

## KENT COUNTY COUNCIL

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### CABINET

MINUTES of a meeting of the Cabinet held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 9 January 2025.

PRESENT: Mr R W Gough (Chairman), Mr N Baker, Mrs C Bell, Mrs S Chandler, Mr D Jeffrey, Mr R C Love, OBE, Mr D Murphy, Mr P J Oakford, Mr D Watkins and Mr R J Thomas

IN ATTENDANCE: Dr A Ghosh (Director of Public Health), Mrs S Hammond (Corporate Director Children, Young People and Education), Mrs A Beer (Chief Executive), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mr B Watts (General Counsel), Mr J Betts (Interim Corporate Director Finance), Mr S Jones (Corporate Director of Growth, Environment and Transport), Mr M Scrivener (Head of Risk and Delivery Assurance), Mr R Smith (Corporate Director Adult Social Care and Health), Mr M Wagner (Chief Analyst) and Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance)

### UNRESTRICTED ITEMS

#### **76. Apologies**

*(Item 1)*

No apologies were received.

#### **77. Declarations of Interest**

*(Item 2)*

No declarations of interest were received

#### **78. Minutes of the Meeting held on 28 November 2024**

*(Item 3)*

RESOLVED that the minutes of the meeting on 28 November 2024 were a correct record and that they be signed by the Chair

#### **79. Cabinet Member Updates**

*(Item 4)*

Cabinet Member updates were deferred to the next meeting of the Cabinet

#### **80. Provisional Local Government Finance Settlement 2025-26**

*(Item 5)*

*John Betts (Interim Corporate Director Finance) and Dave Shipton (Head of Finance (Policy, Planning & Strategy) were in attendance for this item*

1. Mr Shipton introduced the report that set out the detail in the Provisional Local Government Finance Settlement (PLGFS) 2025-26 which was published on 18th December 2024. As in recent years the settlement was presented as core spending power (CSP) taking into account assumed council tax proceeds (assumed taxbase growth and council tax increases up to referendum limits) and the main grants for local government from the Ministry of Housing, Communities and Local Government (MHCLG). The provisional settlement was open for consultation until 15th January. The [consultation](#) sought views on the distribution and consolidation of grants, council tax referendum principles and ceasing the override on IFRS9, to which the Council would be responding. There was a further [consultation](#) which was due to close on 12<sup>th</sup> February which focussed on the principles and objectives of local authority funding reforms for 2026-2027, to which the Council would be responding.
2. Further to comments and questions from Members it was noted:
  - That whilst the allocation of the Recovery Grant seemed to heavily favour those councils that were under intense short-term financial pressures, offering a short-term pragmatic solution, the long-term methodology which was to be applied in the distribution of funding was due further review.
  - The assessed needs for Recovery Grant were based on population weighted by the average index of multiple deprivation (IMD) for the local authority area. Therefore, whilst the IMD was designed to calculate whether one area was more deprived than another, it did not calculate whether that level of deprivation was a minor or significant difference. It was therefore hoped that the wider funding review would help to establish a more robust method of measuring the levels of deprivation that could be applied to the government's final settlement.
  - Furthermore, government had also indicated that the children's formula that has been used for the Children's Social Care Prevention Grant was not the full formula that would be applied going forward. The formula for the Adult Social Care grant also required review as it had not been updated since 2013-2014. However, an encouraging aspect of the Children's Social Care Prevention Grant was that for the very first time, the area cost adjustment included within it an assessment of those areas where there was a remoteness issue. This recognised that there were not only additional costs in areas of very dense population, but there were additional costs in providing services in areas with sparse population.
  - Members commented on the reduced level of funding to be received by KCC as a result of the assessed needs methodology. It was therefore paramount to ensure that KCC's response to the consultation strongly articulated the detrimental impact that the reduced funding would have on services as a consequence.
  - The risk of not moving towards the devolution agenda would see Kent and Medway further disadvantaged through reduced powers and funding, as had already been evidenced through Kent's significantly reduced Core Spending Power in comparison to other Councils. It was this Council's duty to do all it could for the people of Kent.

3. RESOLVED that Cabinet note the provisional settlement including the additional grants and grant reductions compared to assumptions in the draft budget published in October before the Autumn Budget statement; and agree to delegate finalising any response to the settlement to the Corporate Director for Finance, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services.

## **81. Quarterly Performance Report, Q2 2024-2025**

*(Item 6)*

*Matthew Wagner, Chief Analyst (Strategy, Policy, Relationships & Corporate Assurance) and David Whittle, Director of Strategy, Policy, Relationships & Corporate Assurance were in attendance for this item*

1. Mr Wagner outlined the report for Quarter 2 (Q2, 2024/25) which set out the performance data up to the end of September 2024. Mr Wagner noted that of the 40 Key Performance Indicators (KPIs) contained within the QPR, 16 achieved target (Green), and 15 achieved or exceeded the floor standard but did not meet target (Amber). Eight KPIs did not meet the floor standard (Red), and one had no data at time of publication. With regards to Direction of Travel, 11 indicators showed a positive trend (the same as the previous Quarter), 22 were stable or with no clear trend (one more than the previous Quarter), and six were showing a negative trend (one fewer than the previous Quarter). The direction of travel analysis was positive in comparison to Quarter 2 last year when there were four fewer KPIs on an improving trend and six more KPIs on a worsening trend. There were no KPIs that were rated red under Growth, Economic Development and Communities, Environment and Transport, Adult Social Care, or Public Health. Mr Wagner addressed the KPIs assessed as Red, those indicating signs of improvement and those which continued to exceed target.
2. Further to comments and questions from Members it was noted:
  - In response to the % of pupils (with EHCPs) being placed in independent or out of county special schools, the move from Red to Amber was welcomed. A significant amount of work was underway as part of the Special Schools Review which would be integral to improving the trajectory of KPIs going forward. Placements closer to home were essential to a child's education; however, a significant shift that would be taking place as part of the Special School Review was ensuring that schools with the right specialisms were in the right places.
  - From September 2024, inspections of state funded schools no longer included a judgement on overall effectiveness. Inspections in the upcoming academic year would be presented as four grades across the existing sub-categories with the overall rating to be replaced with School Report Cards from September 2025. The KPI for this would therefore no longer be reported on. In terms of whether KCC would look to recreate the overall grade rating, it was initially determined that the Council would not become the accountable body to put something into effect which the government wanted to remove from the inspection arrangements. Discussions were

ongoing as to how to measure and report on school performance data following the reforms introduced by Government.

- The number of properties brought back into active use through the No Use Empty programme remained above target. In Q2 there had been a total of 119 long-term empty properties made fit for occupation through the scheme, bringing the total over the last six months to 257 properties, and the total since 2005 to 8,501. The Kent and Medway Business Fund had also approved loans in the region of £1.64m since July 2023 and continued to support small businesses in Kent.
  - Unaccompanied Asylum Seeking Children (UASC) related matters continued to impact on the KPIs for Integrated Children's Services, primarily in relation to the percentage of case-holding social worker posts held by permanent qualified social workers employed by Kent County Council and percentage of Care Leavers in education, employment or training. Despite the effective and efficient operation of the service, the volume of UASC was significantly impacting on the delivery of children's services.
  - A significant amount of work had been undertaken within the Information Resilience and Transparency team to work with services across the Council to improve Fol request management and reduce the backlog. The backlog had now been cleared due in large part to the tremendous efforts of Ms Kelly Leeson, to whom tributes were paid. Work was still underway to improve completion timescales for Subject Access Requests (SARs).
3. RESOLVED that Cabinet note the Quarter 2 Performance Report and the actions being taken to address areas where performance is not as targeted.

## **82. Corporate Risk Register**

*(Item 7)*

*Mark Scrivener, Head of Risk & Delivery Assurance and David Whittle, Director of Strategy, Policy, Relationships & Corporate Assurance were in attendance for this item.*

1. Mr Scrivener introduced the report that set out KCC's Corporate Risk Register. The review process had occurred during a challenging and uncertain time for both KCC and the local government sector as a whole, which included the new Government's first Autumn Budget Statement, the delay to the introduction of the European Union's Entry / Exit System (EES) and subsequently, the publication of the English Devolution White Paper and provisional Local Government Finance Settlement. The Corporate Risk Register was a live document and would continue to evolve in light of any new risks that emerged, whether that be threats or opportunities. Mr Scrivener highlighted the new risks, risk reductions and revised risks as set out in the report. The Corporate Risk Register was due to be presented to the Governance and Audit Committee on 23<sup>rd</sup> January 2025 and then through the Cabinet Committees during the Spring cycle.
2. Further to comments and questions from Members it was noted:

- It was noted that risk **CRR0056 SEND Delivery Improvement and High Needs Funding shortfall** would be separated into two risk profiles. Whilst it had made sense to previously combine the two aspects, there were now different drivers for the risks and subsequently different ratings. As SEND improvements were being addressed through reforms through the service, the Safety Valve targets remained prevalent in their own right and would therefore be reported on separately going forward.
  - It was noted that risk **CRR0015 sustainability of the social care market** would likely remain at an elevated level as Government continued to delay all efforts to resolve issues facing the social care market. However, in relation to the Adult Social Care budget, the late changes to the financial settlement had enabled a further uplift to fees for adult social care providers. It was further noted that Mr Watkins and the Kent Integrated Care Alliance (KICA) had written to Ministers regarding the significant additional costs for social care services and the impact that this would have on the social care budget; most notably the increase in employer National Insurance Contributions, the response to which was awaited. Mr Watkins provided assurance that every effort was being made to ensure that social care funding from government would be used to help providers. The year ahead would undoubtedly prove to be a challenge for the social care sector and expectations would need to be managed as to how those associated risks would change over the course of 2025.
  - In response to how English Devolution would impact on KCC's risk register and the work that would be required to address the changing landscape, it was confirmed that officers would, subject to the outcome of the decision taken by Cabinet, create a programme of work with services and individuals to assess the risks from the bottom up within the organisation. Assessments would then need to be undertaken to identify any strategic implications for both KCC and its partners.
3. The Leader confirmed that, subject to the decision taken by Cabinet regarding the Devolution Priority Programme, there would be considerable challenge in managing the interaction between the change process as part of the local government reform and those elements which would need to remain business as usual. The risks would need to be well represented in the Risk Register.
  4. RESOLVED that Cabinet note the report.

### **83. English Devolution White Paper** (Item 8)

*Amanda Beer, Chief Executive Officer, David Whittle, Director of Strategy, Policy, Relationships & Corporate Assurance and Ben Watts, General Counsel were in attendance for this item*

1. The Leader introduced the report which detailed the Government's proposal to establish a Devolution Priority Programme and the rationale for Kent County Council's consideration as to:

- (a) whether to request for Kent and Medway to be included in the Devolution Priority Programme; and
  - (b) Given (a) above and the Government programme and timetable, whether to request the Minister to consider postponement of the County Council elections scheduled for May 2025
2. It was noted that at the time of the report publication, no recommendation had been included. Given the wider implications of being accepted on the programme, it had been important to gather views of the wider Council membership via the extraordinary County Council meeting held in the morning so that any decision taken by Cabinet on this matter would be well informed. Having listened carefully to the full debate at County Council and noting the resolution of Council to endorse an application to join the Devolution Priority Programme and request a postponement of the KCC Elections, the Leader put forward the motion that Cabinet consider the following proposal to:
  - (a) Agree to submit a request to government jointly with Medway Council for Kent and Medway to be included in the Devolution Priority Programme; and
  - (b) Agree to request that the Minister for Local Government and English Devolution consider postponing county elections scheduled for May 2025.
3. The following comments were put forward by Cabinet:
  - Members acknowledged the extensive debate held at Full Council
  - The remnants of the current Local Government structures had been created as part of the 1972 Local Government Act, which led to significant reforms in 1974. The issue therefore of making local government more efficient had been a perennial question for a number of years and one which was finally being addressed through the Government's Devolution Priority Programme.
  - Members noted that the Mayoral Strategic Authorities (MSA) would strengthen the Council's ability to act as a strategic authority and acknowledged the strong theme of public service reform through the Government's proposals. However, key information that was not included as part of the Government's English Devolution White paper related to Local Authority debt and how this would be managed as part of any transition to new Council arrangements.
  - Cabinet Members, while recognising the challenges and democratic gap involved with postponing the elections, supported the postponement of elections to ensure that all resources were focussed on the work that would be required to create a Mayoral Strategic Authority alongside reorganisation and maintaining a business as usual approach to the current day-to-day running of the Council.

