

## KENT COUNTY COUNCIL

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### SCRUTINY COMMITTEE

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

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

ALSO PRESENT: Mr R W Gough (Leader of the Council), Mr P J Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services) and Mrs C Bell (Cabinet Member for Adult Social Care and Public Health)

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mr B Watts (General Counsel), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Ms L Jackson (Policy and Relationships Adviser), Mrs A Taylor (Scrutiny Research Officer) and Mr M Dentten (Democratic Services Officer)

IN VIRTUAL ATTENDANCE: Mr D Brazier (Cabinet Member for Highways and Transport), Miss S Carey (Cabinet Member for Environment), Mrs S Chandler (Cabinet Member for Integrated Children's Services), Mr M Hill (Cabinet Member for Community and Regulatory Services), Mr D Murphy (Cabinet Member for Economic Development), Mrs S Prendergast (Cabinet Member for Education and Skills), Mr B Sweetland (Cabinet Member for Communications, Engagement, People and Partnerships), Mr D Cockburn (Corporate Director of Strategic and Corporate Services), Ms Z Cooke (Corporate Director of Finance), Mr M Dunkley CBE (Corporate Director of Children, Young People and Education), Mr R Smith (Corporate Director of Adult Social Care and Health), Mr S Jones (Corporate Director of Growth, Environment and Transport), Mrs A Beer (Corporate Director of People and Communications), Mr D Shipton (Head of Finance Policy, Planning and Strategy) and Ms C Head (Head of Finance Operations)

### UNRESTRICTED ITEMS

#### **26. Declarations of Interests by Members in items on the Agenda for this Meeting** (Item A3)

No declarations were made.

#### **27. Minutes of the meeting held on 15 December 2021** (Item A4)

RESOLVED that the minutes of the meeting held on 15 December 2021 were an accurate record and that they be signed by the Chairman.

## **28. Review of Select Committee on Loneliness and Social Isolation Recommendations** *(Item A5)*

*Mr D Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance; and Ms L Jackson, Policy and Relationships Adviser were in attendance and Mr P Lightowler, Interim Director of Transport; and Ms S Sheppard, Communities and Place Lead, Adults Social Care and Health were in virtual attendance for this item.*

1. Mrs Bell introduced the update on the Select Committee on Loneliness and Social Isolation's recommendations and proposed actions, noting the previous comments made by the Committee at its October 2021 meeting. She drew Members' attention to the added focus on tackling loneliness and isolation caused by the pandemic. The importance of social prescribing was emphasised, including that it formed a key part of Government's response to loneliness. Clarification on the role of the Civil Societies Strategy in relation to the recommendations was given.
2. When asked by a Member how success would be measured, Mrs Bell agreed to report back to the Committee the progress made against the recommendations, at the appropriate time. Mr Whittle added that monitoring KCC and NHS social isolation data would provide a general indication of progress. The Member asked that the number of people socially prescribed be monitored.
3. In relation to the Connected Communities pilot, a Member asked how outcomes would be monitored. Ms Sheppard gave the reassurance that evaluation of the pilot would be published, with the involvement of the University of Kent, in March 2023.
4. In relation to recommendation 1, 'that Adult Social Care and Health lead further investigations into the prevention or reduction of loneliness and social isolation amongst specific groups of people who are also likely to be impacted,' a Member encouraged the continued monitoring of the progress made to reduce loneliness in vulnerable groups. The continuation of the social prescribing service beyond the pilot, if at all possible, was encouraged.
5. A Member emphasised the need to simplify communication tools for isolated residents, in order to increase accessibility. Reducing the use of technical acronyms, integrating KCC and NHS websites and investing in a signposting helpline were mentioned as possible solutions. Mr Whittle confirmed that work was underway with local NHS partners to simplify signposting, with the aim of reducing duplication and improving access.
6. Mr Lightowler was asked how the Kent Bus Service Improvement Plan (BSIP) impacted the updated recommendations. He confirmed that Kent Karrier, part of the commitments made against recommendation 6, composed part of the Kent BSIP. He informed Members that the draft BSIP was submitted to the Department for Transport (DfT) in October 2021 and that KCC's funding allocation was yet to be confirmed by the Department.

