

KENT COUNTY COUNCIL

CORPORATE POLICY OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of a meeting of the Corporate Policy Overview and Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 6 July 2011.

PRESENT: Mr E E C Hotson (Chairman), Mrs T Dean (Vice-Chairman), Mr R W Bayford, Mr D L Brazier, Mr J R Bullock, MBE, Mr B R Cope, Mr R J Parry, Mr J E Scholes Mr M V Snelling

ALSO PRESENT: Mr A H T Bowles, Miss S J Carey, Mr P B Carter, Mr A J King, MBE Mr J D Simmonds

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business and Support), Ms D Fitch (Assistant Democratic Services Manager (Policy Overview)), Mr R Fitzgerald (Performance Manager), Mrs S Garton (County Performance and Evaluation Manager), Ms K Kerswell (Managing Director), Ms C McKenzie (Sustainability and Climate Change Manager), Mr R Moys (Head of European Policy), Mr D Shipton (Acting Head of Financial Strategy), Mr D Whittle (Policy Manager) Mr A Wood (Acting Corporate Director of Finance and Procurement)

UNRESTRICTED ITEMS

118. Minutes

(Item A3)

- (1) In response to a question on minute number 106 the chairman confirmed that there were no plans for the IMG on Legal Services to meet.
- (2) RESOLVED that the minutes of the meeting held on 31 March 2011 are correctly recorded and that they be signed as a correct record.

119. KCC International Activities - Annual Report 2010 - 11

(Item B1)

- (1) Mr King and Mr Moys introduced the sixth KCC International Activities Annual Report which provided an overview for Members of the range of international work undertaken across the authority and county over the past year. The Report highlighted in particular how this work had contributed to the achievement of the priorities of KCC's Medium Plan to 2014/15, 'Bold Steps for Kent.' As in previous years, a major success had been the continued securing of significant EU-funded projects, including the greatest amount of Interreg cross-border funding of all eligible county or unitary areas. The report also emphasised the importance of international partnership and best-practice collaboration to improve local performance and promote innovation.

(2) Mr King and Mr Moys answered questions from Members and noted comments which included the following:-

- The importance of the public being aware of the international activities and the positive impact that it has for the economy of Kent was emphasised.
- Concern was expressed that, Kent working in partnership with Essex and East Sussex to secure funding would lead to a reduction in the funding for Kent. It was explained that in certain circumstances the three County Councils working together would enable them to put in bids for joint projects which would benefit all three authorities.
- Mr King explained that as part of Kent working in partnership with Essex County Council there was an opportunity to take advantage of their links with China, they had an office in Beijing and had contacts in India. KCC had good contacts in America and so we could build on these relationships for the mutual benefit of the three authorities.
- In relation to European assistance following the announcement of the closure of Pfizer's, Mr Moys confirmed that in the short term two possible sources of European Funding had been identified and £700,000 had been secured from the European Social Fund to help retrain redundant workers. Funding could be accessed by authorities in East Kent and he was happy to help facilitate this.
- It was apparent that there was a need for Members to be better informed about the process for accessing European funding. The Chairman agreed to meet with officers to discuss the format for a seminar for all Members on EU funding and how Member can help their communities to access it.
- There should be an opportunity to scrutinise the benefits gained from European funding and which communities were benefiting from this.
- In response to a question on access to European funding for Kent Businesses, Mr Moys referred to the 2 seas trade project and circulated details on the support that this provided to Kent Companies.
- The possibility of obtaining European funding to purchase Bleak House in Broadstairs, with its Dickens connection, as a tourist attraction was mentioned. It was explained that it was difficult to obtain European money for Capital projects and that there was already a bid for European funding being processed for funding for the Dickens Bicentenary.
- Mr Moys expressed the view that the regional architecture had hindered rather than helped the in the securing of European funding.
- Mr Moys confirmed that between 2000 – 2006 £100m of European funding had been secured for Kent. The current target for 2007 -2013 was securing 100 million Euros of funding which was based on funding previously secured and the level of funding available.
- It was confirmed that officers and Members worked closely with Kent's Members of the European Parliament.
- Mention was made of the need to benchmark the work of Locate in Kent.
- The importance considering how future European funding streams and could contribute to the three key streams in the Bold Steps for Kent was emphasised.

(3) RESOLVED that the comments made by Members and the report be noted.

120. Chief Executive's Department Financial Outturn 2010/11

(Item B2)

(1) Mr Shipton presented a report which summarised the 2010/11 financial outturn for each of the service units within the Chief Executive's Department. Previously outturn reports to POSCs had included performance outcome information but this was now covered in the separate Core Monitoring report. Mr Shipton explained that most of the reasons for underspends were one off items and so would not be available in 2011/12.

(2) In response to a question Mr Wood explained that the majority of insurance claims arose from damage caused by potholes, and that approximately 83% were resisted as they were not valid claims.

(3) RESOLVED that the revenue and capital financial outturn for 2010/11 including rollovers for committed projects and changes to capital programme and the potential impact of variations since the 2011/12 budget was approved be noted.