- Working in partnership with key partners and stakeholders such as Police and Crime Commissioner, Fire Authority, District and Borough Councils and Medway Council on the progression of devolution and local government reorganisation would be of paramount importance in delivering a system that worked for the people of Kent.
- Regarding Highways and Transport, the Devolution Programme would offer a unique opportunity to transform Kent's transportation landscape into one that was more efficient, integrated and responsive to the needs of all residents across greater Kent. There was also the potential that devolution could secure a dedicated ring-fenced budget for transport, thus ensuring that every penny collected through transport related revenues would be reinvested back into improving bus services, repairing roads and making Kents transport systems more robust. Further possible benefits of the devolution programme included financial autonomy, to both plan and execute improvements where they were most needed and the ability to define key route networks that would be tailored to Kent's specific needs, thereby reducing congestion, enhancing safety and enabling more effective traffic management. Devolution could significantly improve bus services and support the exploration of franchising to ensure better service coverage and reliability. All of which would help to boost the local economy, improving access to education, jobs and cultural activities.
- Centralising responsibilities could eliminate inconsistencies and duplications that currently existed across 12 District Councils. It would therefore help to streamline those operations and ensure that all residents, regardless of where they lived in Kent, would have access to uniform and high-quality services.
- Devolution would position Kent to have a stronger voice in land use and transport planning, and a more coherent approach to development that integrated solutions from the outset. The Devolution Programme would offer Kent the opportunity to shape its future rather than simply react. Without devolution, Kent would miss out on significant funding opportunities that could double or triple its current investment capabilities over the next few years.
- Members acknowledged that there were a significant number of 'unknowns' that would need to be addressed should the County Council commit and be accepted by Ministers to being part of the Devolution Priority Programme. A significant amount of work would need to be undertaken at pace to fully scope and understand what would be required to support the creation of a Mayoral Strategic Authority, including such things as the election of the Mayor, the responsibilities of the Mayoral office, costs, staffing structures, capital investments, who would lead on the programme of work, engagement with consultancy firms and general funding. The County Council and its partners would have 12 months to create a Mayoral Strategic Authority (MSA) and be in a position to hold the first elections for the Mayor by May 2026 and deliver a significant local government reorganisation by April 2027 or April 2028.

- Members commented that the establishment of a Mayoral Strategic Authority would help to support the local business sector and local economy to expand and to deliver greater progress through effective use of local strategic planning.
  - It was acknowledged that whilst the Devolution Programme would present a number of risks, the risk of doing nothing and falling behind other local authority areas outweighed the risks that the Council would encounter should it be accepted onto the Devolution Priority Programme.
  - Local government reform should not be viewed as a negative reflection of the services that were delivered by the current tiers of local government, nor the people that delivered those services but rather an opportunity to streamline and improve. It was noted that despite good work in the current system, public perception of two-tier systems of local government continued to be that it was unwieldy and confusing.
  - Members commented on the importance of transparency with stakeholders as this would be key to progression and delivering the local government reforms
4. The Leader summarised the discussion and acknowledged the implications that would be inherent to embarking on the Priority Devolution Programme. He also noted that the Devolution Programme would not directly address the financial problems of the Council; in particular that, through a combination of unprecedented pressures in Adult Social Care and Children's Services and the historic removal of local government's strategic planning powers, a significant deficit had been created. All of which could and must be addressed through strategic leadership, which is what the Devolution Programme would provide. The Leader thanked Cabinet Members, Members of the County Council who had engaged in the debates and Medway Council with whom KCC had worked extremely closely in taking forward the Devolution Priority Programme application. Work would continue with all stakeholders, including District and Borough colleagues to ensure a timely and effective delivery of the tasks at hand. Further thanks was paid to officers who had supported the programme and the tremendous amount of work that had been done to date.
5. Mr Love suggested and the Leader and Cabinet agreed to the following amendment (as set out in paragraph 2) to the proposal set out by the Leader at the start of the item:
1. **Agree** to submit a request to Government, jointly with Medway Council, for Kent and Medway to be included in the Devolution Priority Programme
  2. **Note** that acceptance onto the Devolution Priority Programme will commit Kent and Medway to elections to a new Mayoral Strategic Authority (MSA) in May 2026 and implementation of local government reorganisation by either April 2027 or April 2028
  3. **Agree** to request that the Minister for Local Government and English Devolution consider postponing County elections scheduled for May 2025



6. Following the debate, the Leader proposed and Mr Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, seconded the above motion that Cabinet.

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3. **Agree** to request that the Minister for Local Government and English Devolution consider postponing County elections scheduled for May 2025

7. RESOLVED that Cabinet:

1. **Agree** to submit a request to Government, jointly with Medway Council, for Kent and Medway to be included in the Devolution Priority Programme;
2. **Note** that acceptance onto the Devolution Priority Programme will commit Kent and Medway to elections to a new Mayoral Strategic Authority (MSA) in May 2026 and implementation of local government reorganisation by either April 2027 or April 2028; and
3. **Agree** to request that the Minister for Local Government and English Devolution consider postponing County elections scheduled for May 2025