



Summons to and
Agenda for a
Meeting on
**Thursday, 2nd
November, 2023**
at **10.00 am**



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 25 October 2023

To: All Members of the County Council

A meeting of the County Council will be held in the Council Chamber, County Hall, Maidstone, Kent, ME14 1XQ on Thursday, 2nd November, 2023 at **10.00 am** to deal with the following business. **The meeting is scheduled to end by 4.30pm**

A G E N D A

1. Apologies for Absence
2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
3. Minutes of the meetings held on 21 September 2023 **(Pages 1 - 14)**
4. Corporate Parenting Panel - July Minutes for noting **(Pages 15 - 20)**
5. Chairman's Announcements
6. Questions
7. Report by Leader of the Council (Oral)
8. Securing Kent's Future **(Pages 21 - 60)**
9. Chief Executive Appointment **(Pages 61 - 68)**
10. Flood Risk Management Committee - Terms of Reference amendments **(Pages 69 - 76)**
11. Motions for Time Limited Debate **(Pages 77 - 80)**

A handwritten signature in black ink, appearing to read 'B. Watts', with a large, sweeping flourish extending to the right.

Benjamin Watts
General Counsel
03000 416814

KENT COUNTY COUNCIL

COUNTY COUNCIL

MINUTES of a special Honorary Freedom of the County meeting of the County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 21 September 2023.

PRESENT: Mr G Cooke (Chairman), Mr B J Sweetland (Vice-Chairman), Mr N Baker, Mr P V Barrington-King, Mr P Bartlett, Mr D Beaney, Mrs C Bell, Mrs R Binks, Mr A Booth, Mr A Brady, Mr D L Brazier, Mr C Broadley, Mrs B Bruneau, Mr S R Campkin, Mr T Cannon, Sir Paul Carter, CBE, Mrs S Chandler, Mr I S Chittenden, Mrs P T Cole, Mr P Cole, Mr N J Collor, Mr D Crow-Brown, Mr M C Dance, Ms M Dawkins, Mrs T Dean, MBE, Mr M Dendor, Mrs L Game, Mr R W Gough, Ms K Grehan, Ms S Hamilton, Peter Harman, Jenni Hawkins, Mr P M Hill, OBE, Mr A R Hills, Mrs S V Hohler, Mr S Holden, Mr M A J Hood, Mr A J Hook, Mrs S Hudson, Mr D Jeffrey, Mr J A Kite, MBE, Rich Lehmann, Mr B H Lewis, Mr R A Marsh, Ms J Meade, Mr J Meade, Mr P J Oakford, Mr J M Ozog, Mrs L Parfitt-Reid, Mr C Passmore, Mrs S Prendergast, Mr H Rayner, Mr O Richardson, Mr A M Ridgers, Mr D Robey, Mr D Ross, Mr A Sandhu, MBE, Mr T L Shonk, Mr C Simkins, Mr M J Sole, Mr P Stepto, Mr R G Streatfeild, MBE, Dr L Sullivan, Mr R J Thomas, Mr D Watkins, Mr S Webb, Mr J Wright and Ms L Wright

IN ATTENDANCE: Mr J Cook (Democratic Services Manager) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

163. Apologies for Absence
(Item 1)

The Democratic Services Manager reported apologies from Mr Mike Baldock, Mr Trevor Bond, Miss Susan Carey, Mr Nick Chard, Ms Karen Constantine, Mr Andrew Kennedy, Mr Steve Manion, Mr James McInroy and Mr Derek Murphy.

Mr Cole reported apologies from Mrs Margot McArthur.

164. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
(Item 2)

Mr Sandhu declared an interest in that he was a Trustee of the Kent Equality Cohesion Council.

165. Freedom of the County - HMS Kent
(Item 3)

- (1) The Chairman formally welcomed Commander Jeremy Brettell - Royal Navy Commanding Officer HMS Kent, Lieutenant Commander Paul Holland – Royal Navy Logistics Officer HMS Kent, and Canon Peter Bruinvels – KCC Covenant Lead and Civilian-Military Liaison Adviser and Military Expert, to the meeting.
- (2) The Chairman held a one-minute silence in memory of the Royal Marines who lost their lives on Friday 22 September 1989 in the bombing of Deal Barracks.
- (3) Mr Gough proposed, and Dr Sullivan seconded the motion that the Freedom of the County be awarded to HMS Kent and the ship's company.
- (4) The Chairman invited Mr Hood, Mr Hook, Mrs Game, Mr Passmore, Mr Richardson, Mrs Prendergast, Mr Crow-Brown, and Mrs Bruneau to speak.
- (5) The Chairman put the motion set out in paragraph 3 to the vote.

Motion carried.

- (6) The Chairman then presented Commander Brettel with the scroll conferring the Freedom of the County and invited Commander Brettel to respond.
- (7) Commander Brettel responded on behalf of HMS Kent and the ship's company and expressed his thanks for the honour bestowed upon them by the County Council. The Commander presented the Chairman with an HMS Kent ship plaque.
- (8) The Chairman thanked Commander Brettel and Lieutenant Commander Holland for attending to accept the Honour and thanked Mr Bruinvels for his continued work as Armed Forces Adviser to the Council.
- (9) RESOLVED that the Freedom of the County be awarded to HMS Kent.

Mr Steve Campkin asked for his vote to abstain from the recommendation be noted in the minutes.

KENT COUNTY COUNCIL

COUNTY COUNCIL

MINUTES of a meeting of the County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 21 September 2023.

PRESENT: Mr G Cooke (Chairman), Mr B J Sweetland (Vice-Chairman), Mr N Baker, Mr P V Barrington-King, Mr P Bartlett, Mr D Beaney, Mrs C Bell, Mrs R Binks, Mr A Booth, Mr A Brady, Mr D L Brazier, Mr C Broadley, Mrs B Bruneau, Mr S R Campkin, Mr T Cannon, Sir Paul Carter, CBE, Mrs S Chandler, Mr I S Chittenden, Mrs P T Cole, Mr P Cole, Mr N J Collor, Mr D Crow-Brown, Mr M C Dance, Ms M Dawkins, Mrs T Dean, MBE, Mr M Dendor, Mrs L Game, Mr R W Gough, Ms K Grehan, Ms S Hamilton, Peter Harman, Jenni Hawkins, Mr P M Hill, OBE, Mr A R Hills, Mrs S V Hohler, Mr S Holden, Mr M A J Hood, Mr A J Hook, Mrs S Hudson, Mr D Jeffrey, Mr J A Kite, MBE, Rich Lehmann, Mr B H Lewis, Mr R C Love, OBE, Mr R A Marsh, Ms J Meade, Mr J Meade, Mr P J Oakford, Mr J M Ozog, Mrs L Parfitt-Reid, Mr C Passmore, Mrs S Prendergast, Mr H Rayner, Mr O Richardson, Mr A M Ridgers, Mr D Robey, Mr D Ross, Mr A Sandhu, MBE, Mr T L Shonk, Mr C Simkins, Mr M J Sole, Mr P Stepto, Mr R G Streatfeild, MBE, Dr L Sullivan, Mr R J Thomas, Mr D Watkins, Mr S Webb, Mr J Wright and Ms L Wright

IN VIRTUAL ATTENDANCE: Mr M Whiting

IN ATTENDANCE: Mr J Cook (Democratic Services Manager) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

166. Apologies for Absence
(Item 1)

The Democratic Services Manager reported apologies from Mr Mike Baldock, Mr Trevor Bond, Miss Susan Carey, Mr Nick Chard, Ms Karen Constantine, Mr Andrew Kennedy, Mr Steve Manion, Mrs Margot McArthur, Mr James McInroy and Mr Derek Murphy.

Members were advised that Mr Mike Whiting had given his formal apologies and was joining the meeting virtually.

167. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
(Item 2)

The following Members declared an interest in relation to Item 9 on the agenda:

- Mr Hook was a self-employed barrister, and his wife was a Probation Officer although she did not work with young offenders.
- Mr Jeffrey was a member of the Youth Justice Board and would not take part in the debate or vote.
- Dr Sullivan's husband was Deputy Leader of Gravesham Borough Council and Chair of the Gravesham Community Safety Partnership.
- Mr Sandhu was a Trustee of the Kent Equality Cohesion Council.

168. Minutes of the meeting held on 13 July 2023 and, if in order, to be approved as a correct record
(Item 3)

RESOLVED that the minutes of the meeting held on 13 July 2023 be approved as a correct record.

169. Corporate Parenting Panel - Minutes for noting
(Item 4)

RESOLVED that the minutes of the meeting of the Corporate Parenting Panel held on 31 May 2023 be noted.

170. Chairman's Announcements
(Item 5)

Mr Leyland Ridings

- (1) The Chairman reminded Members that following the sad passing of Mr Leyland Ridings, MBE, the Council resolved at its meeting on 13 July a motion of condolence.
- (2) The Chairman welcomed Mr Ridings' daughter and grandson to the meeting and offered, on behalf of the Council, his heartfelt sympathies for their loss.
- (3) The Chairman provided a personal tribute to Mr Ridings. He explained that Mr Ridings was elected to the Council in 1997 where he first worked in the area of Children, Young People and Education. He said Mr Ridings was always knowledgeable and helpful with a great sense of humour and his passion for helping young people to be the very best that they could be was always apparent.
- (4) The Chairman invited Members to speak, and tributes were made by Mr Gough, Dr Sullivan, Mr Lehmann, Mrs Dean and Sir Paul Carter.

Local Cricket

- (5) The Chairman was pleased to inform Members that the Leeds & Broomfield Cricket Team played in the Voneus Village Cup Final on 3 September 2023 at Lord's Cricket Ground in London. Whilst victory was elusive, the Chairman congratulated the team on their achievement.

171. Questions
(Item 6)

In accordance with Sections 14.15 to 14.22 of the Constitution, 16 questions were submitted by the deadline and 15 questions were put to the Executive as one questioner had given apologies, 11 questions were asked, and replies given. A record of all questions put and answers given at the meeting is available [online](#) with the papers for this meeting.

Questions 10, 13, 14, 15 and 16 were not put in the time allocated but written answers were provided.

172. Report by Leader of the Council (Oral)
(Item 7)

- (1) The Leader opened his report by referring to the financial situation of the Council and of councils across the country. He said the issue was considered at the Council's Cabinet meeting on 17 August and he highlighted the importance of addressing the matter early, particularly in consideration of recent announcements and news reports from across the sector.
- (2) Mr Gough said Section 114 notices issued so far by local authorities included evidence of severe mismanagement and often involved poor investment decisions or specific failings. He said the sector was now facing a wider set of pressures which impacted on adult social care, children's social services placement costs and home to school transport (particularly in relation to SEND (Special Educational Needs and Disabilities)) and, for district and unitary authorities, temporary housing costs.
- (3) The Leader said the unsustainable pattern of spending and financing in local government, that he and the Leader of Hampshire County Council jointly wrote to Ministers about last year, remained. He said several management actions were being taken to address the in-year pressures that the Council faced, and significant progress was being made.
- (4) He explained that a medium- and longer-term plan, 'Securing Kent's Future', would address the build-up of pressures for 2024/25 and beyond, and was built on a detailed understanding of the drivers of budget pressures, comparisons between the Council's own position and that of other councils, and the sector as a whole. 'Securing Kent's Future' would address policy and practice, high costs placements measures, uses of technology, the Council's cost base and its partnership with the NHS. Mr Gough said there

were sector wide pressures of growing intensity and although they would be addressed with government, 'Securing Kent's Future' sought to do everything it could within the Council's power.

- (5) Mr Gough turned to Unaccompanied Asylum Seeking Children (UASC) and the Council's legal obligations. He explained that the High Court judgment of 27 July 2023 coupled with large scale arrivals meant that the number of UASC in the Council's care had risen rapidly and this potentially had financial, service, and safeguarding implications for the Council. He said an effective operation of the National Transfer Scheme would enable the Council to deliver on all its statutory duties and the Council continued to raise the financial and service challenges with national government. He and the Cabinet Member for Integrated Children's Services, along with senior officers, recently held a constructive meeting with relevant ministers, however detailed and practical steps to address the challenges were awaited. Mr Gough said the Council had a proud record of sustaining outstanding children's services and he paid tribute to the exceptional dedication of staff who were working long hours under great pressure.
- (6) The Council's expression of interest for a devolution deal was submitted to government on 4 August 2023. Mr Gough emphasised that the Council's approach should be as inclusive as possible, and it was important not to focus on structures but on the needs of Kent and Medway.
- (7) The Leader said Operation Brock was implemented on 13 July 2023 and removed towards the end of August following close monitoring by the Kent Resilience Forum. The longer-term issue, in particular the introduction of the Entry Exit System (EES) in a year's time, continued to be addressed with government.
- (8) On Reinforced Autoclave Aerated Concrete (RAAC), Mr Gough said Mr Love had briefed Members extensively regarding this. He noted with pride the proactive work that had been done and commended and thanked the officers involved who had worked very closely with a variety of schools.
- (9) The SEND Accelerated Progress Plan was published on 8 September. Mr Gough stressed the Council was focussed on making long term sustainable changes for the benefit of all children and young people with SEND and their families. He said two new special free schools for children with profound severe and complex needs had been approved by the Secretary of State and established in Swanley and Whitstable.
- (10) The Leader highlighted projects that had been shortlisted for awards in terms of innovation and social inclusion, including the delivery of the Household Support Fund, a food voucher scheme over the summer, and support with energy bills during winter. Money Advice Hubs continued to grow as more residents took up support.
- (11) Finally, the Leader referred to the deployment of the Bus Service Improvement Plan (BSIP) funding over the summer months which provided

free travel for the Kent Big Weekend, concessionary fares before 9.30am and a family ticket for low-income families. Details of tranche 2 of BSIP would be brought to Environment & Transport Cabinet Committee in November.

- (12) The Leader of the Labour Group, Dr Sullivan, joined the Leader in thanking officers for their proactive work in relation to RAAC.
- (13) Dr Sullivan commented on the changes made within the Cabinet, the timing of the changes, and welcomed the new Cabinet Members to their roles.
- (1) Regarding the Council's financial position Dr Sullivan referred to councils who had acted earlier to reframe services and balance adult social care budgets. She hoped large budget cuts affecting residents and services were not planned and that costs would not be passed on. She spoke about the length of time the Conservative party had been in control at the Council and in government, questioned who was to blame for the financial position that the Council faced, and suggested the Administration's solution hinged on extra taxes including those that a Mayoral Combined Authority would bring. She condemned the Administration's choices to protect payroll vote, commissioning rather than children and young people services, and market premiums rather than community wardens or youth services.
- (2) Dr Sullivan questioned when there would be a solution from government regarding UASC and suggested this be found by the calling of a general election.
- (3) Dr Sullivan said the SEND Accelerated Progress Plan would be scrutinised at the next SEND Sub-Committee and she highlighted the Key Performance Indicator - 'Percentage of pupils with issued EHCP with mainstream school placement' - and asked how the December 2023 target would be reached, who decided where children needed to be, and where the children's needs ranked within that priority.
- (4) Mr Lehmann, Leader of the Green and Independent Group, spoke about climate change. He said the hottest summer on record, globally, had been recorded in Phoenix Arizona and referred to the impacts of wildfires in America and record-breaking heat in southern Europe. He commented that the UK experienced a cool summer overall which may have led people to misunderstand the gravity of the situation.
- (5) Mr Lehmann referred to the government's change of direction on longstanding climate pledges including the requirement for landlords to improve the energy efficiency of rented homes (which would cut millions of tons of carbon emissions across the UK and save billions of pounds in energy bills), the installation of heat pumps, and the sale ban of new petrol and diesel cars.
- (6) Mr Lehmann referred to Small Modular Reactors (SMRs) and Dungeness as a potential site for nuclear power. He said the unit cost of nuclear power

was approximately double the cost of wind and solar and the lead times for SMRs were greater than for renewable energy production. Mr Lehmann reiterated a point he made at the Council budget meeting in February regarding the meeting of net zero goals for Kent for 2050 and estimated that the cost of nuclear waste disposal for the UK was approximately £260billion.

