

## SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 17 September 2025.

PRESENT: Mr R G Streatfeild, MBE (Chair), Mr A Brady (Vice-Chair), Mr W Chapman, Ms S Emberson, Mr J Eustace, Mr M A J Hood (Substitute for Rich Lehmann), Mr A J Hook, Mrs S Hudson, Mr T Mole, Mr T L Shonk, Mr P Thomas (Substitute for Dr G Sturley) and Mr M Reidy

ALSO PRESENT: Mr B Collins and Miss D Morton

IN ATTENDANCE: Mr R Smith (Corporate Director Adult Social Care and Health), Mrs A Taylor (Assistant Democratic Services Manager (Scrutiny)), Ms H Gillivan (Interim Director Adults and Integrated Commissioning.), Ms P Parker (Transformation Lead), Ms C Maynard (Head of Commercial and Procurement), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mr B Watts (Deputy Chief Executive), Ms R Anderson (Head of Business Information, Strategy and Assurance), Mr M Cheverton (Head of Real Estate Services), Ms J Taylor (Head of Capital) and Miss M Goldsmith (Finance Business Partner - Adult Social Care and Health)

### UNRESTRICTED ITEMS

#### **9. Apologies and Substitutes**

*(Item A1)*

Apologies were received from Mr Lehmann for whom Mr Hood was substituting, Mr Sturley for whom Mr Thomas was substituting, and Ms Kemp who was attending the meeting virtually. Mr Reidy, church representative was present but apologies were received from the other church representatives and parent governors.

#### **10. Declarations of Interests by Members in items on the Agenda for this Meeting**

*(Item A2)*

There were no declarations of interest.

#### **11. Minutes of the meeting held on 16 July 2025**

*(Item A3)*

RESOLVED that the open and exempt minutes of the meeting held on 16 July 2025 be approved as a correct record.

#### **12. 25/00042 - Older Persons Residential and Nursing Care Service**

*(Item C1)*

1. The report was introduced by Diane Morton, Cabinet Member for Adult Social Care and Public Health, who outlined the Older Person's Residential and

Nursing Care Service Key Decision, taken on July 25<sup>th</sup> after receiving endorsement from the Adult Social Care and Public Health Cabinet Committee. Miss Morton provided an overview of the ongoing challenges facing the Adult Social Care sector including the need to strengthen the local workforce and how this new contract aimed to address those issues.

2. In response to comments and questions from Members, the discussion covered the following:
  - Richard Smith, Corporate Director of Adult Social Care and Health, explained to the Committee that the contract acted as a framework that identified and enabled partnerships with strategic providers that met price, quality and location expectations.
  - Helen Gillivan, Interim Director Adults and Integrated Commissioning, explained that sustainable pricing for both the providers and KCC as well as quality assurances from implementing a Trusted Assessor Model separated this contract from previous versions. Clare Maynard, Chief Procurement officer, elaborated by explaining how the contract did not guarantee providers work, but that joining the framework gave them the opportunity to access KCC's client base, increasing control on spend and limiting spot- purchase arrangements. It was emphasised that on the current contract, 78% of providers had joined rather than engaging in spot- purchasing.
  - Concerning Local Government Reorganisation (LGR), break clauses would be offered in the contracts for new unitary authorities.
  - Mr Smith detailed the average annual 10-12% increase in demand for Adult Social Care, compared to the 4% annual increase in funding via taxation and ring- fenced grants. He also highlighted how the framework supported a sustainable service model post- covid, whilst also considering the balance between reducing demand for Adult Social Care and the statutory obligation to provide essential care services.
  - Dave Shipton, Head of Finance, clarified that KCC's commissioned contracts did not receive additional funding as a result of the increase in employer's National Insurance (NI). He also confirmed that subject to the continuation of the national grant, KCC's employment of more in-house staff would result in a higher allocation of funding from that grant.
  - Mrs Gillivan assured the Committee that an accommodation market position was being co- produced, that would model multiple options to address spot-purchasing and the degree of reliance on the private sector.
  - It was explained how the open purchasing system, categorisations of needs and tendering parameters streamlined the process for providers to access the framework, be placed in their respective price banding and access their care needs.
  - The premise of the open light- touch framework was to enable new providers to join throughout the duration and to address the locality-of-need issue present in the adult social care division.
  - In response to a concern about a red risk identified in the report, Mrs Gillivan clarified that legacy placements would not be included in the new contract. Further financial reporting would be done through Cabinet Committees to address any budgetary deviations from the report.
  - Ben Watts, General Counsel, explained that further decisions delegated to officers would not return to the Scrutiny Committee unless specifically requested, as there was no formal requirement to do so.

- Mr Smith explained that the process by which the Care Act 2014 acted as a safety net in the case of inflated financial pressures to ensure the statutory care obligations were met.
3. Following the questions, the Chairman welcomed comments and views from the Committee about the report. These included:
    - A Member raised concerns on the over- reliance on the private sector and requested an alternative model that included testing the market to be explored. Specific spot- purchasing percentages were also raised as a figure to be monitored in future reports.
    - Members requested a more detailed breakdown of costs and funding within the Adult Social Care sector, to provide greater context on spending for the Committee.
    - It was welcomed that options for both in- house provision and external sourcing of providers were being considered.
    - It was posed that options be explored to utilise the disposals process to provide additional supply for the care sector.
  4. The Chairman called on the Cabinet Member to provide comments and clarifications on the Member's points of debates:
    - Mr Smith welcomed the debate and suggested a dashboard be incorporated into the Adult Social Care and Public Health Cabinet Committee performance report to meet Member's requests for information.
  5. The Chairman proposed that the report be noted and requested that the Cabinet Member and the Adult Social Care and Public Health Cabinet Committee receive a future report on the relative cost of market-provided versus KCC-owned care homes under the new contract, with a suggested frequency of every 12 months and at least more frequently than the lifetime of the contract. The Scrutiny Committee also recommended a focus be given to the mitigation of the high risk associated with the transition from the current to the new contract and to incorporate a performance dashboard including KPIs, specifically on spot- purchasing and the impact of NI into normal Cabinet Committee reporting arrangements. This was agreed by the Committee.

