

## KENT COUNTY COUNCIL

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### **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 Thursday, 22 September 2011.

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

ALSO PRESENT: Miss S J Carey, Mr P B Carter, Mr R W Gough, Mr A J King, MBE and Mr J D Simmonds

IN ATTENDANCE: Mrs A Beer (Corporate Director of Human Resources), Mr P Bole (Head Of I C T Commissioning), Mr D Cockburn (Corporate Director of Business and Support), Ms D Fitch (Assistant Democratic Services Manager (Policy Overview)), Ms J Hansen (Acting Finance Business Partner BSS), Ms J Hill (Performance Manager), Ms E Sanderson, Mr D Shipton (Acting Head of Financial Strategy), Mrs R Spore (Head of PPP/PFI), Mr D Whittle (Policy Manager) and Mr A Wood (Acting Corporate Director of Finance and Procurement)

#### **UNRESTRICTED ITEMS**

##### **129. Membership** *(Item A2)*

It was noted that Mr R Brookbank had replace Mrs J Law as a Member of the Committee.

##### **130. Minutes - 6 July 2011** *(Item A4)*

RESOLVED that the minutes of the meeting held on 6 July 2011 are correctly recorded and that they be signed as a correct record.

##### **131. Dates of Meetings 2012** *(Item A5)*

RESOLVED that the meeting dates for 2012 as set out below be noted.

Wednesday, 11 January 2012  
Thursday, 5 April 2012  
Thursday, 12 July 2012  
Thursday, 27 September 2012  
Thursday, 22 November 2012

**132. Update on overall progress with organisational reshaping - verbal update from the Leader and Managing Director**  
(Item B1)

(1) Ms Beer gave a PowerPoint presentation updating the Committee on Change to Keep Succeeding. This included achievements to date, operating framework, values and behaviours, the Kent Manager and recognising success.

(2) Mr Carter referred to the complexity and extent of the change, it was not just a response to financial constraints but also changes from government. He referred to the good progress that was being made. There was a change to the way that business was delivered across the authority and in the culture of the organisation.

(3) Mr Carter and Ms Beer answered questions and noted comments from Members which included the following:-

- Reference was made to the previous situation where people became Managers to achieve pay progression rather than necessarily having the skills to manage. Ms Beer stated that there was flexibility within the new structure to retain people without necessarily giving them management responsibilities.
- In relation to the culture of openness and inviting contribution and challenge, Ms Beer explained that there were mechanisms in place for staff to be able to express their concerns, for example via 'talk to the top' which provided the opportunity for staff to put forward views anonymously if they preferred, these could be viewed by Members through Knet. She referred to the staff representatives on the Performance Assurance Team and the Delivery Assurance Team who had the opportunity to express their views and had been very willing to do so. She stated that Human Resources were working closely with staff to provide a safe outlet and focus for their concerns.
- A Member mentioned that the restructuring had caused some disruption in service/information provision to Members, as in some cases the person with the required information has moved on, which it was acknowledged was bound to happen.
- The Leader's idea of Managers having direct experience of the day to day operation of their front line services was welcomed. The example of Members having the opportunity to shadow a social worker was referred to in this context. It was suggested that this opportunity for Members could be extended to other areas of work.
- A Member referred to the opportunity for contribution and challenge on the Members side, for example in relation to the shadow Health and Wellbeing Board which did not have any non Conservative Members. The Leader assured Members that their views would be listened to before a final decision was taken on the Membership of the actual Board.
- Although the move towards 'One Council' was welcomed it was suggested that this may take sometime to become embedded within the authority.
- In response to a question, Ms Beer confirmed that there was still a KCC staff club, which organised social rather than sporting events, this was at little cost to the authority. Sporting events were arranged on a local informal level amongst staff.

(4) RESOLVED that the update be noted.