- (7) Mr Lehmann referred to the Council's finances and commented on the mixed messages being received regarding this from various sources.
- (8) He echoed the Leader's comments on RAAC and thanked the officers and Members who took rapid action to keep disruption for pupils in Kent to a minimum.
- (9) Finally, Mr Lehmann thanked those Members of the Administration who voted in favour of his group's motion at the last Full Council meeting on disposable e-cigarettes.
- (10) Mr Hook, Leader of the Liberal Democrat Group, also welcomed the new Cabinet Members.
- (11) Mr Hook paid tribute to Council staff who had been working hard to deal with the UASC crisis. He said the county was proud of its duty, alongside the rest of the nation, to receive refugee children and said they were welcome in Kent. He said the responsibility to care for refugee children was a national, rather than local authority, responsibility and changes to the primary legislation were required, including an efficient National Transfer Scheme and safe and legal routes for refugee children. He thought there was agreement between the political groups on this but was disappointed to hear that not all Kent MPs had attended the KCC briefing. He said he would be lobbying his party regarding the crisis and appealed to Members to do the same.
- (12) Mr Hook turned to local government finance and said his group looked forward to seeing the results of the Council's budget consultation and to ensuring that proposals for savings were not costs passed on to Kent people or other parts of the Council. He referred to property investments in relation to bankrupt councils and commented on the plan for the future of Sessions House.
- (13) Mr Hook spoke about RAAC within schools, and the uncertainty felt by parents. He commented on the government taking responsibility for schools and believed that local councils should oversee local schools.
- (14) In relation to SEND Mr Hook paid tribute to all the staff working hard in this area. He noted that there were just two Family Hub pilots so far and more information was needed.
- (15) Mr Hook noted the inconvenience of Operation Brock on not just the M20, but also the M2, and said the red tape needed to be lifted so that people could once again easily cross the Channel.

- (29) The Leader responded to some of the points raised. Regarding net zero and environmentalism he said the Council's policy was not at the expense of residents and the pressures they were under but one of practical environmental protection, in which the Council had a proud record.
- (30) In relation to SMRs, Mr Gough clarified that if an energy transition was to be made it would not be a case of choosing between either nuclear energy or renewable energy. He said the evolution of national policy, which included the role of SMRs, had changed the situation in Dungeness and a very good working relationship had developed with the district council.
- (31) Mr Gough responded to comments about the Council's finances. He explained that discussions had taken place for some time before the letter with Hampshire County Council was sent to Ministers. He said there was a difference between some of the more dramatic media reports and the pressures the Council faced along with those the local government sector overall faced. He recognised this was a significant short, medium, and long-term problem to which a response was being rolled out.
- (32) The Leader referred to Mr Hook's comments about the future of Sessions House and said updates had been reported to the Policy & Resources Cabinet Committee. He explained that the best solution in relation to value and the interests of the Council and its residents would be explored, and the next stage included further market testing.
- (33) Mr Gough agreed that the Group leaders had a shared view regarding the need for an efficient National Transfer Scheme to enable the Council to discharge its statutory responsibilities and said that case would continue to be made. He clarified that engagement with Kent Members of Parliament was very good and a meeting had taken place to which some had attended or sent representatives. A note was also circulated setting out the situation and some Members of Parliament had subsequently been in touch.
- (34) Finally, the Leader thought all the Group Leaders recognised that Operation Brock was not an ideal solution and that there were significant impacts on residents, but it was the best solution under the circumstances. He said the arrival of the Entry Exit System (EES) could add to the complexities that the Council faced but emphasised that work continued with national government to address this.
- (35) RESOLVED that the Leader's report be noted.

173. Section 5 Report - UASC
(Item 8)

- (1) The Monitoring Officer provided an explanation of the Section 5 report and answered technical questions from Members.

- (2) Mr Watts said he would consider, with the Cabinet Member and officer colleagues, a request made by Mrs Dean.
- (3) RESOLVED that the County Council notes the report.

174. Kent Partnership County Youth Justice Plan 2023/24
(Item 9)

- (1) Mrs Chandler proposed, and Mr Ross seconded the motion that
“The County Council approves the Youth Justice Plan.”
- (2) The Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council approves the Youth Justice Plan.

The Labour Group, Rich Lehmann, Mr Campkin, Mr Stepto and Jenni Hawkins asked for their votes to abstain from the recommendation be noted in the minutes.

175. Treasury Management Annual Report - 2022 - 23
(Item 10)

- (1) Mr Oakford proposed, and Mr Rayner seconded the motion that
“The County Council notes the report.”
- (2) Following the debate, the Chairman put the motion set out in paragraph 1.
- (3) RESOLVED that the County Council notes the report.

176. Motions for Time Limited Debate
(Item 11)

Motion for Time Limited Debate 1 – ‘Boys Need Bins’

- (1) Mr Sole proposed, and Mr Passmore seconded the following motion for time-limited debate:
 - a. This Council believes that it is important to make life more comfortable and dignified for those who suffer from incontinence.
 - b. This Council supports the provision of sanitary bins in all toilets the authority manages so that waste products can be disposed of in a discreet and hygienic manner.
 - c. To recommend to the Executive:
 - a. All toilets managed by this authority, whether for public or internal use, have at least one sanitary waste bin.

- b. To encourage other authorities in Kent to provide sanitary waste bins in all their managed toilets.”

(2) Mr Oakford proposed, and Mr Watkins seconded the following amendment:

- a. This Council believes that it is important to make life more comfortable and dignified for those who suffer from incontinence and welcomes the pilot for sanitary provision of products related to male urinary incontinence that is currently being undertaken by KCC.
- b. This Council supports a review and exploration of the provision of sanitary bins or alternative sanitary solutions in all toilets the authority manages so that waste products can be disposed of in a discreet and hygienic manner.
- c. To recommend to the Executive:
 - a. That the outcome of the pilot and further understanding of the issue of wider provision in toilets in Kent and the impact of male urinary incontinence is explored further by the Health Reform and Public Health Cabinet Committee.
 - b. That the outcome of the investigation by the Health Reform and Public Health Cabinet Committee also feeds into the review of the KCC estate for consideration by the Cabinet Member for Finance, Corporate and Traded Services, and by the Policy and Resources Cabinet Committee if so required, for consideration of any changes to our existing policy that will be required for wider implementation in light of the pilots and subsequent reports.
 - ~~a. All toilets managed by this authority, whether for public or internal use, have at least one sanitary waste bin.~~
 - ~~b. To encourage other authorities in Kent to provide sanitary waste bins in all their managed toilets.~~

(3) Following the debate, the Chairman put the amendment set out in paragraph 2 to the vote.

Amendment carried.

(4) The Chairman put the substantive motion set out in paragraph 2 to the vote.

Substantive Motion carried.

(5) RESOLVED that:

- a. This Council believes that it is important to make life more comfortable and dignified for those who suffer from incontinence and welcomes the pilot for sanitary provision of products related to male urinary incontinence that is currently being undertaken by KCC.

- b. This Council supports a review and exploration of the provision of sanitary bins or alternative sanitary solutions in all toilets the authority manages so that waste products can be disposed of in a discreet and hygienic manner.
- c. To recommend to the Executive:
 - a. That the outcome of the pilot and further understanding of the issue of wider provision in toilets in Kent and the impact of male urinary incontinence is explored further by the Health Reform and Public Health Cabinet Committee.
 - b. That the outcome of the investigation by the Health Reform and Public Health Cabinet Committee also feeds into the review of the KCC estate for consideration by the Cabinet Member for Finance, Corporate and Traded Services, and by the Policy and Resources Cabinet Committee if so required, for consideration of any changes to our existing policy that will be required for wider implementation in light of the pilots and subsequent reports.

Motion for Time Limited Debate 2 – Youth Services

- (1) Dr Sullivan proposed, and Mr Brady seconded the following motion for time-limited debate:

“The County Council resolves to:

- a. Recognise and support the pivotal role the youth sector plays in delivering wider societal benefits, both nationally and in Kent;
- b. Recognise that the young people of Kent are experiencing a number of challenges and that access to high-quality youth provision will help them to overcome these types of challenges;
- c. Recommend the removal of the needless back office commissioning and monitoring costs to youth work provision as being surplus to requirements and add this as a saving;
- d. Recommend that the Executive continue funding youth services in the districts and Boroughs of Kent after the commissioned service contracts expire next year by identifying alternative savings up to the value of the proposed cut of £913,000. For example, the necessary savings could be achieved by (not exhaustive list):
 - i. Removing Deputy Cabinet Members (-£167,200)
 - ii. Reducing the number of Cabinet Members in the GET Directorate to two Cabinet Members (-£65,862)
 - iii. Abolishing market premia payments for senior staff graded KR13 and above (-£219,300)
 - iv. Restructuring Senior Management to adopt a Chief Executive Model without Corporate Directors (-£259,400) and a reduction in the associated support staff (-£212,500).
- e. Recommend that all frontline revenue monies preserved via the above arrangement are reinvested in each and every District and Borough as in-house youth provision, thereby retaining the existing youth work offer by expanding their youth work teams.

- f. Recommend that the Executive do not propose any further cuts to youth services as part of setting a balanced budget for 2024/25, recognising that these should be a spending priority for the Council; and
 - g. Recommend that the Executive move away from short-termism around youth service spending and consider, where possible, investing more heavily in preventative youth services over the medium-term, recognising the economic value and return on investment that this will generate, as well as the future savings offered through reduced demand for high needs / crisis intervention services in KCC and the wider public sector.”
- (2) Mr Lewis raised a Point of Order regarding the voting capacity of Deputy Cabinet Members on the motion and the Chairman clarified that all Members may vote.
- (3) Following the debate, the Chairman put the motion set out in paragraph 1 to the vote.

Motion lost.

This page is intentionally left blank

CORPORATE PARENTING PANEL – 26 July 2023

MINUTES of the meeting held in the Darent Room, Sessions House, County Hall, Maidstone.

PRESENT: Dirk Ross (Chair), Alister Brady, Dan Bride, Becki Bruneau, Tom Byrne, Lesley Game, Stephen Gray, Sarah Hamilton, Dylan Jeffrey, Kayleigh Leonard, Rory Love, Nancy Sayer and Caroline Smith.

ALSO PRESENT: Sue Chandler, Cabinet Member for Integrated Children's Services

IN ATTENDANCE: Joanne Carpenter (Participation and Engagement Manager), James Clapson (Democratic Services Officer), Kevin Kasaven (Director of Children's Countywide Services), Leemya McKeown (Assistant Director, Safeguarding Professional Standards and Quality Assurance), Maurine Robinson (Management Information Service Manager), Amy Coombs (Head of Adoption Partnership South East), Sarah Alizadeh (Quality Assurance Manager IRO Service SE), Christy Holden (Head of Strategic Commissioning – Childrens and Young People's Services).

1. Apologies and Substitutes

Apologies for absence were received from Sarah Hammond, Gary Cooke, Tracy Scott, Alison Farmer and Kelly Greham. Alister Brady was present as a substitute for Kelly Greham.

Sarah Hamilton was present virtually.

2. Chairman's Announcements

The Chair advised that work on the newsletter was underway. Circulation of the newsletter was planned to take place by the end of August.

Becki Bruneau asked about the support available, independent from the Local Authority (LA), for children who felt they were victims of abuse. She was advised that there were a number of external organisations in place that could provide support such as, Child Line, the trained volunteers from the Young Lives Foundation, and designated people in schools. Social Workers were also mandated to respond to reports of abuse.

3. Minutes of the Meeting Held on 31 May 2023

RESOLVED that the minutes of the meeting held on 31 May 2023 were correctly recorded.

4. Participation Team Update

1. Jo Carpenter, Tom Byrne and Kayleigh Leonard provided an update on the following:
 - During the May school holiday, the Children in Care (CiC) Councils met in Ashford to look at the Government's response to the Children's Social Care Review.
 - The Government had identified six ambitions to improve care. The Council members focused specifically on ambition four which was 'to make care better for children in care and care leavers.' The ambition was broken down into six mission statements, and the Council members were split into six groups to consider one each.
 - A Virtual Schools Kent (VSK) awards event was held on 25 July 2023 for young people in care aged over 16 and care leavers. The awards celebrated academic achievements and achievements within the community. 292 nominations were received across ten award categories. Thanks were offered to everyone involved in making the event a success.
 - There would be a 'make and bake' event on 27 July 2023. Members of the Corporate Parenting Panel (CPP) were invited to attend. A representative from the Children's Commissioner for England was also expected to be in attendance.
2. Alister Brady said that a list of actions could be drawn from the children's comments about the six mission statements. These actions could be monitored, and progress could be reported back to the children to demonstrate that their voice made an impact. Leemya McKeown added that their comments would be incorporated into the policies and practices as part of the social care review.
3. Jo Carpenter advised that young people had said it was important to consider their wishes when conducting business. As an example, some children may wish for reviews to take place outside of the school environment, and others may prefer reviews to take place at school. Social worker guidance had been updated to reflect the importance of listening, and responding, to the voice of the child.
4. RESOLVED that the update was noted.

5. Performance Scorecard for Children in Care

1. Maureen Robinson introduced the report that looked at 27 key performance indicators (KPIs) over 12 months, up to the end of May 2023. She added that there were eight KPIs with a red flag status, and said they were the same eight red KPIs that were reported at the meeting on 31 May 2023.
2. Rory Love enquired about the time scale used to assess the percentage Children in Care with an up-to-date dental check. In response, it was noted that the time scale was not specific to the needs of individual child, a period of

one year was specified by the Department for Education (DfE) for all children. In future, the wording in the report would clarify the time scale of this KPI.

3. Alister Brady asked about the percentage of initial health assessments taking place within 20 working days of coming into care. Nancy Sayer advised that there were challenges for those placed outside of the Kent; only 11% were completed on time for those placed out of the area, and some LA's refused to conduct assessments for children from other LA's. Every effort was made to complete the assessment before the young person was placed out of the area.
4. Stephen Gray noted how disruptive a change of social worker could be to a child. Kevin Kasaven advised that work was underway to help retain social workers and offer more stability. Agency social workers had begun to return to permanent LA employment and there was an apprenticeship scheme that could generate up to 20 new social workers once completed.
5. Caroline Smith advised that there had been two events held to encourage organisations to offer apprenticeships to care leavers. The Care Leavers Covenant would give the LA more authority to contact agencies and businesses about providing opportunities for care leavers. The Council had a number of arm's length organisations that could also be approached.
6. RESOLVED that the performance data in the Corporate Parenting Scorecard be noted.

6. Verbal Update by the Cabinet Member

1. Sue Chandler provided an update on the following:
 - Eight Unaccompanied Asylum Seeking Children (UASC) had arrived in July, this brought the total to 703 for the year. There had been a rise in children from Turkey, who reported that they left their country because of an earthquake and recent political changes. Some children had also arrived from Albania.
 - The creation of a Regional Foster Care Initiative for the South East England region was underway, it had progressed through stage one of the DfE's process and was preparing for the next stage.
 - The young people from Afghanistan in Kent's Reception and Safe Care Service, had recently enjoyed taking part in a cricket match hosted by Tonbridge School.
 - The Virtual Schools Kent (VSK) Awards had been a fantastic event involving lots of people.
 - The closing date for nominations for the Kent Fostering Awards would be 29 September 2023, the ceremony would take place in November 2023.
2. In response to Alister Brady's question about predicting the number of UASC arrivals, Kevin Kasaven and Sue Chandler advised that the Home Office monitored the movement of young people through Europe; it normally took

between two and three months for young people to reach the UK, this allowed time to prepare for arrivals. It was important to understand why young people left their country; the LA shared this data with the South East Strategic Partnership for Migration and the Government.

3. Sue Chandler highlighted that it was important to place new arrivals with others from a similar background, faith and community. This helped new arrivals to develop strong friendships and support networks. There was a good understanding of where different communities were based within the UK.
4. RESOLVED that the verbal update be noted.

7. Adoption Partnership South East, Regional Adoption Agency Annual Report, Business Plan and Legal Report on Outcomes for Children with a Decision for Adoption from March 2019-September 2022.

1. Carolyn Smith advised that this was the second annual report of the Regional Adoption Agency that incorporated three LA areas; Bexley, Kent and Medway.
2. Amy Coombs summarised the reports. She advised that there were enough adopters for the number of children looking to be adopted, and that current practices met the required time scales. She said that high quality support was provided to families, and that Ofsted had inspected the Children's Services at Kent and Bexley and awarded both with an outstanding rating. An Ofsted inspection at Medway was currently in progress.
3. Amy Coombs noted that funding had been secured for three development projects, she offered to confirm and share the value of each funding stream after the meeting. The projects were;
 - Early permanence 'wrap around support',
 - Enhanced family finding,
 - Multi-disciplinary Centre of Excellence.
4. Amy Coombs flagged that one of the biggest challenges faced by the service were due to delays in the issue of adoption orders by the courts. Some judges were now permanently in position to help reduce delays in court hearings, and the service had seen some improvement.
5. There was a workshop in September that would look at what could be done to increase awareness of the needs of adopted children.
6. RESOLVED that the Regional Adoption Agency Annual Report, Business Plan and Legal report were noted.
7. At the request of the Chair, Rory Love gave a brief update on the response to the DfE's change of standards for reticulated aerated autoclaved concrete in schools. He advised that some schools had closed for a couple of days to ensure compliance with the new standards. Officers had worked hard to get children back into their classrooms as quickly as possible. Temporary

classrooms had been used in some cases. It was expected that normal classrooms would be ready for these children when they returned to school in September.

8. Kent Independent Reviewing Service Annual Report 2022/2023

1. Sarah Alizadeh presented the Independent Reviewing Officer's (IRO) Annual Report that looked at the CiC population in Kent, the progress made against the 2021/22 Action Plan, and the next steps for the service in 2023/24. The presentation slides can be viewed using the following link for reference: [IRO Presentation Slides.pdf](#). During the presentation, the following points were noted:
 - There had been an increase in the number of CiC.
 - Just over half of the people entering care were aged 16 or over, and 91% of unaccompanied minors were male.
 - Good progress had been made against the 2021/22 Action Plan.
 - Action four showed an increase in safeguarding assurance. This indicated that there was a good knowledge of the procedures.
 - Action five showed an increase in the number of escalations received through the IRO escalation process. The new escalation policy enabled external partners to escalate cases.
 - Actions six and seven indicated that young people wanted to know more about the IRO and the childcare review.
 - The number of caseloads were at a five year high; however, a recent recruitment drive had been successful, and this would help to relieve this pressure once new staff members were settled into their posts.
 - The Placement Stability Checklist would be launched as part of the Action Plan for 2023/24.
2. Kevin Kasaven advised that before the Covid-19 pandemic there were around 1300 CiC. The pandemic restrictions led to a reduction in resilience within families, with less support from relatives and external agencies. This contributed to an increase in the number of children going into care once the restrictions were lifted.
3. It was clarified that the term 'missing' was used in the report when a child was not where they were expected to be; this was often because the child had missed a review appointment. Alister Brady highlighted that 44 of the children had missed two reviews. It was noted that there was a new mobile phone application that would help the service to stay in contact with these children, it could also enable reviews to be conducted virtually. Leemya McKeown added that some children attended the reviews but chose not to participate.
4. RESOLVED that the Independent Reviewing Officer's Annual Report and its findings were noted.

9. Sufficiency Strategy 2022-2027 - Annual Progress Report - Accommodation for Care Experienced Young People and the Local Connection for Social Housing

1. Christy Holden and Caroline Smith introduced the report that incorporated changes in legislation and regulation following the passing of the Illegal Migration Bill. They advised that the report also detailed the number of Kent care leavers living in each of Kent's district and borough council areas.
2. Alister Brady asked why such a high proportion of care leavers were in the Canterbury District. Christy Holden believed that some care leavers were drawn to the universities within the City of Canterbury.
3. Christy Holden advised that work to support the provision of independent accommodation for young people from the age of 16 until they turned 19 began in 2021. Discussions were ongoing with district and borough councils about the support that could be offered to young people when they left care. The topic would be considered at the next Kent Chief Executives meeting.
4. Christy Holden highlighted that it was important that district and borough council's recognised that they had a corporate parenting responsibility to young people leaving care. This responsibility was built around legislation. The Care Leavers Team had an information package that explained what it meant to be a corporate parent and Gravesham Borough Council had requested more information.
5. Alister Brady asked if the opportunities that an area offered to young people was one of the key reasons for a care leaver to wish to settle in an area. In response it was noted that this was sometimes the case, care leavers may also wish to stay close to those that had cared for them or move to be nearer to their birth parents. There were lots of reasons why a care leaver may wish to live in a particular area.
6. RESOLVED that the report be noted.

From: Roger Gough, Leader of the Council
 Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
 Amanda Beer - Interim Chief Executive
 Zena Cooke - Corporate Director of Finance
 Benjamin Watts – General Counsel

To: County Council – 2 November 2023

Subject: Securing Kent’s Future – Budget Recovery Strategy

Classification: Unrestricted

Summary:

This paper prefaces and revisits some elements of the report considered and approved by Cabinet on 5 October (appendix 1). The purpose of the item is to bring the Budget Recovery Strategy to Members’ attention and to ensure that all Members are sighted on the materiality of the contents of that report given their role in budget setting, oversight and scrutiny.

It is also necessary for Council to consider the strategic position in relation to *Securing Kent’s Future*, notably the requirement to consider and determine how the current Strategic Statement, *Framing Kent’s Future*, is to be managed in the context of the significant financial challenge now facing the Authority.

The full details considered by Cabinet are presented for Council’s awareness and it is here highlighted that the priority outlined in *Securing Kent’s Future* is the need to return the Council to financial stability.

Recommendations: Council is asked to:

- a) NOTE the Cabinet Report on *Securing Kent’s Future*.
- b) NOTE Cabinet’s agreement to all recommendations on 5 October 2023.
- c) NOTE, in particular, the points raised in the Cabinet report relating to KCC delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
- d) NOTE the four objectives outlined for *Securing Kent’s Future* and the intention to develop *Securing Kent’s Future* as the Strategic Business Plan 2024/25.
- e) AGREE that the Strategic Statement (*Framing Kent’s Future*) is to be managed and interpreted in the context of *Securing Kent’s Future* (Budget Recovery Strategy).

- f) AGREE to formalise the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.

1. Introduction:

1.1 The aim of the Cabinet paper was to outline:

- The background regarding the financial pressures facing KCC
- Why the Council must prioritise the Best Value statutory duty
- An analysis of the cost drivers on the Council budget
- The four objectives that will underpin 'Securing Kent's Future'
- The consequential risks to the Council and how these will be managed
- Roles and responsibilities between Executive Members, Non-Executive Members and Chief Officers regarding the successful delivery of *Securing Kent's Future*

1.2 The report presented to Cabinet was part of an iterative programme of work necessary to address the financial and service delivery challenge. As part of the Executive responsibility for developing and managing the Council budget, Cabinet has taken the relevant action to agree the broad strategic approach to responding to the challenge, recognising the operational activity already undertaken by the Corporate Management Team (CMT).

1.3 Full Council is responsible for agreeing the annual budget for the Authority, which is first developed by the Executive. Management of the budget and the decision-making in relation to the policies and strategies that determine the delivery of Council services remain the responsibility of the Executive. It was therefore appropriate that Cabinet first considered and determined the policy position and strategic direction of the budget recovery programme before bringing the issue to Full Council.

2. Framing Kent's Future – Prioritising 'New Models of Care and Support' and general consideration of Strategic Statement in the context of Securing Kent's Future

2.1 As part of this item, Council is asked to consider and determine the position in relation to the Strategic Statement. As with the Budget, Full Council is responsible for approving the Strategic Statement as part of what is called the Policy Framework. Importantly, our governance defines that development and implementation of the Statement is the responsibility of the Executive. This is evidenced through the requirement for Executive Decisions to indicate how they align and deliver against the Strategic Statement. This can include explaining where a decision supports some priorities more so than others, recognising that meeting the wide array of responsibilities and duties held by the Authority is not always easily compatible under these conditions of severe financial restraint with all the positive ambitions set out in *Framing Kent's Future*.

- 2.2 In May 2022 the County Council approved 'Framing Kent's Future' the strategic statement for the council. This set out four priorities for KCC over the period 2022-26, including:
- Levelling Up Kent
 - Infrastructure for Communities
 - Environmental Step Change
 - New Models of Care and Support
- 2.3 It is important to highlight that while *Framing Kent's Future* did recognise the financial challenge facing the Council in relation to COVID-19 and its impact on the global economy, the Cabinet paper sets out in more detail that the Strategic Statement was approved before the additional pressures of long-term inflation and other economic and workforce challenges became clear. The situation facing the Council is substantively different from that at the time *Framing Kent's Future* was agreed. On that basis, it is necessary for Council to consider how this can be managed.
- 2.4 Cabinet took the decision on 5 October to require, at an operational level, that all Directorates would prioritise the 'New Models of Care and Support' objective as a collective enterprise. This decision does not dismiss the importance of the other objectives, ambitions and priorities set out in *Framing Kent's Future*, but it is a key part of taking appropriate actions to focus the Council's limited resources on vital service delivery and work designed to make the cost of these services more manageable and sustainable.
- 2.5 This paper highlights the need for Council to agree whether this re-prioritisation can be formalised in terms of the approved management of the Strategic Statement. As set out in the Cabinet report, the re-prioritisation does not mean that all work on the other priorities within *Framing Kent's Future* will cease. However, as indicated above and noted earlier in this report, the delivery of *Securing Kent's Future* will require the progression of a range of decisions, policy choices and savings initiatives.
- 2.6 Both the Executive making the relevant decisions and the Officers responsible for developing options, business cases, advice and eventual implementation/operational delivery of these decisions require agreement and confirmation from Council that compliance with the Strategic Statement will be viewed in the context of the significant financial challenge and the required approach to responding to this, as detailed in *Securing Kent's Future*.
- 2.7 In practical terms, this means Council agreeing that where activity and decisions can be clearly shown to support the delivery of *Securing Kent's Future*, without significant material negative impact on the priorities and ambitions detailed in *Framing Kent's Future*, this will be deemed as being in accordance with the Strategic Statement.

3. Why the Council must prioritise its Best Value statutory responsibility:

- 3.1 The Cabinet report detailed the key issues relating to the Authority's Best Value duty and the impact of an expanded legislative framework within which the Council must operate. This paper highlights the need for this issue to be duly considered and taken into account as part of the prioritisation of activity and spend against the Strategic Statement.
- 3.2 Council is asked to carefully review section 4 of the Cabinet report 'Why the Council must prioritise its Best Value statutory responsibility' and note the significant challenges highlighted and in particular take account of the principle that without financial sustainability it will be impossible for this or any other council to deliver sustainable services. This emphasises that the need to bring the budget into line and prepare a sustainable plan has to be the primary objective of the Council, as it is a critical pathway to meeting any of its other obligations.
- 3.3 For ease of reference and to highlight the point further, the key point on this matter from the Cabinet report is set out below:

“4.2 The statutory Best Value duty must frame all financial, service and policy decisions from this point forward, and services must pro-actively evidence the best value considerations in all decisions. Without ensuring best value, we will not be capable of meeting our wider statutory duties, and the services which flow from them, upon which our residents rely.”

4. Securing Kent's Future – Four strategic objectives:

- 4.1 The key objectives set out in *Securing Kent's Future* are set out below. The detail on these is provided in the Cabinet paper. They are outlined here for reference to support the recommendation asking Council to note these objectives.

Objective 1: Bringing the 2023/24 budget back into balance:

Objective 2: Delivering savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP

Objective 3: Policy choices and scope of Council's ambitions

Objective 4: Further transforming the operating model of the Council:

5. Governance, Assurance & Audit:

- 5.1 The Cabinet paper sets out provisional arrangements to embed appropriate governance, assurance and audit processes to support and manage *Securing Kent's Future*. These recognise the need to ensure the relevant business as usual governance processes are observed and understood but balanced with consideration of the pace of change required. The risk of accelerated activity, including significant change when responding to major challenges is always

that due process can fall by the wayside, with the end target of a sustainable budget being sought at any cost.

- 5.2 The Cabinet paper made clear that this risk had been recognised and would be managed appropriately and this paper seeks to provide Council with an assurance that due process and good governance, including substantive overview and scrutiny activity, are key parts of the plan for delivering *Securing Kent's Future*.
- 5.3 For example, the Scrutiny Committee is due to consider *Securing Kent's Future* on 1 November. A key feature of this process will be supporting the development of a work programme that focuses on *Securing Kent's Future*. In addition to this specific item, the Scrutiny Committee powers in relation to scrutinising any actions or decisions taken by the Council (executive and non-executive) remain in force, in accordance with relevant legislation. Alongside this Scrutiny activity, Governance & Audit will be receiving relevant updates from Audit in terms of any changes to the planned audit workstreams required as a result of *Securing Kent's Future*.

6. Latest Financial Position:

- 6.1 The administration's initial draft revenue budget 2024-25 and medium-term financial plan 2024-27 will be published on 30th October for scrutiny by Cabinet Committees in November as originally planned. This timeline was planned before the challenge of further significant revenue overspends reported in the quarter 1 budget monitoring for 2023-24 as reported to Cabinet on 17th August and 5th October 2023.
- 6.2 The actions set out in the "Securing Kent's Future – Budget Recovery Plan" report at the 5th October Cabinet are essential to address the scale of the challenge from the overspends outlined in the recovery plan appendix. There is still a gap in the initial draft budget which needs to be resolved in the final draft published in January. The gap is within the range predicted in the report although adjustments continue in line with changing projections.

7. Next Steps:

- 7.1 Cabinet agreed the plan to progress the delivery of *Securing Kent's Future* through the council Strategic Business Plan 2024/25 alongside enhanced financial monitoring and reporting.
- 7.2 Where substantive policy choices are necessary to implement activity identified via *Securing Kent's Future*, these will be progressed through the normal Executive Decision process with all associated governance stages. Members will have opportunities to scrutinise the decisions.
- 7.3 As noted in section 6, Members will be aware that the Budget Development process has been brought forward this year, with the draft budget being presented to the November meeting cycle. Cabinet Committees will be asked to consider the draft budget and make comments or recommendations in those

areas within their portfolios. Following this, the Scrutiny Committee will undertake its Strategic budget consideration in December. All feedback will be duly considered by the Executive as it progresses the budget development process in advance of the draft budget being presented for consideration and decision by Full Council in February 2024.

- 7.4 Prior to the finalisation of the draft budget and eventual decision by Full Council, as this paper has sought to emphasise, an enormous amount of work is required by the Council to put the appropriate arrangements in place to bring this year's budget into line and allow for reasonable planning of a sustainable financial plan going forward.

8. Recommendations:

- a) NOTE the Cabinet Report on *Securing Kent's Future*.
- b) NOTE Cabinet's agreement to all recommendations on 5 October 2023.
- c) NOTE, in particular, the points raised in the Cabinet report relating to KCC delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
- d) NOTE the four objectives outlined for *Securing Kent's Future* and the intention to develop *Securing Kent's Future* as the Strategic Business Plan 2024/25.
- e) AGREE that the Strategic Statement (*Framing Kent's Future*) is to be managed and interpreted in the context of *Securing Kent's Future* (Budget Recovery Strategy).
- f) AGREE to formalise the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.

Appendices:

- Appendix 1: Securing Kent's Future – Budget Recovery Strategy (Cabinet Report)
- Appendix 2: Securing Kent's Future – Cabinet report Appendix – Financial Recovery Plan

Background Papers:

- Cost Driver Assessment by Kent Analytics Service, Corporate Board,
- Securing Kent's Future – Budget Recovery Strategy & Financial Reporting, KCC Cabinet, 17 August 2023

Report Authors:

Ben Watts – General Counsel
03000 416814
Benjamin.watts@kent.gov.uk

Joel Cook – Democratic Services Manager
03000 416892
Joel.cook@kent.gov.uk

From: Roger Gough, Leader of the Council
Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Amanda Beer, Interim Chief Executive
Zena Cooke, Corporate Director of Finance

To: Cabinet – 5 October 2023

Subject: Securing Kent's Future – Budget Recovery Strategy

Classification: Unrestricted

Summary: This paper sets out the Budget Recovery Strategy – *Securing Kent's Future* - required to address the in-year and future years financial pressures the council is facing. The paper sets out the position of the Cabinet and the Corporate Management Team regarding the overall financial position of the authority, the specific drivers causing this financial pressure and the specific and broader action that can be taken through *Securing Kent's Future* to return the council to financial sustainability.

Recommendations: Cabinet is asked to:

1. Note the Financial Recovery Plan set out at Appendix 1.
2. Note the Urgent Actions with Immediate Impacts set out in the Financial Recovery Plan at Appendix 1 to bring the council back into balance for 2023/24, albeit with significant reliance on non-recurring savings.
3. Note the Urgent Actions with Medium to Long-Term impacts set out in the Financial Recovery Plan at Appendix 1 as necessary to support the development of a sustainable 2024/25 budget and MTFP.
4. Agree to the further development and inclusion of the actions in the Financial Recovery Plan at Appendix 1 into the draft Budget 2024/25, to be published late October / early November 2023.
5. Agree to the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.
6. Agree the position set out in paragraph 4.5 regarding delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
7. Agree the need for increased risk appetite set out at paragraph 7.2, and for any changes necessary to the council's Risk Management Policy to be made and considered by the Governance & Audit Committee as appropriate.
8. Agree the four objectives outlined for *Securing Kent's Future* and to develop *Securing Kent's Future* as the Strategic Business Plan 2024/25.

1. Introduction:

1.1 On 17 August Cabinet considered a report setting out the revenue budget position at the end of June for the financial year 2023/24. This showed a forecast overspend of £43.7m before management action, reducing to £26.7m after identified management action savings (£10m from adult social care and £7m capital programme financing). These budget pressures have arisen despite County Council setting a budget in February for 2023/24 that provided significant additional investment into front line services to 'right size' their budgets given forecast pressures driven by demand and inflation, predominantly in adults and children's social care.

1.2 Both the Corporate Management Team (CMT) and Cabinet have accepted that a continuing in-year overspend on the scale forecast represents a fundamental financial risk to the council's ability to set a balanced budget for 2024/25 and a sustainable Medium Term Financial Plan to 2026/27. The political and officer leadership of the council share the view that given the current financial climate across the local government sector, it is critically important that there is transparency in regard to our financial position, so as to provide assurance that our budget monitoring has identified the in-year structural overspends early, and set out in balanced and proportionate terms the challenge and opportunity that exists for the council to respond to it.

1.3 As a result, a budget recovery strategy is necessary to bring the council back into financial sustainability, to secure the provision of services for Kent residents whilst meeting our statutory Best Value duties. The budget recovery strategy (Securing Kent's Future) will require a multi-faceted, multi-year programme of activity to ensure the council is financially sustainable in the medium-term.

1.4 The aim of this paper is therefore to set out:

- The background regarding the financial pressures facing KCC
- Why the Council must prioritise the Best Value statutory duty
- An analysis of the cost drivers on the Council budget
- The four objectives that will underpin 'Securing Kent's Future'
- The consequential risks on the Council and how these will be managed
- Roles and responsibilities between Executive Members, Non-Executive Members and Chief Officers regarding the successful delivery of Securing Kent's Future

1.5 Given the scale of the financial and delivery challenge, Securing Kent's Future will necessarily be iterative. This paper focusses on setting out the broad strategic approach to be taken, with a specific focus on providing the reassurance on the necessary actions already agreed by CMT to bring the 2023/24 budget back into balance as quickly as possible. Furthermore, it will also set out the identified opportunity areas for further savings, accelerated transformation of the council alongside possible policy choices, all of which provide the scope to deliver significant savings over the next MTFP period.

1. Background:

2.1 The significant pressure on local government finances is well documented in the sector, regional and increasingly the national press. Several authorities over recent years have issued Section 114 (S114) notices under the 1988 Finance Act, often referred to as a council declaring effective bankruptcy, but more accurately should be described as a statutory stop on all non-essential spending. The most recent example of Birmingham City Council issuing a S114 Notice on 5th September 2023 (and a second S114 notice on 21 September). However, this has followed several other local authorities, including Northamptonshire (2018), Slough (2021), Thurrock (2022), Croydon (2020, 2021, 2022) and Woking (2023) all issuing Section 114 notices in recent years.

2.2 There has been some speculation in the national press that the financial position of the council may soon see us issue a S114 notice. The administration considers the risk of a S114 notice and its consequences to be wholly unacceptable and avoidable. Talk of an imminent S114 notice misreads the council's current pressures and financial position, and both Cabinet and the Corporate Management Team are clear that there are a range of measures open to the council, in the form of management action, policy decisions and service transformation that will allow the council to be brought back into financial sustainability.

2.3 Issuing a S114 notice would do severe damage to the council's reputation, leading to a loss of resident, user, partner, provider and staff confidence in the council and its services, and may lead to the imposition of Commissioners by the Secretary of State. This would create a democratic deficit whereby major decisions on the priorities, structure and funding of services are no longer driven by democratically elected Members, but by unelected and imposed Commissioners, undermining the fundamental principle in local government that major decisions are taken by elected representatives directly held to account through the ballot box.

2.4 Whilst the S114 would require a statutory stop on all non-essential expenditure, it is perfectly possible for any council to put in place similar control measures before a S114 notice is necessary. The Government have given a clear indication that they would not seek to 'reward' failing authorities that issue a S114 notice with additional monies. Therefore, there is no immediate or identifiable benefit from issuing a notice. The S114 regime, designed in the late 1980s, was not intended to deal with systemic issues with service demand and local government funding, but to provide a mechanism of control for those authorities where, often for political reasons, decisions were being taken outside the scope of agreed budgets, decision-making and good governance.

2.5 The issuing of a S114 notice invariably triggers the Secretary of State to commission a Best Value inspection of those authorities (although it is worth noting that the Secretary of States powers allow informal and formal intervention even without a S114 notice). These inspections, the reports of which are made public, allow common traits to be identified that have led to the need to issue a S114 notice. Often, this is because the councils have overleveraged their borrowing capacity to finance commercial investments, where systems of internal control have broken

down and not been remedied over repeated years, or where a single event has become a trigger for consequential budget pressures (e.g. the equal pay claim on Birmingham City Council).

2.6 It must be reiterated that KCC is not facing any of these fundamental issues that have driven S114 notices to date. Our commercial investments, predominantly through our 100% ownership of Commercial Services Group (CSG) are well capitalised, securing continued growth, and critically, deliver a stable dividend return to the council. Our accounts are up to date and unqualified, we have a robust Treasury Management Strategy and MRP (Minimum Reserve Position) policy, a thorough and transparent Annual Governance Statement assurance process, an effective Governance & Audit Committee, an agile risk-based internal Audit Plan with independent oversight of management follow up, and well-developed Risk Management arrangements. Whilst the council does face significant additional pressures because of the impact of issues at the UK border, and particularly at the Short Straits crossing, (e.g. Unaccompanied Asylum-Seeking Children) the council is proactively engaged with Government on the support to be provided to Kent to fully mitigate that specific risk.

2.7 The wave of authorities that have either publicly, or privately, recently indicated that they are now under increasing financial stress are those where there are no bad commercial investments or reported weaknesses in internal control. Rather upper tier authorities are generally reporting significant additional pressure in one or more of Adult Social Care, Children's Social Care or Home to School transport services (and in the case of unitary councils, also temporary accommodation costs) beyond their capacity within their existing financial envelope. As will be seen in Section 5 below, KCC is facing very similar pressures, largely but not exclusively driven by significant increase in the costs to deliver social care placements from providers. In that sense, our challenges as a council are similar to, but proportionately larger in scale given Kent's size, to many upper-tier local authorities the length and breadth of the country.

2.8 However, there are some pressures unique to Kent that collectively compound the pressures that the Council is facing. For example, the border challenge and consequential pressure on the UK immigration and asylum system are more significant in Kent than any other part of the country, given Kent's strategic location as the Gateway to Europe and the main entry point into the UK through the Short Straits channel crossings. This creates additional pressure on the county's children's services when the County Council must become the corporate parent for Unaccompanied Asylum-Seeking Children (UASC) under the Children Act. The well documented failings with the National Transfer Scheme for UASC therefore place additional pressure on Kent as it holds the corporate parenting responsibility when the policy intent of the Government is for local authorities to share the burden held by Kent. The nature of the children's services provider market in Kent, particularly the foster care market, is impacted not just by UASC, but by the decision of other local authorities to place their own Looked After Children in Kent; this limits capacity for placing Kent Looked After Children in foster care, but also drives market pricing. The peninsular nature of the county creates additional pressure on wider public services, particular about securing the workforce necessary to support health and care services, and this creates additional pressure on NHS and care providers

particularly in the east of the county, who must compete with London to secure professional and support staff.

2.9 These compounding effects, which often require significant management and member focus, make the task of addressing some of the challenges Kent is facing more difficult and more acute than in other parts of the country. However, it must be remembered that these have also given us a resilience as an organisation in recent years, as the county has coped with the contingency planning and impact of EU exit, subsequent border and transport disruption, a Kent based Covid-19 variant, alongside significant asylum challenges that are unparalleled in other local authorities. Our resilience and scale must now be brought to bear around a single common objective: to Secure Kent's Future.

2. Framing Kent's Future – Prioritising 'New Models of Care and Support'

3.1 In May 2022 the County Council approved 'Framing Kent's Future' the strategic statement for the council. This set out four priorities for KCC over the period 2022-26, including:

- Levelling Up Kent
- Infrastructure for Communities
- Environmental Step Change
- New Models of Care and Support

3.2 It is important to note that Framing Kent's Future recognised the financial challenges the Council was facing and the need for significant service reform to meet the challenges of the post the Covid-19 global economy. The foreword to Framing Kent's Future stated:

"The financial position of the council is unlikely to improve, as government funding is stretched ever further by competing priorities. The scale of the changes necessary to our services and how we work may be difficult for some residents, users, staff, and elected Members to initially accept. But change will be a pre-requisite if the council is going to deliver successfully for Kent and place itself on a sustainable footing for the medium and long-term."

3.3 What could not have been anticipated at the time of writing was that the inflation considered by the Bank of England to be a short-term consequence of national and international economies unlocking following the Covid pandemic (compounded by inflationary impacts to energy markets caused by the Ukraine war) and the subsequent workforce challenges, would become hard wired into the UK economy. This has meant that many of the economic and budgetary assumptions upon which council services, particularly for a council reliant on third party provision of services through the market, have not held. The financial and economic climate the council is now facing in delivering services is materially different from where the anticipated we would be when Framing Kent's Future was written.

3.4 These economic and workforce issues have impacted the social care market particularly hard in Kent, given the need for providers to now compete with other sectors of the economy for workers, whilst also competing with the demand pull for

workers from London. With a significant number of care providers in Kent being independent, increases in costs for pay, goods and services for providers has, in some cases impacted viability, with some providers choosing to exit the market completely. This has had the overall effect of weakening the resilience of the market, even when demand for social care placements from both the NHS and KCC has increased.

3.5 Whilst all the objectives set out in Framing Kent's Future are important, given the dominance of adults and children's social care on the council budget, and the simple fact that the budget pressures facing the council overwhelming come from social care, Cabinet must now take a policy decision to prioritise the objective of delivering New Models of Care and Support within Framing Kent's Future. Our expectation is that all council services, within Adults and Children's Social Care, but also across the Chief Executive's and Deputy Chief Executive's Departments and the Growth, Environment and Transport (GET) Directorate, must collectively prioritise support delivering the New Models of Care and Support objective as a collective enterprise.

3.6 This is not to say that all work on delivering the first three priorities in Framing Kent's Future should stop. The council has dedicated staff working hard to deliver these ambitions and much of this 'core' work can continue. However, the scope of these three objectives will have to be scaled to the level of investment, funding and management time and capacity that can reasonably be given to them. Additional resources and focus on these priorities will unlikely be possible in the MTFP period, as they are not currently business critical to meeting the council's Best Value statutory responsibility.

3. Why the Council must prioritise its Best Value statutory responsibility:

4.1 One of the critical issues facing local government as whole is significant expansion of the legislative framework councils operate in. This has extended statutory duties on councils without the necessary financial resources being made available by way of increased government funding or income generating powers to cover the additional duties imposed by successive Governments.

4.2 Considering the widespread pressure on local government finances and recent increases in authorities either issuing or considering issuing S114 notices, the Department of Levelling Up, Housing & Communities (DLUHC) have recently issued revised statutory Best Value guidance (subject to consultation) which seeks to remind authorities of their duties under Part 1 of the Local Government Act 1999 to *"make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the combination of economy, efficiency and effectiveness"*. The guidance goes on to explicitly state, and thus interpret, the Best Value duty, as: *"In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, including adult social care and children's services, and secure value for money in all spending decisions"*.

4.3 The implication is clear. Those councils that cannot balance competing statutory duties, set a balanced budget, deliver statutory services, and secure value

for money are not meeting their legal obligations under the Local Government Act 1999. The Government's position, codified in the revised Best Value guidance, is nothing new. Best Value inspections authorised by the Secretary of State of those authorities that have issued a Section 114 notice have consistently identified council failure as being underpinned by an inability to meet the Best Value duties to set a balanced budget and deliver a sustainable medium term financial plan. Without financial sustainability there can be no sustainable services.

4.4 Whilst the council can lobby, both individually and collectively with partner organisations such as CCN and the LGA for reform to the legislative framework (particularly in adults and children's social care and SEND services) or lobby for additional funding to meet specific issues (e.g. funding to mitigate the impact of the Government's decision to remove Supported Borrowing), these issues are not directly controllable by the council, as they are matters for Government and Parliament. Therefore, they cannot be relied upon as the basis for any financial recovery strategy. Only by prioritising the delivery of our Best Value duties will the council be able to meet its fiduciary duty to Kent residents.

4.5 The statutory Best Value duty must frame all financial, service and policy decisions from this point forward, and services must pro-actively evidence the best value considerations in all decisions. Without ensuring best value, we will not be capable of meeting our wider statutory duties, and the services which flow from them, upon which our residents rely.

4.6 All officers, particularly Chief Officers, Directors, and Heads of Service, must prioritise the Best Value duty in their strategic and operational decisions as well as their advice to executive and non-executive Members. All Members, when discharging their respective roles within the council, whether executive or non-executive, should also prioritise Best Value considerations.

4. Analysis of budget pressures:

5.1 Throughout August the Kent Analytics team, working with Finance and colleagues in the service Management Information Units (MIU) have undertaken an analysis to assess which factors are most strongly driving increases in spend across the services areas where budget pressures/overspend are most significant. These are:

- ASCH care and support spend (in Older Persons, Learning Disability, Mental Health and Physical Disability)
- SEND home to school transport
- Children in Care (CIC) placements

5.2 This analysis identified the following key insights:

- In **older people's placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 17.5% (or +£10.6m) but of this increase only 9% (+149clients) was accounted for by an increase in the client numbers. 91% of the spend increase was accounted for by significant increases in weekly placements costs (+£92 per week)

- Breaking placements down by placement type indicates that Homecare, Long Term nursing and Short-Term nursing placements are driving additional costs.
- In **learning disability placements**, the growth in spend between Q1 2022/23 and Q1 2023/24 was 9.6% (+£5.1m) but again, the growth in the number of client numbers was a relatively modest 1.7% (+59) accounting for just 16% of the total increase in spend, with the average weekly cost of a placement being up +£91 per week, and accounting for 84% of the total increase in spending.
- When looking at placement types for learning disability the spend increase is being driven by Long Term residential care placements (+£85 per week) accounting for 20% of the total increase in spending on learning disability, and the costs of the Supporting Independence Service (SIS) / Support Living (SL) with weekly placements costs at +£140 per week, accounting for 57% of the total increase in spending on learning disability.
- In **mental health placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 17.8% (or +£2.0m) with an increase in the number of clients of 12.4% (+157clients) accounting for a 63% of the total increase in spend. 37% of the spend increase was for increases in weekly placements costs (+£50 per week). Importantly, the number of people starting a placement has been increasing at a higher rate than placements ending over the longer-term trend.
- In **physical disability placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 15% (or +£2.4m) with an increase in the number of clients of 2.3% (+158clients) accounted for 13% of the total increase in spend. 87% of the spend increase was for increases in weekly placements costs (+£62 per week).
- In regard to **Children in Care (CIC) Placements** (non-UASC, non-disabled) the growth in spend between Q1 2022/23 and Q1 2023/24 was 18% (+£2.6m quarterly spend). Of the overall increase in cost, 31% is directly due to an increase in the number of CIC, 35% is due to an increase in the average weekly cost of different placement types, and 34% is due to a change in the distribution of types of placement (partly driven by overall increase in demand and availability of placement types).
- In **SEN Home to School Transport** (July 22 vs July 23) the growth in spend was 31% (+£15.2m). Of the overall increase in cost, 37% of the spend increase is directly due to an increase in the number of SEN pupils receiving home to school transport of 10.7% (+668 pupils), 63% of the spend increase driven by an increase in the average cost per day of SEN travel of (+£8). Given the limited number of school days per year, this means that the increase in the average cost per day drives 67% of the total spend increase compared to 33% from the increase in the number of clients.
- The average cost per client per day for hired transport for SEN pupils is now over 3.5 times more expensive than for a Personal Transport Budget (PTB) having increased by 20.5% compared to 0.3% for hired transport.

5.3 As a result of this analysis, it is possible to draw several conclusions that must shape the council's position in the medium term from both a financial and policy perspective:

- The driver of costs across overspending services is complex, but it is not simply a matter of the council meeting additional demand through an increased number of clients. Indeed, in many areas the absolute increase in client numbers requiring support has been relatively modest. Rather, the significant increase in spending

is largely driven by unsustainable increases in costs the council is meeting to secure services from market providers. As a result of these increased placements costs, relatively modest increases in client numbers have a disproportionate and exponential increase in the costs of securing provision.

- Given the cost drivers are directly linked to service placements the ability to change these costs once the service provision has been procured and agreed are limited, with each 'cohort' of clients effectively locked in for a period that service has been agreed or the service user may be entitled – in many instances for multiple years. Consequently, even if the council changed policy, practice, or provision immediately for new service users, the ongoing cost of placements procured from market providers at prices beyond what the council can reasonably afford creates a structural deficit in the council's budget that will require remedial action over the course of this and future MTFP periods.
- Adult social care is intractably linked with the pressures and complex demands faced by the NHS. The need to discharge patients from hospital drives placement decisions driven by short-term clinical rather than long-term social care need. In some cases, this drives placement decisions that are not appropriate from an adult social care point of view, but which then hard wire those higher placement costs into the council budget, given immediate health and social care needs must be prioritised. The need for the council to work with NHS Kent & Medway to support a sustainable hospital discharge pathway, and a fair and appropriate apportionment of costs between health and social care, is critical if both the health and care system in Kent are to remain viable.
- Our response to market changes and service pressures has not kept pace with the evolving situation. Whilst the changes in the care market post Covid have escalated rapidly, the disconnection between our commissioning practice and services who are making placement decisions on an individual basis, and have a stronger working relationship with providers, has meant that KCC has not managed the market as quickly as market changes and pressures have required. A focus on procurement and a contractual relationship is insufficient to engage and manage providers to redesign services to changing need. In part, this issue has already been recognised through the recently completed Strategic Commissioning restructure in KCC, which has seen commissioning staff transferred back to Directorates to provide capacity to design service solutions around service need, and working on the appropriate provider / delivery model, rather than default to procurement.
- The interplay between the council's policy and its practice when assessing and providing services needs to be tighter. The cost driver work provides indications that in some instances, council policy is not being sufficiently applied in practice when assessments are undertaken, which both risks the possibility of overprovision, impacting on the council's finances, and then limiting the ability of the council to change that provision as the assessment decisions was made by KCC. Strengthening both the operational policy framework, and its implementation through service practice, is critical.

5. Securing Kent's Future – Four strategic objectives:

Objective 1: Bringing the 2023/24 budget back into balance:

6.1 As early budget monitoring highlighted the emerging in-year overspend for 2023/24, the Corporate Management Team have been working to identify budget savings that would allow the council to bring its spending in-year back to the approved budget set by County Council in February. It is vital that the council does not overspend in the current year as this would create further need to use limited reserves to fund revenue overspends, weakening the financial resilience of the authority and limiting the scope for the use of reserves to invest in transformation necessary to address the structural deficit.

6.2 As noted in paragraph 1.1, following management action, the forecast overspend reported to Cabinet in August was £26.7m. Table 2 in the Financial Recovery Plan sets out the contribution identified by each Directorate of additional targeted savings for 2023/24, whether they are one-off savings or recurring, and the cumulative impact. As noted in the Plan, some of the detailed workings for specific savings are still in development and therefore firm numbers can only be provided in the draft Budget for 2024/25 to be published later in the autumn.

6.3 Paragraphs 2.1 – 2.6 of the Financial Recovery Plan at Appendix 1 set out the range of measures, identified as Urgent Actions with Immediate Impacts which can help address the in-year overspend.

- Further Management Action from Directorate Management Teams
- Review of spending from reserves
- Potential receipts from assets
- Consultant led review of spending growth and savings opportunities.
- Review of strict compliance with existing policy
- Reserves review
- Cross cutting review of non-committed spend

6.4 By far the most significant of these actions is the cross-cutting review of non-committed spend, which has a delivery target of £11.4m for the remainder of the year. Managers across the whole organisation will be expected to avoid non-essential spending in areas such as recruitment of staff to vacant roles, agency staff, use of external venues for meetings, professional fees, and supplies and services.

6.5 It should be noted however that where the recruitment to roles is considered essential to support the council to deliver services safely and effectively, this will continue to be permitted, and this should be the judgement of senior service managers with the responsibility and accountability for budgets, balancing the immediate need for savings with the immediate service pressures which may be present. KCC is not immune from the workforce challenges facing the wider economy and weakening the capacity and capability of services to deliver efficiently and effectively will ultimately prove counterproductive. However, as outlined in Paragraph 2.2 of the Plan, there will be a further tightening of spending approval limits for new staff hires, interim staff, agency staff and consultants, with spend for

higher graded posts/costs held at Director and Corporate Director level to drive accountability.

6.6 CMT are confident that full implementation of these urgent actions, alongside delivery of already agreed budget savings or compensating alternatives, will ensure council spending is brought back into balance by the end of the financial year. However, a significant number of these additional savings are one-off and non-recurring, and as a result do not relieve the forecast pressure on the 2024/25 budget and MTFP. As a result, work to deliver Objective 2, the delivery of savings, cost reductions and increases in income to set a sustainable 2024/25 budget and MTFP must continue and be developed concurrently to the delivery of the additional in-year savings for 2023/24.

Objective 2: Delivering savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP:

6.7 Within the Budget Recovery Plan at Appendix 1, Section 3 outlines the actions necessary to identify the savings to allow the council to set a balanced budget for 2024/25 and a sustainable MTFP. Table 3 in the Plan sets out the full range of opportunity areas that CMT and Cabinet have identified to develop further. For the purposes of this report, it is worth noting three, given their significance:

- **Service transformation opportunities:** KCC exists to provide services that meet the needs of Kent residents whilst meeting our Best Value duty. Consequently, the council can only deliver budget sustainability through a significant focus on the services it provides and transforming them accordingly to continue to meet needs whilst bringing the budget back into sustainability. The cost driver analysis set out above has identified significant opportunities to further transform services and there are several service transformation opportunities that flow as a result. The list below is a non-exhaustive of some of the key service transformation opportunities that will be developed as part of Securing Kent's Future:
 - **ASCH provider market redesign/recommissioning:** Very significant recommissioning opportunities exist for the recommissioning of residential and domiciliary care contracts, to better meet client needs and mitigate significant forecast price increases. Partially avoiding these forecast increases in costs of homecare and residential care, and then ensuring that placement decisions take place within the framework contracts that are established through the recommissioning process to reduce off contract spend, will be vital. The scale of these contracts is such that significant resources across the council will be required to support the recommissioning process to ensure that these contracts fully support Securing Kent's Future, as this will be the single biggest action that can support a balanced budget for 2024/25.
 - **ASCH social care prevention:** Further work can be undertaken to identify risk in the population and design effective preventative interventions before needs develop and people present with multiple complex needs, which drives significant increase in cost of placements (e.g. falls prevention, older persons accommodation). Whilst this may reduce demand for social care, reducing

forecast demand increases in the MTFP, it also has the potential to reduce demand to health services, including hospitals, which then will reduce the risk of inappropriate placement decisions through the hospital discharge pathway.

- **Hospital discharge pathway:** People presenting through hospital discharge for social care services invariably have complex needs, and pressures in the system can lead to inappropriate placement decisions. Through optimising the use of reablement, short-term beds and step-down beds, we can seek to avoid short-term support becoming longer-term dependency on social care. This work will need to be taken forward and developed jointly with NHS partners given it is a critical issue for both health and care services.
- **CYPE placement strategies:** Work to assess the opportunities that exist around sufficiency strategy, ensuring the right mix of placements and working towards bringing placement costs down. Although it is recognised that market and placement costs in Kent are impacted by UASC and other factors beyond the council's control.
- **Preparing for adulthood/transition:** Working across both ASCH and CYPE to optimise support for people between the ages of 14-25 as they transition from children to adult services, promoting independence in adult life. Working age people with learning disabilities are now living longer through better long-term management of medical needs, but this increases the need to promote independence earlier so long-term needs can continue to be met at reasonable cost to the council. Joint working with NHS partners will be critical given costs of support are incurred by both the NHS and social care.
- **Home to School Transport:** Primarily but not exclusively in SEN home to school transport (where the cost increase in both relative and absolute terms are most significant) there is a need to ensure that through the SEN assessment process the options for the Home to School transport are fully explained to parents and the policy position of the council regarding home to school transport is reflective in EHC plans. Also, there is a significant requirement to improve our commissioning and procurement practice for SEN transport, better scaling contracts so that they benefit from greater resilience and reduced costs.

It is anticipated that most of the impact from much of this service transformation work will reduce future cost increases during the medium-term financial plan period rather than deliver savings on current spend. This would result in reduced spending growth already included in the medium-term financial plan or to avoid adding further growth and reduce the risk of future overspends.

- **Contract review:** Nearly three quarters of the council's spend is with third party providers across the public, private, voluntary, and social enterprise sectors. With such a significant amount of council spend governed through contractual arrangements, the need to ensure that these arrangements fully provide Best Value to Kent residents and are fully reflective of the priority to deliver Securing Kent's Future is critical if budget sustainability is to be achieved. As set out in Section 5 above, stronger control of the contract pipeline as a result of the recent

changes to the commissioning and procurement structures, will allow KCC to undertake a detailed review of all contracts coming up for renewal and make a Best Value judgement through the commissioning process about whether the need the contracted service is meeting must still continue to be met, whether a contracted service is the most appropriate way of meeting that need, and if it is, the right contractual mechanism is put in place.

- **Staffing review:** Whilst staffing costs in and of themselves are not a cost pressure on the agreed KCC budget, and in some service areas workforce challenges exist given the nature of the economy and the competitive market for specialist skills, the need to review our staff establishment to ensure it is fit for purpose at a council level is important. A cross cutting review will focus on three specific areas. Firstly, a rigorous application of the agreed Decision-Making Accountability (DMA) approach promoted by the LGA of the appropriate spans of control and layers of management within the council. Secondly, there is continued duplication in some areas between staff who are embedded in service Directorates and those working in similar or the same roles but in corporate teams. Inherently this isn't efficient and mitigates against the 'One Council' approach to specialist and business support which is best practice within public and private sector bodies. Thirdly, whilst accepting that in some services there are workforce issues, a review of the recruitment/deployment of agency staff will be undertaken to ensure agency costs (which are higher than directly employed staff) are only incurred when necessary. Whilst use of agency staff has a place within the workforce mix of KCC, given its flexibility, it is critically important that services do not become overly dependent on agency workers.

Objective 3: Policy choices and scope of Council's ambitions

6.8 Even through the significant period of austerity, KCC has remained ambitious for the residents of Kent and for the organisation. As the strategic authority for Kent, its role clearly goes beyond the provision of statutory services, and we are aware that many of the services that our residents most value can be those that the council operates voluntarily, which aren't required by law to be provided and are not funded by Government. As a result, over the course of successive administrations the council has worked hard to ensure that it keeps providing as many discretionary services as possible, and in many instances, providing discretionary services that have closed or been reduced in many other county areas. Whilst our overall policy position is still maintaining discretionary services that add value and support the outcomes the council is seeking to achieve, we must be more rigorous in assessing the value of those services, and where necessary rescope the council's ambition and interventions to something that is proportionate and affordable. This focus will require us to focus on three areas of activity:

- **Evaluation of statutory minimum requirements:** Whilst many of the council services have a statutory basis that either requires the council to provide them or gives residents the right to seek support from the council. In many cases statute does not define the service offer that must be provided. This becomes a matter for local choice influenced by legislation or wider determinants, such as case law or regulatory / inspection frameworks. This heightens the risk of over providing

statutory services beyond what is needed and does not meet the Best Value duty on the council. We must review statutory services and the extent to which they are appropriately meeting need and supporting outcomes, and where necessary reshape that spend so it frees up resources for other services, including discretionary services.

- **Review of discretionary spending:** Discretionary spending must have a purpose and support meeting the outcomes for residents and communities the council is seeking to achieve. The council must review its discretionary spend and the extent to which there is objective or subjective evidence whether spend contributes to reducing demand on statutory services and/or meets the council's stated outcomes. In many instances, the key test for discretionary services is whether the need identified can only be met by the council, or whether other partners or providers, either public or private, are equally or better able to meet that need.
- **Full cost recovery on discretionary spend:** The council must review where it is possible and appropriate to seek full cost recovery on discretionary services to make them viable and sustainable. There is a need to ensure that there is full transparency about where budgets are effectively cross subsidising discretionary services and reducing the resources available for other/statutory services.

Objective 4: Further transforming the operating model of the Council:

6.9 Applying the service and policy changes the council set out in the first three objectives above will necessarily require a wider transformation of the council's operating model, both to support the delivery of Securing Kent's Future, but also to reflect the desire to reshape the council so delivery of Best Value is at the core of what it does and how it does it in the medium to long-term.

6.10 Almost certainly, KCC will need to be a leaner organisation, prioritising staff capability over capacity, with an ability to harness and leverage its scale in terms of service delivery, whether in-house or commissioned, drive new ICT and digital capabilities into its core service offer, with the corporate core enabling and supporting services on a 'One Council' basis, freeing services to focus on practice, service quality and resident/client outcomes. Whilst a revised operating model will require further development, it is possible to set out some core foundations that will be central to a changed operating model:

- **Embedding the Chief Executive model:** Putting the Chief Executive post back into KCC establishment after almost thirteen years of operating without one was the right thing to do for the organisation, bringing us in line not just with most councils, but nearly all organisations of scale across the public, private and voluntary sector. The necessary changes to systems and culture of the organisation are still embedding and require further support of all Chief Officers and all Members, in particular the need to strengthen the culture of professional accountability and responsibility for operational and strategic management actions in the council. Whilst Members are responsible for the overall strategic direction of the council through the budget, MTFP and policy framework, we are critically dependent on a strong management cohort driving delivery through

services, with a Chief Executive with the capacity to make management interventions on Members' behalf when necessary.

- **Strengthening of the corporate core:** To support the Chief Executive deliver Securing Kent's Future, there will need to be a further strengthening of the corporate core of the organisation. In practice, this will mean aligning the Strategic Reset Programme (SRP) around the priorities of Securing Kent's Future and further strengthening the SRP team to take a stronger delivery and oversight role of the project and programmes necessary to deliver financial sustainability. This will give the CEO greater visibility and assurance around delivery of SKF actions. Whilst KCC has a strong performance culture within services, there is a clear need to strengthen corporate performance management capacity across the council, with a rebooted corporate performance framework providing a stronger means of control over core activity to support the CEO to assess and intervene earlier when performance issues become evident.
- **Digital, Automation and AI:** The council has already made significant inroads into leveraging the opportunities from digital transformation and automation. For example, the council has developed an in-house 'centre of excellence' within its ICT team focussing on digital transformation and automation within existing Microsoft 365 capabilities. This is already improving systems and processes at service level whilst also building out the capability and confidence of the wider workforce to use these tools to change the way that they work. The recently agreed Digital Strategy sets out how the council can accelerate digital change to drive further efficiencies whilst also improving service quality and responsiveness. There is also significant opportunity through the rapid development of AI and Large Language Models (LLM) to both assess data, and provide tools to support service delivery, freeing staff to undertake more high-value tasks. The council has already started to use AI and LLM capabilities within services, and a recently agreed AI policy provides a framework to explore and adopt the use of AI safely. Whilst AI is not without some increased risk, the use of AI will increasingly become the norm across both public and private sectors, and the opportunity of AI to transform services cannot be ignored.
- **Driving management culture across all services:** The focus on Best Value in Securing Kent's Future will ask staff, managers, and strategic leadership of the council to weigh the broader interests of the whole council against the narrow interests of a, or their own, specific service. This shift will require a focus on changing the culture of the organisation from some learned behaviours that have existed for many years. Developing and strengthening management culture requires careful consideration and planning, but there are two key areas where culture is impacting on the council's financial capacity and should be challenged. One reason for our existing pressures is an assumption on the part of some staff and managers that some other part of KCC will 'find' the money to meet their client or service needs. Instead, the council requires a culture of delivering within financial constraints to be an expected and required part of the management culture across all services in KCC. A second example is an overreliance on delivering change through separate project and programme management resources. As a result, relatively minor projects have dedicated change resource which is both expensive and creates a dislocation between projects and services

which often slows delivery of change. Whilst dedicated project and programme teams have their place at a strategic level for major change activity, delivering change is, in the first instance, the responsibility of all managers across the organisation.

6. Consequential Risk and Risk Appetite:

7.1 The scale of the change required to deliver Securing Kent's Future will necessarily mean that the council must be cognisant of the wider risks that may materialise. In summary, these risks may include:

- **Delivery risk:** Securing Kent's Future will require the organisation to undertake multiple savings and transformation programmes concurrently, whilst also delivering business as usual activity. For example, delivering new savings in Objective 1 and designing savings in Objective 2 concurrently, whilst also delivering already agreed savings set out in the current MTFP creates clear delivery risks. The council also has several critical enabling projects, such as Enterprise Business Capability (EBC) system replacement which must successfully be delivered on time and on budget. As noted already, the council also has some significant capacity gaps in key services due to workforce pressures, and the increases in demand in some services will also require ongoing management action. The capacity of corporate services such as Finance, HR/OD, and Technology to support the level of activity inherent in the overall programme will also be severely stretched. Whilst delivery risk is inherent given the size of the financial challenge facing the council, this can be mitigated in part through the strengthening of the Strategic Reset Programme (SRP), realigning the SRP team and Board to support and oversee the significant delivery activity within Securing Kent's Future. Moreover, there must be a rigorous focus on the prioritisation and sequencing of decisions and service changes within Securing Kent's Future to optimise the staffing and financial resource available to support its successful delivery. It is also critical that managers and staff are properly and effectively engaged to set out clearly their contribution to Securing Kent's Future. Disengaged staff will be a significant risk to successful delivery.
- **Risk transfer to system and partners:** The council's services do not exist in isolation, but in many cases are part of an interdependent 'system' across a wider network of public, voluntary, social, and private sector partners. The scale of the change required to deliver Securing Kent's Future will invariably require the council to move at significant pace, and in some cases, will require the council to take decisions to meet its Best Value duty which are contrary to system efficacy and/or partner relationships. Whilst the council will do everything in its power to attempt to avoid cost shunting onto partners and is committed to being transparent with partners about the choices and actions it will need to take, almost inevitably, the impact on partners may be significant and, as such, should be acknowledged.
- **Regulatory risk:** Many of the council's services are subject to regulation and inspection by third party organisations established such as Ofsted and Care Quality Commission (CQC). The inspection frameworks used by such regulators

are often focussed on professional practice, service quality, client relationships, and outcomes for clients/individuals. The financial position of the service, or indeed the council, is often assumed or ignored within these regulatory frameworks, and little to no account is taken about the financial resources or capacity of the council to meet demand to the standards expected. The reality of Securing Kent's Future, as noted above, is that the financial capacity of the council must be material to the level and quality of service it can provide, and as such, Securing Kent's Future may require decisions that materially impact on the council's ability to meet regulatory inspection framework or assessment. Whilst the council will do everything it can to meet the quality and practice thresholds expected through regulatory inspection and assessment within the resource available it cannot come at the expense of the financial stability of the council.

- **Risk of legal and other challenge:** As noted earlier, underpinning Securing Kent's Future is the need to balance the council's Best Value duty against the wider set of competing statutory duties placed upon it. There is significant risk that where the council makes decisions that secure Best Value, the possibility of legal or other challenge from interested third parties will increase. The council is highly unlikely to be able to fully mitigate the risk of legal challenge and successfully deliver Securing Kent's Future at the pace required. As such, the risk of legal or other challenge is not a measure of our overall success. Rather, the ability of the council to defend its actions as logical, necessary, proportionate, and complying with the necessary legislation and case law regarding good governance and decision-making, will be the measure of success in mitigating this risk.

7.2 Given the above, in delivering Securing Kent's Future, the council is necessarily required to increase its risk appetite to successfully mitigate the significant financial risk it currently faces. Holding an elevated level of risk appetite is necessary and proportionate to the consequential impact of council failure if remedial action is not taken to address the financial position. Accepting increased risk appetite will help both the staff, partners and providers understand the seriousness of the council's financial position and help promote more ambitious and radical solutions to the design and delivery of our service offer. The formal risk appetite statement is set out in the Risk Management Policy, and this policy will be updated as a matter of urgency to codify and reflect the risk appetite for Securing Kent's Future and will be subject to review and scrutiny by the Governance & Audit Committee.

7. Governance, Assurance & Audit:

8.1 Robust governance and scrutiny of the proposals and plans of individual proposals within scope of Securing Kent's Future will be critical to successful delivery and providing the necessary transparency for assurance of the council's overall financial position. However, whilst normal governance process and procedure will apply, the requirement to deliver at pace is clear. A significant proportion of the actions, particularly in Objective 1, will be deliverable through management action, and these should be taken as soon as possible at the appropriate management layer where delegations allow.

8.2 As we move into Objectives 2 and 3, the need for Key Decisions to be made is also clear, but where management action through delegations can be used as approval, then it should be used as the most expeditious route to delivery. Whilst the council will endeavour to ensure proposals are considered by Cabinet Committees in their pre-scrutiny role, Cabinet will not allow pre-scrutiny to inappropriately delay the Executive in taking the necessary Key Decisions to support delivering Securing Kent's Future. Should further scrutiny of Key Decisions be required, this can be undertaken by the Scrutiny Committee fulfilling its statutory role.

8.3 The role of Internal Audit and the Governance & Audit Committee will be critical to providing that independent assurance on the overall position of Securing Kent's Future, over and above the usual financial monitoring undertaken by Corporate Finance. Given the internal audit plan is risk focussed, the Head of Internal Audit will review and make recommendations on whether any reprioritisation of planned audits should be proposed to take account of Securing Kent's Future, and any changes proposed to be considered and agreed by the Governance & Audit Committee.

8. Further development of Securing Kent's Future:

9.1 As noted at the beginning of this paper, Securing Kent's Future as the overall budget recovery strategy for KCC will necessarily be iterative. Detailed savings proposals, particularly for 2024/25, will be further outlined in the draft 2024/25 budget, building on the details set out at Appendix 1.

9.2 The need to ensure delivery of Securing Kent's Future cannot be solely undertaken through the budget process. There is a need to ensure the urgency and priority given to the service changes and financial commitments made within Securing Kent's Future are clearly understood at all levels of the organisation, and further shapes management focus and resourcing decisions. It is expected that service activity which does not support Securing Kent's Future objectives is reprioritised or deprioritised accordingly.

9.3 Therefore, it is proposed that delivery of Securing Kent's Future activity is taken forward through the council Strategic Business Plan 2024/25, alongside enhanced financial monitoring and reporting, building on the detailed delivery plans that are currently being agreed by services and the Corporate Management Team. It is also proposed to develop and agree the Strategic Business Plan earlier in the business planning cycle, aligning it to the budget timetable, and before divisional and service business plan are developed, so that alongside the budget, it shapes and drives prioritisation and resourcing decisions across all council services.

9. Recommendations:

Cabinet is asked to:

1. Note the Financial Recovery Plan set out at Appendix 1.
2. Note the Urgent Actions with Immediate Impacts set out in the Financial Recovery Plan at Appendix 1 to bring the council back into balance for 2023/24, albeit with significant reliance on non-recurring savings.

3. Note the Urgent Actions with Medium to Long-Term impacts set out in the Financial Recovery Plan at Appendix 1 as necessary to support the development of a sustainable 2024/25 budget and MTFP.
4. Agree to the further development and inclusion of the actions in the Financial Recovery Plan at Appendix 1 into the draft Budget 2024/25, to be published late October / early November 2023.
5. Agree to the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.
6. Agree the position set out in paragraph 4.5 regarding delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
7. Agree the need for increased risk appetite set out at paragraph 7.2, and for any changes necessary to the council's Risk Management Policy to be made and considered by the Governance & Audit Committee as appropriate.
8. Agree the four objectives outlined for *Securing Kent's Future* and to develop *Securing Kent's Future* as the Strategic Business Plan for 2024/25.

Appendices:

- Appendix 1: Securing Kent's Future – Detailed Financial Assessment of budget proposals

Background Papers:

- Cost Driver Assessment by Kent Analytics Service, Corporate Board,
- Securing Kent's Future – Budget Recovery Strategy & Financial Reporting, KCC Cabinet, 17 August 2023

Report Author:

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

This page is intentionally left blank

Financial Recovery Plan – Securing Kent’s Future

	Sctn	Page
Summary	1	2
Urgent Actions in 2023-24 with Immediate Impacts	2	7
Urgent Actions with Medium to Long Term Impacts	3	11

From	Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Relevant Director	Zena Cooke, Corporate Director of Finance
Report author	Dave Shipton, Head of Finance Policy, Planning and Strategy
Circulated to	Cabinet
Classification	Unrestricted

Contact details

Dave Shipton	03000 419 418	dave.shipton@kent.gov.uk
Zena Cooke	03000 419 205	zena.cooke@kent.gov.uk

Background Documents

1. County Council Budget meeting 9th February 2023
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=113&MId=9026&Ver=4>
2. KCC Share of Retained Business Rates and Final Local Government Finance Settlement 2023-24 report to Cabinet on 30th March 2023
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=8995&Ver=4>
3. Revenue and Capital Budget Outturn 2022-23 report to Cabinet on 29th June 2023
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=8997&Ver=4>
4. Securing Kent’s Future = Budget Recovery Strategy & Financial Reporting report to Cabinet on 17th August 2023
<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=9380&Ver=4>

<p>Headline 1</p> <p>2022-23 revenue outturn was overall £47.1m overspend (3.9% of net revenue).</p>	<p>The provisional outturn was reported to Cabinet on 29th June 2023. This showed a net revenue overspend of £47.1m.</p> <p>Overspends before roll forwards were reported in Adult Social Care & Health (ASCH) of £24.4m, Children, Young People and Education (CYPE) of £32.7m, Growth Environment and Transport (GET) of £0.9m, Deputy Chief Executive Department (DCED) of £1.6m. These were partly offset by underspends in Chief Executive Department (CED) of £3.5m and Non-Attributable Costs and Corporately held budgets (NAC) of £11.8m</p> <p>The most significant overspends were:</p> <ul style="list-style-type: none"> • £30.5m older persons residential and nursing care in ASCH • £16.1m home to school transport in CYPE • £9.9m children in care in CYPE
<p>Headline 2</p> <p>The overspend was balanced through £47.1m drawdown from reserves (11.5% of general and earmarked revenue reserves).</p>	<p>The outturn was balanced through the drawdown of the total £25m risk reserve with the balance of £22.1m from the general reserve. The drawdown from general reserve amounted to 39% of this reserve and reduced the balance as at 31st March 2023 to £37.6m. This is below the recommended 5% of net revenue and general reserves will need to be replenished at the earliest opportunity.</p> <p>Earmarked reserves included a transfer of £17m to Dedicated Schools Grant reserve as KCC’s 2022-23 contribution to the Safety Valve agreement with the Department for Education (DfE) as part of the high needs deficit recovery. A further transfer will be needed for the 2023-24 contribution, and future years’ budgets will need to include £50.9m provision for the remaining contributions.</p> <p>The combination of drawdowns from risk and general reserves have reduced the Council’s ability to withstand unexpected circumstances and costs. These reserves will need to be replenished at the earliest opportunity. The drawdowns and transfer have reduced the adequacy of reserves since the assurance given when approving 2023-24 budget.</p>
<p>Headline 3</p> <p>Financial resilience was already reduced in comparison to other councils before 2022-23 outturn.</p>	<p>The latest available 2021-22 comparative financial resilience indicators from the Chartered Institute of Public Finance and Accountancy (CIPFA) shows that KCC’s general and earmarked reserves excluding public health are 37.2% of net revenue (40.4% including public health). This is lower than the average for all county councils (49.5% excluding public health, 51.9% including public health).</p>

	<p>KCC's reserves as percentage of net revenue have reduced since 2020-21 (41.7% excluding public health, 42.9% including public health). The average reserves for all county councils have increased since 2020-21 (45.4% excluding public health, 46.4% including public health). This was not because KCC reduced reserves in 2021-22, but they increased by less than other county councils and net revenue increased by more.</p> <p>At this stage we do not know the extent to which other county councils reduced or increased reserves in 2022-23 in comparison to KCC's drawdown.</p> <p>The comparative level of reserves are likely to have been affected by the treatment of Covid funding and spending and therefore needs to be treated with some caution. The comparative reserves position for 2022-23 is expected to be published later this year and will provide a more comparable assessment of reserves levels.</p>
<p>Headline 4</p> <p>Final revenue budget 2023-24 £1,318.3m after roll forwards</p>	<p>The revenue budget for 2023-24 was approved by County Council on 9th February 2023. At the time this did not include the impact of the final local government finance settlement or final share of retained business rates. These were reported to Cabinet on 30th March 2023 and resulted in a final approved net revenue budget of £1,315.6m (an increase of £124.1m on 2022-23). The final budget including £2.7m roll forwards (cash limit for 2023-24) is £1,318.3m.</p>
<p>Headline 5</p> <p>2023-24 revenue budget included spending growth increases of £182.3m</p>	<p>Additional spending included £63.5m for the net full year impact of recurring 2022-23 budget variances, £65.2m forecast in-year price increases, £33.5m for forecast increases in demand and cost increases unrelated to price uplifts e.g. more complex packages of care, £14.2m for the 2023-24 pay award, and £5.9m service improvements. Additional spending excludes any increases funded by specific grants.</p>
<p>Headline 6</p> <p>2023-24 revenue budget included savings and income of £51.9m</p>	<p>Savings and income included £23.3m from policy changes (service reductions), £14.9m increased income (client charges and contributions), £9.7m from efficiencies and transformation (mainly in relation to contracted services), and £3.9m financing savings (debt charges and investment income). Savings and income exclude any on specific grant funded activities.</p>
<p>Headline 7</p> <p>2023-24 budget included net drawdown from</p>	<p>The net increase from spending growth and savings/income of £130.4m was offset by a combination of increased funding and reserves. The main funding increases came from council tax of £52.9m (including 3% general increase, 2% adult social care increase and 1.45% tax base increase), additional grants for social care pressures of £51.6m, other grant increases (largely</p>

<p>reserves of £6.3m and increased funding of £124.1m</p>	<p>compensation for business rates reliefs) and retained business rates of £19.6m.</p> <p>The conditions for the additional social care grants and the council tax precept requirements effectively put a limit on the amount of savings that can be made in adult social care. These conditions and requirements effectively set a minimum spending increase for adult social care. From 2024-25 onwards the expectation is that this minimum passporting is the only increase for adult social care.</p> <p>The net drawdown from reserves came from additional contributions to general reserve (to maintain 5% of net revenue before the subsequent drawdown at the end of 2022-23) and local taxation equalisation reserve (from excess collection surpluses). There were reduced contributions to strategic priorities and regeneration reserves from insecure funding which were used to fund core spending in 2023-24. Drawdowns included £4.3m from corporate reserves to smooth spending (to be replaced and repaid in 2024-25 from savings).</p>
<p>Headline 8</p> <p>Forecast Overspend for 2023-24 of £37.3m before management action</p>	<p>The first quarter's monitoring was reported to Cabinet on 17th August 2023. The biggest overspends are in the same areas as 2022-23 (adult social care, children in care and home to school transport). This is despite including additional spending in the budget for the full year effect of recurring spend from 2022-23 and forecasts for future price uplifts, increases in demand and cost increases unrelated to price uplifts.</p> <p>The latest monitoring as reported separately to this Cabinet Report is showing little change in the underlying structural overspends on people based services. The agreed action from reducing capital financing has now been incorporated reducing the forecast overspend before management action to £37.3m from the quarter 1 report, although it is important the structural overspend is still clearly identified.</p> <p>The immediate actions that are planned and as set out in section 2 of this report if fully delivered would reduce the overspend by £28.0m. This includes a target to reduce non committed spend by £11.4m plus £9.2m of one-off (totalling £20.6m one-off savings) and £7.4m of recurring savings from further management action. There is also the additional grant from the Market Sustainability and Improvement Fund amounting up to £9.4m, which has been confirmed since the last report, and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).</p>

	<p>If all these actions can be achieved, and the forecast spending does not materially change then 2023-24 would be close to balanced by year end.</p>																		
<p>Headline 9</p> <p>Forecast gap for 2024-25 of between £31m to £72m</p>	<p>The core principles for the 2024-25 local government finance settlement were announced as part of the 2023-24 settlement. This included the council tax referendum principles and further additional funding through social care grant, market sustainability and improvement fund, and hospital discharge fund. The latest estimate is that funding through grants, council tax and retained business rates is around £93m.</p> <p>The latest estimate for spending growth is between £146m to £165m. The range reflects uncertainty over the trajectory for inflation from the latest Bank of England forecasts, and different scenarios for future demand and cost increases unrelated to price uplifts.</p> <p>As well as spending growth there is need to set aside an additional £30m in reserves. This includes KCC's contribution towards the Safety Valve agreement with DfE from 2024-25 onwards, replenish general reserves for the draw down at the end 2022-23 over 2024-25 and 2025-26, and replenish smoothing reserves used to balance 2023-24 budget. Any further use of reserves in 2023-24 would increase the requirement to replenish reserves in 2024-25 and increase the budget gap.</p> <p>Additional savings and income of between £30m to £52m. The range reflects the savings for 2024-25 in the published 2023-26 MTFP at the lower end with further potential savings for initial assessment of 2024-25 recovery plan quantified to date at the upper end.</p> <p><u>Summary table showing lower and upper end of 2024-25 budget planning scenarios.</u></p> <table border="1" data-bbox="549 1541 1465 1937"> <thead> <tr> <th></th> <th>Lower End £'m</th> <th>Upper End £'m</th> </tr> </thead> <tbody> <tr> <td>Spending Growth</td> <td>146</td> <td>165</td> </tr> <tr> <td>Contribution to Reserves</td> <td>30</td> <td>30</td> </tr> <tr> <td>Savings & Income</td> <td>-52</td> <td>-30</td> </tr> <tr> <td>Increases in General Funding</td> <td>-93</td> <td>-93</td> </tr> <tr> <td>Forecast Gap</td> <td>31</td> <td>72</td> </tr> </tbody> </table>		Lower End £'m	Upper End £'m	Spending Growth	146	165	Contribution to Reserves	30	30	Savings & Income	-52	-30	Increases in General Funding	-93	-93	Forecast Gap	31	72
	Lower End £'m	Upper End £'m																	
Spending Growth	146	165																	
Contribution to Reserves	30	30																	
Savings & Income	-52	-30																	
Increases in General Funding	-93	-93																	
Forecast Gap	31	72																	

<p>Headline 10</p> <p>Council's overriding priority is to deliver financial recovery plan over next 18 months to 2 years</p>	<p>Cabinet agreed on 17th August the council priority must be deliver a financial recovery plan to Secure Kent's Future. This plan must address the structural deficit on spending and improve the council's financial resilience. The plan includes immediate short-term measures to bring 2023-24 into balance, and more importantly over the medium term to reduce future spending growth and/or identify mitigating savings and income to offset growth and to restore and improve reserves.</p> <p>As outlined in the August report this paper sets out more detail on the recovery plan. This is set out in separate sections dealing with urgent actions that are expected to have an immediate impact in 2023-24 and the more structural actions which will take longer to deliver and will not have an impact until 2024-25 or 2025-26.</p> <p>Reserves remain a possible mechanism to smooth the transition between the one-off actions and the medium to longer term structural changes and to support invest to save measures to support the recovery (including temporary external support). However, reserves are not a mechanism to fund recurring spending and would need to be replenished from future savings. The additional costs of developing the recovery plan are one-off and need to be funded from reserves. Any use of reserves for smoothing or invest to save purposes would require replenishment and would further impact on the adequacy assessment in the short-term.</p>
--	---

- 2.1 Corporate Management Team has been focussing on the immediate actions which can be taken across the whole council to bring the overspend in 2023-24 down and to reduce the risk of further drawdown from reserves. The team acknowledges that many of these actions are one-offs (or in some cases can be repeated in 2024-25) and therefore do not resolve the underlying structural deficit on spending largely in people based services in ASCH and CYPE. Table 1 sets out a summary of the immediate actions together with an indication of when these would take effect.
- 2.2 The plan will need to be responsive to further developments both from more up to date monitoring forecasts and progress on delivering the recovery plan. At this stage the emphasis is on enhanced monitoring to identify if we are on track, if this proves to show that further action is needed to balance the current year this will be agreed/taken if and when it becomes necessary to ensure we end the year as close to balanced as possible.