RESOLVED that the Committee note the report and request a future report to the Cabinet Committee on the relative cost of market- provided versus KCC- owned care homes under the new contract, with a suggested frequency of every 12 months and at least more frequently than the lifetime of the contract.

### **13. Kent County Council's Asset Disposal Strategy** (Item C2)

1. The item was introduced by the Deputy Leader, Brian Collins, who provided a contextual overview of the statutory obligations of the Local Government Act 1970 and the Asset Disposal Strategy's importance in KCC's financial stability.
2. Rebecca Anderson, Head of Business Information and Assurance, introduced the report that outlined the statutory and fiduciary framework for disposing of KCC surplus freehold assets to generate capital receipts.

3. In response to comments and questions from Members, the discussion covered the following:
  - When determining the outcome for surplus assets, considerations were made for the property's holding costs, the strategic position of other KCC departments and environmental options. It was explained that the notice period given to other KCC departments on the availability of surplus properties varied depending on the amount of notice the service exiting the asset provided Infrastructure.
  - Mark Cheverton, Head of Real Estates, outlined the process of delegation to the Director of Infrastructure for any leases under 20 years, and clarified that an options appraisals included a viable leasing option before an asset was declared surplus.
  - The decision on whether to rent rather than sell an asset had no defined benchmark but instead depended on several factors including the market sector, value and potential risks.
  - In response to a request on further information on the 77 assets in the pipeline for disposal, commercial sensitivity was emphasised by Mr Cheverton.
  - As KCC was bound by Section 123 of the Local Government Act to dispose of any asset it declared surplus; any potential changes due to LGR could not override this statutory duty until a formal LGR decision was announced.
  - Mr Shipton explained the limited circumstances in which KCC could use capital receipts for revenue purposes, detailed in an appendix to the annual budget report.
  - Mr Cheverton provided an overview on how KCC's property acquisition and disposal teams collaborated to ensure held surplus assets were discounted from reuse before acquisitions were considered.
  - Mr Collins explained that the increase in the number of properties in the disposal pipeline did not indicate a change in policy, due to the proportion of assets that would not mature to disposal. Recent changes were also outlined to explain higher numbers of properties in the pipeline for disposal including an increased number of surplus children's centres following decisions for service changes.
  - Community Interest Groups may nominate a local property as an Asset of Community Value which ensured the community is given 6 months to prepare a bid for the property if it comes forward for disposal. It was emphasised that in line with KCC's Disposal Policy, groups could include a business case on its benefit value for KCC's wider services.
  - In response to a request for the annual cost to the Council of maintaining and securing unused assets, Mr Collins confirmed that the figure could be provided outside of the Committee meeting.
  - Where there were assets with De Minimis value, an external valuer would undergo an assessment before the transfer occurred to safeguard against an asset being sold significantly below market value.
  - The statutory obligation to dispose of a surplus asset applied to both leasing and freehold agreements but did not preclude KCC from leasing the surplus asset externally. The Committee was assured that assets were optimised and all options explored before the disposal process to ensure best value.
  - The warm, safe and dry policy was the basic condition for occupancy with a minimum requirement of safe for vacant properties.
4. Following the questions, the Chairman welcomed comments and views from the Committee about the report. These included:

- A Member raised concerns on if work would be done to give local authorities first option of development on their land.
  - It was posed that the Cabinet Member adopt a flexible attitude towards an asset's market value if the community organisations that presented the bid were willing to additionally supplement KCC funded services.
  - A Member raised concerns over transparency and requested that greater focus be given on the relationship between assets purchased and assets sold, including the viability of the timeframes.
  - A request was made for more detailed documentation to be provided, including on the relationship between service building providers and community interest parties, as well as business cases to be appended onto Policy and Resources (P&R) Cabinet Committee reports.
  - An emphasis was placed on the strategic impact of the disposals policy, including the transformation of assets that yield financial returns for KCC offsetting some disposals costs.
  - The Chairman commented on interest in the interpretation of policy in relation to Local Government Reorganisation (LGR) but the committee acknowledged the levels of uncertainty currently surrounding LGR.
  - A Member posed a series of recommendations including a focus on transparency of public information. This was to ensure that all information suitable for the public domain was published and not withheld under exempt papers.
  - There was also a request to review the timeframe for asset sales versus purchases and to assess whether assets scheduled for disposal could instead be repurposed for service delivery, reducing the need for 'new purchases'. Alongside this, the Member suggested to implement horizon scanning to maximise asset value and usage.
  - Furthermore, A recommendation was raised to require publication of communication between departments concerning asset disposals, operation proposals and businesses cases submitted by directors. This included cases where assets marked for disposal might have been requested for service delivery. These recommendations were not agreed by the Committee.
5. The Chairman called on the Cabinet Member to provide comments and clarifications on the Member's points of debates:
- Mr Collins emphasised the detailed reports on disposals provided at the P&R Cabinet Committee and questioned the necessity of additional documentation, considering the possibility of diverting officers attention away from their core responsibilities.
6. The Chairman proposed to note the report and request the Policy and Resources Cabinet Committee to note the discussion of the Scrutiny Committee. This was agreed by the Committee.

RESOLVED to note the report and request the Policy and Resources Cabinet Committee to note the discussion of the Scrutiny Committee.

#### **14. Work Programme** (Item D1)

Resolved to NOTE the Work Programme.