121. Savings Monitoring Report

(Item B3)

(1) Mr Shipton introduced a report which set out the progress made to ensure the delivery of the 2011/12 budget savings and illustrated this with a PowerPoint presentation.

(2) Mr Simmonds, Mr Shipton and Mr Wood answered questions from Members and noted comments which included the following:-

- Mr Shipton confirmed that the £1.8m underspend for Corporate Services in 2010/11 was unlikely to be repeated in 2011/12. The £400,000 of extra savings due to slippage on projects had been factored into the budget.
- Mr Simmonds emphasised that the system had been set up to ensure that any slippage was picked up at an early stage.
- The Leader confirmed next years capital commitments would be considered in the autumn and some might need to slip into next year, but every attempt would be made to keep to the capital programme.
- It was mentioned that if primary schools were unable to afford to buy in services from KCC this could have an impact on KCC's income expectation.
- There was a need to make sure that as staffing numbers reduced there would be a reduction in the number ICT licenses needed and this should be taken into account.
- Mr Wood confirmed borrowing was carried out in accordance with the approved Treasury Management Strategy.
- Mr Wood confirmed that £10m of procurement savings on Capital over 3 years had been put into the budget.
- In relation to the impact of inflation on the budget, Mr Wood confirmed that there had been an increase in the casual user rate.
- Mr Wood explained that the new International Financial Reporting Standards had added 50 pages to the statement of accounts but had not added any value to KCC residents. He confirmed that they had lobbied Government prior to the Regulations' introduction but had been unsuccessful. The aim of

producing this extra information was to give the ability to compare accounts across the European Union. He stated that there was little point in continuing to lobby for the Regulation to be revoked as to revert to the previous format would cost £100k in officer time.

- Mr Wood confirmed that the capacity of Human Resources was fitted to the pace of the restructuring programme, Ms Beer had the resource to deliver the necessary restructuring consultations.
- Mr Simmonds expressed his thanks to Finance staff for the extra work that they had undertaken in complying with the new European Regulation on accounts reporting, producing the Project Initiation Document (PID) and allocating the budgets across the new Directorates.

(3) RESOLVED that the progress against the delivery of the savings and the comments made by Members be noted.

122. Centralisation and restructure of the Finance function

(Item B4)

(1) Mr Wood presented a report which provided Members with some early indication of the likely shape of the restructure of the Finance function at KCC.

(2) Mr Simmonds and Mr Wood answered questions from Members and noted comments which included the following:-

- In response to a question on communication with staff and maintaining morale in these challenging times, Mr Wood explained that the Corporate Management team had “talk to the top” sessions which were held across all KCC staff offices.
- In relation to questions on the Oracle system the importance of telling technical support staff what was required from the system was mentioned. Efficiencies from the system would come with the roll out of i-procurement and greater use by Managers of the system.
- The importance of all IT systems across the authority being fully utilised was emphasised
- Mr Wood acknowledged that there had been an underinvestment in procurement, there was a target of £20m to be delivered by a team of 6 staff.
- It was suggested that Members should be made aware of officers who were leaving the Authority so that they had the opportunity to express their thanks to them, if they wished to do so. This could be done via the Members information Bulletin.
- Mr Wood confirmed that his preference would be to put all Finance staff at risk which would enable the staff to be selected for posts across the unit rather than targeting reductions at specific teams. Regarding staff funded by income from the pension scheme, Mr Wood stated that they would not be included in the re-structuring.

(3) RESOLVED that the progress on the centralisation and restructure of the Finance function be noted.

123. Update on the transformation Programme 'Change to Keep Succeeding' - Presentation

(Item B5)

(1) Ms Kerswell gave a PowerPoint presentation on 'change to keep succeeding' which included an up to date top tier staffing structure, achievements to date, new organisational building blocks, internal control system, one council brand and culture, one council communication and engagement and set out the restructure savings.

(2) Members were given the opportunity to ask questions and to make comments, these included the following:-

- If it is the intention to have Officers oracle numbers on their new id cards, it was requested that consideration be given as to whether this would pose a security risk.
- It was suggested that an item on overview of IT systems investment should be considered at the next meeting of the POSC and items on the restructuring of Property and Business Strategy considered at future meetings.

(3) RESOLVED that the presentation and the comments made by Members be noted.

124. Core Monitoring

(Item B6)

(1) Mr Fitzgerald presented a report which aimed to inform Members about key areas of performance and activity relating to Corporate Services. The report included information up until the end of March 2011.

(2) Mr Gough and Mr Fitzgerald answered questions and noted comments from Members which included the following:-

- Mr Fitzgerald undertook to let the Committee have an explanation of why Kent was below the national average in book issues when Kent apparently was above the national average in the number of libraries that it had.
- Mr Gough confirmed that as the process of core monitoring in its current form was at an end there would be a new performance monitoring reporting structure, consideration was still be as to whether this would be reported to Policy Overview and Scrutiny Committees or whether it would go via Scrutiny Board, who would select items for POSCs to look at in detail.
- It was explained that the reason why the footfall for the Tenterden Gateway was three times that of the Ashford Gateway was because the Tenterden Gateway was also a library and the footfall figures had not be separated.
- In relation to the carbon emission figures for schools it was pointed out that the County Council had limited direct control over these. There was a conflict of interest between the 'school that doesn't sleep' and reducing carbon emissions. It was important to separate out the figures for school and non school buildings.