Table 1 – Actions with Immediate Impact

	2023-24	2024-25	Later Years	Brief description of activity
Immediate Actions				
Cross cutting review of non-committed spend	✓	✗	✗	Budget, spend to date and forecast for selected subjective codes. Directorates to consider spending restrictions
Further Management Action templates	✓	?	?	Directorates are completing templates to identify further targeted savings across all services but with particular regard to those forecasting overspends.
Review of spending from reserves	✓	✓	?	Review of uncommitted spending directly funded from reserves. This would not reduce revenue spending but would increase the level of reserves
Potential receipts from assets	✓	✓	✗	Review of all assets other than surplus property with regard to possible disposals
Review of early payments	✓	✓		Saving from taking fuller advantage of early settlement discounts through call-ff contract with Oxygen Finance Ltd for the supply of Early Payment Services

Consultant led review of spending growth and savings opportunities	✓	✓	✓	Review areas of highest growth and overspend in ASCH & CYPE to identify transformation opportunities to generate savings and mitigate growth and support services to deliver this.
Review of strict compliance with existing policy	?	✓	✓	Evaluation of spend on people-based services in excess of current policies. This is unlikely to yield significant savings in 2023-24.
Reserves review	✓	✓	✗	Finance led review of existing reserves and appropriate levels commensurate with forecast future requirements and risks. This could result in reduced contribution in 2023-24 and/or 2024-25 as well as releasing reserves to replenish previous drawdowns and/or support the recovery plan

2.3 The cross cutting review of non-committed spending from KCC funded activity (i.e. this does not include spending funded from external grants or spending related to securing other income) will include recruitment of staff to vacant roles, agency staff, use of external venues for meetings, specialist and consultant fees, and supplies and services. Managers across the whole organisation will be expected to avoid spending in all these areas. The following immediate steps will be applied for the remainder of 2023-24 together with regular monthly monitoring reporting. The target for savings from cross cutting reviews is up to £11.4m although until the additional steps and reporting has been put in place it is not possible to identify how close we are to this target:

Staff contracts & premises

- Responsibility for approval required at Corporate Director level for all new external staff appointments at KR13 and above.
- Responsibility for approval required at Director level for all new external staff appointments at KR9-KR12.
- Responsibility for approval at budget manager level for all new external staff appointments at KR8 and below, and all new internal appointments, at budget manager level.
- Reports will monitor the number of new external staff appointments at the above levels but will not be able to identify how many new staff appointments have been avoided. Financial reports will identify revised actual and forecast staff spend at Director level.
- Accountability required at Corporate Director level for all new agency staff appointments at more than £600 a day.
- Accountability required at Director level for all new agency staff appointments at day rates between £300 to £600.
- Accountability required at budget manager level for all new agency staff appointments at less than £300 a day.

- Monitoring reporting of actual and forecast agency staff spend at Director level.
- No external venues to be hired for internal meetings excluding staff training. Internal meetings with only KCC staff must be held in KCC owned facilities or via MS Teams. Meetings with public, clients or external partners can still use external venues but only as a last resort where KCC facilities are inappropriate. Actual and forecast spending on external venue hire to be reported at Director level.

Specialists and Consultants

- Accountability for new contracts at Corporate Director level for contracts over equivalent of £500k per annum.
- Accountability for new contracts at Director level for contracts over equivalent of £100k per annum
- Accountability for new contracts at budget manager level for contracts under equivalent of £100k per annum
- Monitoring reporting of actual and forecast spend on specialists and consults at Director level.

Supplies and Services

- No additional approval or accountability responsibilities for supplies and services spend (remains at budget manager level). All new actual and forecast spending to be reported at Director level.

2.4 Directorates have reviewed specific areas of spending with targeted savings identified. Savings have been identified separately for one-offs and recurring amounts in 2023-24, together with further savings in subsequent years. In some cases the savings are additional to existing savings already included in the 2023-24 budget, and in some cases they are new savings. Table 2 provides a high level summary of the additional targeted savings. These have been split into those already incorporated into budget monitoring reports (either already in forecasts or identified as management action) and those that are additional to existing reported forecasts.

Table 2 – Targeted Savings (management action)

	2023-24 One-Off £000s	2023-24 Recurring £000s	2024-25 Additional Recurring £000s
ASCH – already reported	4,310	5,700	4,529
CYPE	1,700	1,550	TBC
GET	1,480	TBC	TBC
CED/DCED	1,670	150	100
Cross Cutting Review of Non Committed Spend	11,400		
Directorate Total	20,560	7,400	4,629
Non Attributable – already reported and in latest forecast	4,000	3,000	
Total	24,560	10,400	4,629

- 2.5 The overall impact of these further actions on cross cutting spend and directorate targeted spend will be identified separately in future budget monitoring reports. This will serve the dual purpose of not disguising the underlying structural deficit (which must be resolved over the medium term) and enable separate reporting on progress on the individual actions.
- 2.6 Receipts from the sale of any assets on the balance sheet including those from non-surplus property assets would still have to be accounted for as capital receipts. There are restrictions on the ability to use capital receipts for revenue spending and separate reporting requirements. Non property assets include a range of cultural assets.
- 2.7 On 28th July the government announced a further £570 million of ringfenced funding across 2023--24 and 2024-25 to local authorities through the Market Sustainability and Improvement Fund. The government expects that this funding to be used to improve and increase adult social care provision, with a particular focus on workforce pay and increasing workforce capacity within the sector, to ensure that appropriate short-term and intermediate care is available to reduce avoidable admissions and support discharge of patients from hospital when they are medically fit to leave. £365m will be allocated in 2023-24 (KCC's share is £9.375m) with a further £205m in 2024-25. Local authorities will need to provide a summary description, aligned to NHS winter surge plans, of how they will use this funding to ensure sufficient capacity to meet potential adult social care surges in demand over winter by 28th September 2023. The details of the additional £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).
- 2.8 The other immediate actions in table 1 will affect levels of reserves, capital receipts or are likely to have a limited impact in 2023-24 and do not require detailed action steps at this stage as it is vital that most attention is given to the cross cutting and targeted savings which will need to deliver the vast majority of the solution to bringing 2023-24 back into balance.

3.1 As well as the urgent actions which are intended to have an immediate impact there are a range of other actions which are also urgent although these are unlikely to result in any savings or spending reductions in 2023-24 due to the lead times. These actions are focussed on addressing the underlying structural deficit on people based services either from changing the recent trends that have resulted in substantial spending growth, or other mitigations where growth is now expected to be the new normal. Inevitably this means that these actions will result in a combination of future cost avoidance as well as savings on current spending. Table 3 sets out a summary of the immediate actions together with an indication of when these would take effect. Inevitably these actions still require some further development.

Table 3 – Actions with Medium to Long Term Impacts

	2023-24	2024-25	Later Years	Brief description of activity
Review of cost drivers to reduce future growth/risk of overspends		✓	✓	Identify and influence those cost drivers which services can affect to drive down future cost increases (and if possible savings on current spend). Introduce regular monitoring and reporting on of key cost drivers to maintain oversight of changes in price and units of activity, and to ensure corrective action can be taken at the earliest opportunity
Special assistance from government e.g. restitution of supported borrowing		?	?	Independent evaluation of significant aspects of local government finance settlement that are unique to Kent (or a limited number of authorities) which could be addressed in advance of delayed Fair Funding reforms
Quality assurance of resource envelope submissions		✓		Review Directorate spending and saving templates for a) completeness and b) to ensure submissions have supporting evidence that is robust and stacks up, is consistent with previous year's policies where applicable, and that consistent use of things like inflationary indicators has been applied.

Staffing considerations		✓	✓	Cross cutting to include layers of management, embedded staff vs central functions, and recruitment/deployment of agency staff
Further savings and income plans for MTFP		✓	✓	Ongoing approach as part of developing draft 2024-25 budget and 2024-27 medium term financial plan. There will need to be a process to identify which of the long list of savings/income options and any optional spending growth should be included in the draft and final budget publications
Contract review		✓		Review of all contracts due for renewal over the next 12 months to identify those which can lapse and not recommission and those that need to be recommissioned with reduced specification/scope.
Evaluation of statutory minimum requirements		?	✓	Focus on statutory services and the extent to which relative spending influences relative outcomes
Review of discretionary spending		✓	✓	Review of discretionary spend and the extent to which there is objective or subjective evidence whether spend contributes to reducing demand on statutory services and/or the council's stated outcomes
Full cost recovery on discretionary spend		✓	✓	Further evaluation of the extent to which charges for discretionary services represent full cost recovery or whether charges mean services are being provided with subsidies or concessions.

3.2 A comprehensive analysis of the changes in activity and spending in the key areas of people based services (adult social care, children in care and home to school transport) has been undertaken to compare cost changes between quarter 1 in 2023-24 and 2022-23. This analysis was intended to provide a better understanding of the factors driving cost increases over the last year such as changes in client numbers (demand), changes in price (inflation) and other changes affecting costs such as higher needs, market factors, type of

placement, use of procurement frameworks, etc. It was not intended to identify the cost drivers affecting total spend. This is very important distinction so for example if there has not been a significant increase in the number or needs of clients discharged from hospital into social care between Q1 2023-24 and 2022-23 this would not be a driver of cost increases, but the overall number of clients discharged is still a driver of total spending on social care.

3.3 Having identified the key drivers of spending increases the next detailed step is for services to identify which of these they can affect and to develop plans how to reduce future cost increases (and identify any retrospective savings opportunities to reverse previous increases) with support from Analytics and Finance. It is anticipated that the majority of impact from this work on cost drivers will reduce future cost increases rather than deliver savings on current spend. This would result in reduced spending growth already included in the medium-term financial plan or to avoid adding further growth, and reduce the risk of future overspends.

3.4 Quarterly monitoring will be established for 2024-25 for the key cost drivers to evidence the impact on activity and costs from enhanced service interventions on cost drivers. Detailed templates setting out the proposed actions to reduce cost drivers are in the process of being completed. The indicative range for savings from cost drivers towards the 2024-25 budget gap is £5m to £15m, recognising the lead-time to make changes means some of the impact is unlikely to be achievable until 2025-26. These templates will identify whether the intention is to reduce future costs or make savings on current spend, a description of the actions being taken, links to existing savings plans, timescale, estimated saving/cost reduction in 2023-24 and 2024-25, senior responsible officer and whether policy changes are required. Additional information on performance and finance metrics, any financial investment needed, and staff resources will be available for some of the actions where relevant. These would have to be agreed and accepted as part of the administration's draft 2024-25 budget proposals.

3.5 The targeted additional savings for immediate impact in 2023-24 identify those that have a recurring impact in 2024-25 along with some further savings which could be made in 2024-25. The next step is to revisit with directorates what further savings can be targeted in 2024-25 as part of the recovery plan. These would have to be agreed and accepted as part of the administration's draft 2024-25 budget proposals. The indicative range for further targeted savings of £22m is already included in the upper end of range on potential savings for 2024-25 in headline 9 of the summary table. A further ambition of up to £30m to come from targeted savings towards the 2024-25 budget gap is needed.

3.6 We have identified all contracts that are scheduled to be renewed over the next 12 months. The next step is to identify which of these contracts can be allowed to lapse or the specification significantly changed before contracts are recommissioned. The next step after that is then to identify the impact of not recommissioning contracts that could lapse or recommissioning contracts with reduced specification. The indicative range for savings from contract renewals is £10m to £30m towards the 2024-25 budget gap. Any savings from lapsing or recommissioned contracts as part of the recovery plan for 2024-25 would need to be agreed and included in the administration draft 2024-25 proposals when published.

3.7 It is anticipated that the most significant elements of the 2024-25 recovery plan will come from the work on cost drivers, further targeted savings and contract renewals. The indicative range for savings from other actions is up to £10m towards the 2024-25 budget gap. The indicative ranges for savings from cost drivers, targeted savings, contract renewals and other activities are a high-level estimate at this stage and more detailed plans

will need to be developed for the administration's draft budget publication at the end of October and final draft budget proposals in January.

3.8 We have introduced a centrally co-ordinated approach to collating spending growth and savings plans into the overall budget planning. This will enable budget plans to be more easily considered and scrutinised at a more consistent granular level of detail and in a more accessible format. The next step is to pilot this new more accessible format in advance of publication of the administration's draft budget proposals for scrutiny in November. The earlier publication of budget plans is designed to allow more time for scrutiny and to allow time for key decisions on individual elements of the budget to be considered in principle (pending final agreement of the budget at February County Council) in the January committee cycle. This allows time for earlier implementation in the financial year with a greater share of savings and income achieved in the first year. The earlier publication of draft budget proposals does mean estimates will need to be based on longer range forecasts and it must be acknowledged this brings its own risks.

3.9 The comprehensive list of actions which includes further consideration of the type of spending e.g. staffing or contractual spend, together with service based analysis e.g. review of cost drivers, statutory or discretionary spend does present a risk that cost reductions and savings could fall under more than one category or could fall between the categories. Finance will play a key quality assurance role to ensure that this is not the case. At this stage it is inevitable there is less detail available about 2024-25 plans until this quality assurance has been completed and plans are ready to be published in accordance with the timetable for November cabinet committees.

3.10 Being able to set a balanced budget for 2024-25 is as important as the current year if we are to Secure Kent's Future. The demands on people led services in adults and children's are such that these will inevitably impact on 2024-25 both from the full year effect of current pressures and future forecast spending in the next year until the work to address the structural deficits begins to take effect. Addressing these structural deficits is key to securing the medium term future but further actions across the council as outlined in this recovery plan will need to be identified and agreed to close the forecast gap for 2024-25.

By: Roger Gough, Leader of the Council
To: County Council
Date: 2 November 2023
Subject: Appointment of the Chief Executive Officer
Classification: Unrestricted

SUMMARY: This report conveys Personnel Committee's recommendation to make the temporary appointment to the post of a Chief Executive Officer for a period of 18 months.

Recommendations:

County Council is asked to:

1. AGREE the recommendation from Personnel Committee to appoint Amanda Beer to the post of Chief Executive Officer for a period of 18 months to enable the recruitment to the substantive post of Chief Executive Officer and any variance subject to mutual agreement.
2. INSTRUCT the Monitoring Officer to advise on and propose changes to the Constitution to give effect to any changes agreed by this paper at this meeting.

1. Background

- 1.1 On 26 May 2022, the County Council agreed to create the post of Chief Executive Officer, Deputy Chief Executive, Director of HR & OD, and consequential changes to other roles in the top tier structure.
- 1.2 Following David Cockburn's retirement, and an unsuccessful recruitment exercise for a new Chief Executive Officer, in accordance with the constitution our Deputy Chief Executive, Amanda Beer has assumed the role of Chief Executive on an interim basis.