7. The Chairman thanked Mrs Bell and the officers in attendance for their responses and cooperation with the Committee.

RESOLVED to note the proposed approach to tackling social isolation and loneliness set out in the report and the closed action plan.

## **29. Draft Ten Year Capital Programme, Revenue Budget 2022-23 and Medium-Term Financial Plan 2022-25**

*(Item A6)*

*Committee consideration based on the draft budget issued 5 January 2022.*

1. Mr Oakford introduced the Draft Ten Year Capital Programme, Revenue Budget and Medium-Term Financial Plan. In summarising consideration to that point, he noted that as well as briefing Members himself, Cabinet Members had given explanations of the draft budget in relation to their respective portfolios at each Cabinet Committee. He confirmed that Finance had worked closely with Cabinet Members and Corporate Directors throughout the drafting process. He outlined the proposed council tax increase, which amounted to an increase of 2.99%, and confirmed that its core purpose was to cover demand led cost pressures. He recognised that there could be a requirement to make further cost savings if future Local Government Finance Settlements did not increase to reflect changes in demand. He emphasised that any future cost savings would involve individual public consultations and executive key decisions. Budget risks were addressed and the importance of continued in-year budget monitoring recognised. Members were informed that a £20m in-year revenue budget overspend was anticipated for the 2021/22 financial year, which would be accounted for through a drawdown of reserves. He mentioned that Government were analysing the funding methodology for the next two financial years.
2. Mr Gough contextualised the draft budget in relation to key developments over the previous financial year, which included Government Covid-19 grant funding and significant changes to service demand and case complexity. The aim of the Medium-Term Financial Plan, to maintain a stable finance position and operations, was highlighted.
3. Members asked a range of questions in relation to the Draft Ten Year Capital Programme, Revenue Budget 2022-23 and Medium-Term Financial Plan 2022-25. Key issues raised by the Committee and responded to by Cabinet included the following:
  - a. A Member asked for assurance from the Corporate Director of Finance, as the Section 151 Officer, that KCC was in a financially sustainable position, especially when the drawdown of reserves was considered. Ms Cooke reassured the Committee that she was satisfied that the proposals and use of reserves over the next two years were financially sustainable. She reminded Members that her Section 25 Assurance Statement, on the robustness of the budget proposals and Medium-

Term Financial Plan, would be presented to County Council at its budget meeting on 10 February 2022. She acknowledged that there were tangible risks in years 2 and 3 of the Medium-Term Financial Plan. Regarding the maintenance of reserves, she cited the intention to maintain a revenue budget to reserve ratio of 5%. Mr Gough noted that the general reserve had increased in size over recent years.

- b. Mr Oakford was asked to explain his strategy regarding the future use of reserves and was encouraged to avoid funding discretionary spending from reserves. He stressed that reserves would be used as a last resort and addressed the use of reserves in the 2021/22 finance year which was termed as a loan against future savings. He further emphasised the need to pursue a 5% reserve policy. He committed to avoid further discretionary spending, unless absolutely necessary.
- c. In relation to nationwide energy price increases, a Member asked for details of KCC's energy expenditure and measures undertaken to decrease usage. Mr Oakford confirmed that KCC's energy was supplied by Laser Energy and through forward buying. He noted that energy savings were part of the Strategic Reset Programme (SRP) and reminded the Committee that a Member Briefing would be held on 21 January to explain the Programme further. He recognised that reducing the authority's estate would further reduce energy consumption and costs. Miss Carey spoke on KCC's investment in renewable energy, she reminded Members that £20.6m had been received from the Department for Business, Energy and Industrial Strategy's (BEIS) Public Sector Decarbonisation Scheme (PSDS), with a series of projects underway and planned, which included new solar farms. She explained the future environmental and financial benefits to Kent.
- d. Following a question from a Member on the management of KCC's debt, Mr Oakford confirmed that 15% would be paid off in the next 10 years. He asserted that any further increase to the level of debt was to be avoided. He informed Members that a significant proportion, approximately £300m, of KCC's debt was sourced from internal borrowing, which was treated similarly to external debt, with different interest rates. Mr Oakford shared his satisfaction at the quality of the authority's overall treasury management.
- e. A Member asked Mr Oakford whether he was confident that inflationary cost pressures had been adequately accounted for and mitigated against. Mr Oakford recognised the impact of inflation on service and commissioning costs and asserted that he did not expect inflation to be a long-term challenge. In relation to facilities management, he confirmed that cost increases had been factored into the contract tender. Mr Shipton advised that contracts with inflation indices had been included in the draft budget, with average commissioning cost increases of 3% forecast.

- f. Mr Oakford was asked to explain KCC's use of external consultants. He confirmed that consultants were used by the authority in three capacities: for strategy; as interim staff; and as fixed term specialists. He committed to review their use in order to minimise cost where possible.
  - g. A Member sought assurances that the review of Open Access services would appropriately engage stakeholders and be undertaken by qualified professionals in the field. Mrs Chandler reassured Members that the review would involve extensive consultation between the appropriate professionals, staff and young people.
  - h. An explanation of the sources of future savings was sought by a Member. Mr Oakford highlighted the areas for future savings, as detailed in the draft budget report. Following Member concerns, Mr Oakford reassured the Committee that an open public consultation had taken place in advance of the draft budget's publication and reiterated that individual public consultations would be carried out ahead of future savings.
  - i. A Member asked what impact was expected as a result of the planned cessation of the homeless support contract from September 2022. Mr Oakford confirmed that the cessation was due to the expiration of the contract and informed Members that support for homeless residents was the responsibility of district councils. He confirmed that funds would be available to support the transition period. Mr Gough noted that the contract was funded by a one-off Government grant.
  - j. A Member asked for an explanation of the proposed Kent Travel Saver pass price increase, accounted for in the draft budget. Mr Oakford confirmed that the saving represented a reduction in subsidy, that the subsidy was a discretionary spend, and reminded Members that the price increase would be a separate key decision taken by the Cabinet Member for Highways and Transport. He added that KCC were the only authority outside of London to offer a subsidised children's travel saver pass. He recognised the impact of the change and stressed the need to ensure that statutory services were delivered to the best of the authority's ability. Further reassurance was given that Cabinet Members would continue to work closely with officers to ensure that savings had as little impact on residents as possible.
  - k. Following a question from a Member, Mr Oakford confirmed that the Contract Management Review Board would be re-established, with Deputy Cabinet Member for Finance, Mr Cooper as its Chair.
4. Members stressed the need for an extensive publicity campaign to clearly explain the reasons for the proposed council tax increase and budget savings.

5. The Chairman reminded Members that Cabinet received regular updates on in-year revenue spending, which were publicly available, and encouraged Members to monitor developments. He recognised the pressure on Cabinet Members to maintain quality services within their portfolios, whilst ensuring good value for money.
6. The draft capital and revenue budgets were not noted by Dr Sullivan.

RESOLVED to note the draft capital and revenue budgets including responses to consultation.

### **30. Any other business**

1. A Member asked that in-year revenue budget monitoring be added to the work programme. Members emphasised the need to avoid Scrutiny duplicating the work of the Governance and Audit Committee.
2. Mr Barrington King gave an update on the Home to School Transport Short Focused Inquiry. He confirmed that the final inquiry session had taken place and that the draft report was considered by Members ahead of the final decision at Scrutiny in March. He commended all Members involved for their contributions and time given to the inquiry.