### **133. Financial Monitoring 2011/12**

*(Item B2)*

(1) Mr Simmonds introduced the first quarter's budget monitoring report for 2011/12 which was reported to Cabinet on 19<sup>th</sup> September 2011. This was a regular report on the forecast outturn for Business Strategy & Support Directorate and Financing Items budgets within the Corporate Services portfolios.

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

- Mention was made of the positive impact that filling pot holes quickly could have on the insurance reserve budget.
- Reference was made to the Deputy Leaders portfolio and the importance of any reductions being carried out in a timely and appropriate way. Mr King referred to the reduction in senior managers in Democratic Services and the need for a transition period for this function to ensure that changes reflected the future needs of the organisation and support for Members. This transition period had been agreed with the finance team.

(3) RESOLVED Members of the POSC are asked to note the projected outturn for the Business Strategy and Support Directorate and Financing Items for 2011/12 based on the first quarter's monitoring report to Cabinet.

### **134. Consultation on Local Government Resource Review (proposals for retention of business rates)**

*(Item B3)*

(1) Mr Simmonds and Mr Shipton presented a report which referred to the recently published Government proposals for consultation that would enable local authorities to retain a share of locally-generated business rates. These would replace the current system under which all business rates were pooled nationally and then redistributed through a central formula. This report considered the implications of the Government's proposals for Kent and set out a summary of these proposals and the rationale for change. The deadline for responding to this consultation was 24 October 2011. There was no indication of when the outcome would be known

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

- Mr Shipton confirmed that each Kent local authority was producing its own response as the issues affected them differently. There were concerns about the volatility between Districts over their ability to levy additional business rates. KCC officers were keeping an overview of this.
- In relation to the new homes bonus, Mr Shipton explained that the majority (75%) would go to the top tier authority with the remainder to the District Council, Fire & Rescue Authority and Police Authority.
- Mr Shipton confirmed that less business rates being collected than anticipated was a risk. The risk of poor collection would be borne by both tiers of local government.

- A Member mentioned the situation where new homes bonus was paid in respect of homes where planning permission had been granted before the grant was available, so it had not been an incentive as intended.
- A Member expressed the opinion that this change to local government finance re-enforced the existing pattern of the tax base.
- In response to a question on the potential pooling of business rates to mitigate the effect of their volatility across the County, Mr Shipton confirmed that there had been initial discussions with Chief Executives of District Councils. This was one way of mitigating the difference between districts. Mr Shipton pointed out that there was an inverse correlation between the districts need to spend on local authority functions and the amount of business rates that they would attract.

(3) RESOLVED that the content of the consultation and the comments made by Members be noted.

### **135. Property and Infrastructure Support Restructuring Update**

*(Item B4)*

(1) Mr Gough and Ms Spore presented a report which informed the Committee of the progress being made in respect of the Property and Infrastructure Support (P&IS) Restructure. On the 4<sup>th</sup> April 2011, a number of property related functions were centralised within the P&IS division of Business Strategy and Support alongside the implementation of the Corporate Landlord model for property management.

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

- Ms Spore explained that there were a number of KCC building leases coming up for renewal and the organisation was shrinking. In due course recommendations would be made in relation to this.
- Ms Spore stated that a series of workshops were being held with District Council partners to look at identifying areas of potential collaboration. Discussions were also being held with neighbouring authorities.
- Ms Spoke confirmed that all public sector holdings across Kent had already been mapped as part of the pathfinder process.
- Members welcomed the approach towards collaborative working with District Councils and involving Members at a local level.
- In response to a question on the advantages of centralising the function, Ms Spore explained that in the past there had not been clear accountability and responsibility for property across the organisation. Centralising the function would create a clear line of responsibility in order to make things happen in a timely way. She stated that there would be a fundamental review of all processes within the property function, it would be an opportunity to build on the good things that were being done and to streamline the process.
- A Member referred to the time that had been taken in some cases to dispose of land. Ms Spore acknowledged that sometimes things had taken too long, she stated that there would be a full review of all the disposal cases to make sure that these were moved forward. Mr Gough stated that sometimes the delays were not within the control of KCC.