2. The Challenge

- 2.1 Ultimately the aim is to secure a permanent, high calibre, competent, capable Chief Executive Officer to provide the strategic leadership of staff for the County Council.
- 2.2 To achieve this there are several factors to consider. Our independent professional advisers indicate that for jobs at this level in the public sector it is particularly challenging to generate significant numbers of applicants. Along with many across the country, the County Council's financial position and its current 'challenge' may be a deterrent for potential candidates. There are also the forthcoming national and county elections that add an element of uncertainty to the operating environment for KCC as an employer, particularly for its Chief Executive Officer.
- 2.3 It will therefore be necessary for the County Council to undertake a more time-consuming approach to securing a new appointee. In view of this longer time horizon as well as the considerable challenges and degree of uncertainty we face, whatever we can do to provide some stability in the short term is to our advantage. We are very fortunate to have an extremely competent Deputy Chief Executive, who is able and willing to undertake the role for a period of time, providing the ability to secure a permanent successor to be appointed.
- 2.4 This recommendation is welcomed by senior officers and Cabinet and provides some clarity and stability to address the internal and external challenges faced by the authority.

3. The Proposal

- 3.1 The top tier structure of the Authority is determined by the County Council as set out in the Constitution. The Personnel Committee plays an important role by making recommendations to the County Council for decision which in this context include:
 - (i) changes to the top tier structure
 - (ii) appointing Senior Managers and determining their terms and conditions.Personnel Committee at its meeting on 24 October agreed this proposed appointment and to recommend to County Council.
- 3.2 The job description for the CEO role, as agreed in 2022 is attached at Appendix A.
- 3.3 There will be no impact on any of the responsibilities or report lines of the other Statutory Officer roles.

3.4 If the County Council agree the appointment, a small number of existing top tier and senior manager roles will be directly impacted due to the temporary absence of the Deputy Chief Executive. However, there are no consequential grade changes.

4. Recruitment to the role

4.1 Work will need to continue in the pursuit of a permanent Chief Executive. A suitable timetable to resurrect the process will be designed to ensure we can generate the desired quality and quantity of candidates.

Recommendations:

County Council is asked to:

1. AGREE the recommendation from Personnel Committee to appoint Amanda Beer to the post of Chief Executive Officer for a period of 18 months to enable the recruitment to the substantive post of Chief Executive Officer and any variance subject to mutual agreement.
2. INSTRUCT the Monitoring Officer to advise on and propose changes to the Constitution to give effect to any changes agreed by this paper at this meeting.

This page is intentionally left blank

Job Description: Chief Executive Officer

Date: March 2022

Grade: KR20

Responsible to: The County Council

Job Purpose

The CEO is the County Council's principal advisor directing the management process and officers of the Council to deliver its strategic aims and objectives.

Provide strategic leadership to the Corporate Management Team (CMT), developing dynamic and collaborative relationships within CMT and between Cabinet and Chief Officers as the leadership team, and delivering the strategic vision and whole organisation outcomes for the people of Kent.

As the Design Authority, align and control changes being planned and implemented by the Strategic Reset Programme and direct continuous improvement and innovation via the Programme.

Support the Administration in KCC's role as a community leader, working through complex partnerships to meet the needs of Kent, enhancing the reputation of Kent as a place as well as Kent County Council as the democratic agent of change in the region.

Direct and oversee effective governance to enable early action if organisational standards, policies and objectives are not being met.

As Head of Paid Service, undertake the Corporate Management and operational responsibility as defined in law and KCC's Constitution including promoting the effective, economic and efficient deployment of the Council's resources.

Accountabilities

As Chair of the strategic leadership team, the post holder will work within the KCC Organisational Responsibilities for Senior Officers, developing a management culture and process conducive to meeting the aims, objectives and goals of the County Council in the most effective way.

Work closely with the Leader, Cabinet Members, and CMT to enable organisational responsiveness to elected members.

Ensure that overall management attention, effort and controls are commensurate to risk and opportunity across the council's functions and activities

Linking to political priorities of the Council, formulate the strategy and planning process to deliver the organisation's strategic vision ensuring alignment between performance and the organisation's objectives.

Work with the Leader and Cabinet to lead and develop relationships with key stakeholders in government in a way that is complementary to the relationships between local and national politicians and with those in business and communities in Kent, creating partnership to influence views and decisions for Kent's benefit.

Ensure governance arrangements provide appropriate oversight and effective audit and risk management of core programmes and activities to enable the best approach to resource stewardship for the council.

Lead and direct organisation wide change, co-ordination and oversight, working with and through the appropriate governance and decision making forums.

Deliver, working closely with the Leader and Cabinet, service outcomes in line with the Council's resource plan.

Working with and through CMT and with Members, provide advice to Members as to the appropriate resources including staffing and succession planning for the organisation to operate effectively in the delivery of services.

Direct the delivery of Council wide policy, cross service strategy and joint working on key issues to enable the effective strategic management of the County Council.

Provide and facilitate advice to all elected Members.

The post holder has direct access to the Cabinet and Members in order to fulfil the statutory duties of this post.

Direct Reports

Corporate Director – Adults Social Care & Health

Corporate Director – Children, Young People & Education

Corporate Director – Growth, Environment & Transport

Deputy Chief Executive

Corporate Director – Finance

General Counsel

Director SPRCA

Chief of Staff

Strategic Commissioner

Person Specification

Education/Qualifications:

Qualified to degree level, equivalent experience or a relevant management qualification.

Knowledge & Experience:

Understanding and appreciation of the service requirements in a political environment and the ability to manage within a political infrastructure.

Substantial experience of interaction with elected Members and politicians.

Experience at board level in a large complex organisation.

Experience of successful financial management and a proven track record, showing commercial acumen.

Proven track record of management and leadership of multi-disciplined senior staff. Ability to deal assertively with division or unacceptable performance.

Understanding of the wider social and economic environment within the County of Kent.

Proven track record of working effectively in co-operation and partnership with a wide range of organisations from the public, private and voluntary sectors.

Skills & Abilities:

Vision and creativity to build on KCC's success through innovation, which crosses existing organisational boundaries and delivers the Administration's objectives.

Excellent interpersonal and diplomacy skills.

Drive, energy, enthusiasm and commitment to sustain an extensive agenda.

First class communication skills with the ability to build strong networks and influence nationally, regionally and within KCC.

This page is intentionally left blank

From: Joel Cook - Democratic Services Manager

To: County Council – 2 November 2023

Subject: Kent Flood Risk Management Committee: Terms of Reference Review

Past Pathway of Report: Selection and Member Services Committee
– 19 October 2023

Future Pathway of Report: None

Summary: This report proposes changes to the name and Terms of Reference of the Kent Flood Risk Management Committee.

Recommendations:

County Council is asked to agree that the:

- a) name of the Kent Flood Risk Management Committee be changed to Kent Flood Risk and Water Management Committee; and
 - b) amendments to the Terms of Reference of the Kent Flood Risk Management Committee as set out in this report be made.
-

1. Introduction

1. KCC is required by the Local Government Act 2000 to make provision for a committee with the responsibility for reviewing and scrutinising the exercise of flood and coastal erosion risk management functions by risk management authorities in Kent.
2. County Council agreed to establish the Kent Flood Risk Management Committee at its meeting on 10 December 2009. The Committee exercises these statutory functions.
3. The Committee's Terms of Reference were last reviewed following the enactment of the Flood and Water Management Act 2010, which amended the Local Government Act 2000.

2. Proposed changes

1. Owing to developments in flood risk management, climate and the time passed since the last review, the Committee's Chairman commissioned a review of the Terms of Reference to ensure that they fully reflected the Committee's work and codified its investigation of water quality issues in Kent.

2. Following a review by Democratic Services, in consultation with the Committee's Chairman, Members of the Committee were given the opportunity to input and consider changes which were incorporated into the proposal, detailed in Appendix 1. For comparison, the Committee's current Terms of Reference are detailed in Appendix 2.
3. The proposed changes have been made to clarify:
 - a. the Committee's role as a flood risk management overview and scrutiny committee;
 - b. the risk management authorities it holds to account; and
 - c. the additional non-statutory overview and scrutiny functions it exercises.
4. In addition, Members suggested that the Committee be renamed to the Kent Flood Risk and Water Management Committee to reflect its additional responsibilities.
5. It is acknowledged that many of the additional non-statutory functions proposed are already exercised by the Committee, in its efforts to provide Members with sufficient information to exercise their overview and scrutiny role in a complex and constantly changing area.
6. At its meeting on 19 October 2023, Selection and Member Services Committee agreed to recommend the relevant changes to County Council as detailed in the Recommendations.

3. Recommendations

County Council is asked to agree that the:

- a) name of the Kent Flood Risk Management Committee be changed to Kent Flood Risk and Water Management Committee; and
- b) amendments to the Terms of Reference of the Kent Flood Risk Management Committee as set out in this report be made.

4. Appendices

Appendix 1 – Proposed Terms of Reference
Appendix 2 – Current Terms of Reference

5. Contact details

Report Author

Matthew Dentten
Democratic Services Officer
03000 418381

Matthew.dentten@kent.gov.uk

Relevant Director

Ben Watts
General Counsel
03000 416814

benjamin.watts@kent.gov.uk

This page is intentionally left blank

KENT FLOOD RISK AND WATER MANAGEMENT COMMITTEE

TERMS OF REFERENCE

7 Members

- 1 As an Overview and Scrutiny Committee, sections 17.47 and 17.48 apply to the membership.
- 2 In accordance with Section 9FH of the Local Government Act 2000, this committee is responsible for reviewing and scrutinising the exercise of flood risk management functions and coastal erosion risk management functions by risk management authorities which may affect the local authority's area.
- 3 The Committee may request information and a response to reports from the risk management authorities, to which the authorities must comply.
- 4 Risk management authorities, as defined by Part 1 of the Flood and Water Management Act 2010, are:
 - (a) the Environment Agency;
 - (b) the lead local flood authority (KCC);
 - (c) district councils;
 - (d) internal drainage boards;
 - (e) water companies; and
 - (f) highways authorities (KCC and National Highways)
- 5 The Committee is also responsible for:
 - (a) investigating water resource management issues in Kent;
 - (b) investigating water quality issues in Kent;
 - (c) reporting annually (and more often if necessary) to the Scrutiny Committee and to the relevant Cabinet Member; and
 - (d) receiving and reviewing reports related to climate, flood risk and coastal erosion risk management as appropriate.
- 6 The Committee may appoint or remove non-voting Co-Opted Members (independent of the elected membership) who may participate in the business of the Committee in accordance with the rules set out in the Constitution.

This page is intentionally left blank

KENT FLOOD RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

Membership: 7 Members

- 1 In accordance with the Localism Act 2011 (Schedule 2), this committee is responsible for reviewing and scrutinising the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area.
- 2 This committee is responsible for:
 - (a) the preparation monitoring and review (in conjunction with the Flood Risk Management Officer) of a strategic action plan for flood risk management in Kent, taking into account any Select Committee recommendations, the Pitt Review and relevant requirements of the Flood and Water Management Act 2010.
 - (b) reporting annually (and more often if necessary) to the Scrutiny Committee and to the Cabinet Member for Environment & Transport.
 - (c) reviewing and responding to any consultation on the implementation of the Pitt Review and the future development of the Flood and Water Management Act 2010.
 - (d) receiving reports from the Southern Regional Flood and Coastal Committee and responding as appropriate.
 - (e) the investigation of water resource management issues in Kent.
- 3 A risk management authority must comply with a request from this committee for information and a response to a report.
- 4 The committee may include (non-voting) persons who are not members of the authority, including representatives of District Councils, the Environment Agency and Internal Drainage Boards.

This page is intentionally left blank

Motion for Time Limited Debate – Shoplifting in Kent

Proposer: Mr Chris Passmore
Seconder: Mr Richard Streatfeild

Background – Provided by the Liberal Democrat Group

Rates of shoplifting in Kent and across the UK have significantly risen, causing distress and financial strain on businesses. Figures from the Home Office show there was a 22 per cent increase in shoplifting in 2022, with the number of offences rising from 256,000 to 314,000. Data from the Office for National Statistics shows a significant increase in shoplifting in the South East, with Kent experiencing a 17% increase in the year up to March 2023.

Using data from Police UK, Kent Live has constructed an interactive map showing the high streets and shopping precincts of Kent most likely to be impacted by shoplifting in Kent. The data shows that Stone and Crossways in Dartford was most affected with 883 crimes recorded – a 57 per cent increase on the previous year. This was followed by Ringlestone and Central Maidstone (435 crimes) and Sittingbourne Central and Milton Regis in Swale (360 crimes) – some of these being Kent's busiest shopping areas.

Additionally, the data has been used to show a comparison of the number of stores in each area and the rate of theft per 10 shops. The Canterbury Barracks neighbourhood suffers from the most shoplifting with 182 crimes reported – equivalent to 60.7 shoplifting offences for every 10 shops. Other hotspots include Sheerness East in Swale with 49.8 crimes per 10 shops, and Borden and The Meads also in Swale with 43.3 crimes per shop.

Many believe shoplifting is a victimless crime, this is not the case. Shoplifting is highly costly for communities, businesses, and the economy. Business owners face increased financial pressures, as well as inconvenience and loss of stock. Moreover, small business owners are citing the impact on their physical and emotional health. Across the UK, more than 80,000 cases of theft from shops come before the courts and the public faces increased costs as a result. Research shows that some smaller businesses are forced to raise prices by up to 10% to cover the costs of shoplifting.

Motion:

- a. This council acknowledges increasing levels of shoplifting in Kent and the financial, emotional and health impacts this may have on business owners and employees.
- b. To recommend to the Executive that:
 - i. The Leader writes to the relevant agencies to ascertain the full extent of shoplifting in Kent, and its impact on businesses and employees.
 - ii. They consult with the Kent Community Safety Partnership to determine how best KCC could assist in signposting advice and guidance for business through the authority's communication channels.
- c. to recommend that the Kent & Medway Police and Crime Panel seeks further assurance from the Police and Crime Commissioner on the Police response to the issue of shoplifting.

This page is intentionally left blank

Motion for time limited debate – Member input for allocation of s106 Contributions

Proposer – Jenni Hawkins

Seconder – Mark Hood

Background Information provided by the Green and Independents Group

“The term ‘Section 106 Agreement’ (S106) refers to Section 106 of the Town and Country Planning Act 1990. This is the primary legislation under which Local Planning Authorities (LPAs) are able to secure planning obligations through signed agreements between the developer and the authority.”¹

“Section 106 Agreements are negotiated between a developer and LPA to meet, or contribute to, the cost of providing new infrastructure to mitigate the impact of a new development.”²

Planning is about ensuring the correct infrastructure and services are in place in order to effectively serve the needs of the community and mitigate the effect that a development will have on it. Members can help the Council better understand the needs of the communities they live in and serve by engaging with town and parish councils, as well as local groups and individuals. In unparished areas the input of Members can substitute for the input of third tier councils. Members live within or very near to the division they serve and know their area well. They can work alongside officers in order to share their knowledge about where they live and are best placed to do this.

However, allocation of s106 developer contributions is determined without the input of the member for that area, and as a result often the priorities do not actually meet local needs. A good example of this is in the division of Hythe West where a planning application has been made for a large-scale development. Included in the files for the application is a KCC economic letter requesting £3,668 for youth services in the neighbouring town of Folkestone. This is at a time when Hythe, which has few options for young people, is likely to lose its only youth club. This is a prime example of a wider issue related to s106 and the lack of councillor involvement, leading to clear mismatches.

Involving members in the process of allocating s106 contributions would create a more joined up and cost-effective approach, addressing the actual needs of the community.

In September 2022 a group of ten KCC members was formed to create a short-focused enquiry report “to review the experience of Section 106 and other developer contributions in Kent, and to address the system’s key challenges, in order to maximise support to KCC services and improve the lives of Kent residents.” The report made several recommendations, and the first two of these form the basis for this motion.

Motion

This council resolves to:

Recommend to the Executive that it should update its initial response to the s106 Short Focused Inquiry and specifically it should:

1. Provide further information and financial data on developer contributions that cover the different forms of infrastructure that KCC is responsible for through regular emails to all Members and organise additional All Member Briefings to advise of significant updates or developments on s106 arrangements.
2. Review and update the s106 management arrangements to ensure that Local Members are advised by KCC, at the earliest possible time, of proposals for new housing development in their divisions so that they can have a meaningful input into Section 106 agreements and funding allocation.

¹ [MHCLG \(2020\) The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England in 2018-19, London](#)

² [House of Commons Library \(2019\) Planning Obligations \(Section 106 Agreements\) in England, London](#)

³ [Kent County Council \(2022\) Section 106 Short Focused Inquiry, Written Evidence](#)