(3) Mr Gough referred to a meeting that was going to be called involving the Leader, Deputy Leader, himself and Overview and Scrutiny suite Chairman to

discuss the process for Overview and Scrutiny's involvement in performance monitoring.

(4) RESOLVED that the reports and comments made by Members be noted.

125. KCC's Performance Management Framework - Delivering Bold Steps

(Item B7)

(1) Mrs Garton and Mr Whittle presented a report on the performance framework for delivering 'Bold Steps for Kent' which was currently being developed and which would go to County Council for approval on 21 July. 2011. This report set out the steps being taken to finalise the performance framework.

(2) Mrs Garton and Mr Whittle answered questions from Members and noted comments which included the following:-

- A Member asked whether District Councils were asked their view on the possible milestone "Introduction of Community Infrastructure Levy across Kent" in the first priority on page 90.
- Concern was expressed about the possible measure "% of Kent residents expressing concern regarding access/affordability of housing in Kent" in the first priority on page 90 and how measurable this actually was.
- Regarding the possible milestone "Location and funding package for a Lower Thames Crossing agreed with Dft", priority 3 on page 90, a Member understood that the Dft were going to revert to their previous study and carry out an assessment and consultation.
- It was suggested that the possible measures for the priority "support families with complex needs and increase the use of community budgets" on page 93 should be reconsidered as it was not possible to know at this stage whether more or less was better.

(3) Mr Whittle explained that further work was being carried out to develop the monitoring framework for the performance framework in order to have an effective evaluation of key indicators.

(4) RESOLVED that the next steps as set out in the report and the comments made on the draft milestones and measures of success be noted.

126. Kent Environment Strategy Update

(Item B8)

(1) Ms McKenzie presented a report which summarised the progress towards delivery of the KCC Corporate commitments under the Kent Environment Strategy, emerging issues and gaps in delivery.

(2) Ms McKenzie and Mr Gough answered questions from Members and noted comments which included the following:-

- Ms McKenzie confirmed that the tool kit for Members should be available in September 2011

- If advantage was to be taken of invest to save opportunities then it was important to ensure that there were adequate resources to support these opportunities.
- A Member expressed the view that environmental issues should have a higher priority and gave the example of the London Borough of Haringey which had a Finance and Sustainability Directorate.
- Ms McKenzie confirmed that she was aware that there were a number of different ways of funding solar panels. It was suggested that the County Council should make the public aware of the potential risks with certain solar panel offers.
- It was confirmed that there would be an event in September 2011 to help establish the support that communities needed to enable them to take advantage of environmental measures following which an action plan would be produced setting out what could be offered.
- In relation to schools using rainwater harvesting and bio mass heating, Ms McKenzie informed the Committee that retrofitting was not cost effective, so it was therefore necessary to look at putting these facilities into any new builds. The economies of bio-mass fuels were improving as the cost of other fuels was rising.
- Ms McKenzie undertook to go back to Mrs Dean outside of the meeting regarding her questions on Jubilee Woods funding, wind farms and air pollution.

(3) RESOLVED that the overall progress made by KCC and the BSS (CED) Directorate, especially the re accreditation to ISO14001 be noted and that the priorities outlined in Section 3 and 4 be given equal weight.

127. Health and Wellbeing Board - Update

(Item B9)

(1) Mr Gough, Ms Peachey and Mr Whittle introduced a paper which outlined progress to date in regard to establishing a shadow Health and Wellbeing Board for Kent, including implications following the report of NHS Future Forum and the Government's proposed further changes to the Health and Social Care Bill. They answered questions from Members and noted comments which included the following:-

- It was suggested that the wording in paragraph 4.2 (page 105), "take account of the views of, the local Health and Wellbeing Board" should be strengthened.
- There was a key relationship between the Health and Wellbeing Board, and Locality Boards, it would take time for Locality Boards to be established in all areas, so there would be some areas that did not have them when Health and Wellbeing Boards are established. Mr Whittle acknowledged that it was important to consider how the Health and Wellbeing Board would work at the local level and to make sure that the lack of Locality Board infrastructure in some areas did not have an adverse effect.
- The issue of how Health and Wellbeing Boards would relate to Adult Social Care and Public Health Policy Overview and Scrutiny Committee (ASC&PH POSC) was raised. Mr Gough acknowledged that there would still be roles for ASC&PH POSC and Health Overview and Scrutiny Committee after the establishment of the Health and Wellbeing Board.

(2) RESOLVED that the report and the comments made by Members be noted.

128. Select Committees - update

(Item C1)

(1) The Committee received an update on the current Select Committee topic review programme and were invited to submit suggestions for future Select Committee topic reviews.

(2) RESOLVED That the Select Committee topic review update be noted and Members advise the Democratic Services officer of any items that they would like to suggest for inclusion in the Select Committee topic review programme