- Members expressed a willingness to be involved in reviewing this function and asked for information from the review to be shared with them so that they could assist by checking that it was complete for their area.
- Ms Spore confirmed that when it was proposed to dispose of a property an options appraisal was carried out. This included assessing whether it would be beneficial to obtain planning permission prior to disposal in order to obtain the maximum value on disposal.

(3) RESOLVED that (a) the current progress in the delivery of the Property and Infrastructure Support Restructuring and the Next Steps be noted.

(b) an update paper be submitted to the next meeting of the POSC on the work being carried out with District/Borough Councils and Public Sector partners to map assets in order to utilise the estate more effectively.

### **136. Community Right to Challenge**

*(Item B5)*

(1) Mr Gough set out the background to the Community Right to Challenge. Mr Whittle and Ms Sanderson gave a PowerPoint presentation which included the proposed Right to Challenge Process, implications of the Right to Challenge, issues with the model, implications for KCC, KCC's approach to prepare for the Right to Challenge and the Timetable and Risks.

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

- In relation to Member involvement, Ms Sanderson stated that Cabinet had been involved in the development of the programme. Informal soundings on individual reviews and service options would be taken with elected Members and Locality Boards before any decision to open up to procurement under the Right to Challenge. There would be an option appraisal which would be submitted to Cabinet and therefore could be called into Scrutiny. This would be followed by a formal consultation, compliant with the Duty to Consult, with public service users as part of the decision making process.
- Mr Whittle confirmed that there was a detailed programme plan which could be shared with Members on request.
- Members were interested in hearing more about the early review pilots. It was confirmed that these were part of the advanced Make, Buy, Review process and the individual review teams would be undertaking informal soundings with Members as they evolve.
- Mr Whittle stated that it was expected that there would be some elements where expressions of interest for a part of the County would require a local view. If Locality Boards mature and take on more responsibility for the commissioning of services then this process could sit with them at the local level in the long term.
- A Member asked whether, if a service provider did not meet their service level agreement, KCC would have the capacity to intervene and take the service back. Mr Whittle explained that part of the Right to Challenge was due diligence in relation to procurement. The Local Authority would have to manage the risk through effective contract and risk management if the services went out to an external provider.

- Reference was made to the amount of work that it suggested Locality Boards consider, also there was not a one size fits all for these Boards and that some areas had yet to establish these Boards. Mr Gough emphasised that it was not intended to prescribe what Locality Boards should do but only suggest what they may do. He pointed out that that Locality Boards and this process were in their early stages.
- A Member noted that the local authority could refuse an application for someone to run services. It was confirmed that it would be the Local Ombudsman who would receive any “complaints” about issues in this area. Concern was expressed about the Ombudsman’s lack of statutory powers.
- Reference was made to the need to be sensitive to Parish Council and Communities who were willing to take on responsibilities in their area. They should be encouraged to do so where possible.
- It was suggested that an update report should be submitted to a future meeting of the Committee early next year.

(3) RESOLVED that the report and presentation on the implications of the forthcoming ‘Right to Challenge’ in the Localism Bill which was due to come into effect from April 2012, be noted.

### **137. Overview of Systems Investment**

*(Item B6)*

(1) Mr Gough and Mr Bole presented a paper which provided an overview of the annual £31.4 million investment in technology made by the Council each year for review and comment.

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

- Mr Bole confirmed that the overview provided an understanding of how much KCC investment there was in Information Technology (IT) and what return it was providing. It was estimated that the cost to deliver services without IT would be £70 million against a £31.4 million investment to provide it,
- Regarding the Oracle system, Mr Bole explained that the re-shaping of the organisation provided an opportunity to look at how to support core resources, increase efficiency and reduce costs. The Oracle system had the capacity to do more than it was currently doing. The immediate priority was to change how Oracle worked to deliver savings in Human Resources and Finance.
- In relation to the customisation of Oracle, