. He confirmed that the decision ensured that the Council had sufficient capital allocated and contractual management arrangements in place to deliver the programmes and projects, with anticipated additional costs as set out in the Medium-Term Financial Plan.

RESOLVED that the report be noted.

55. Work Programme
(Item D1)

RESOLVED that the work programme be noted.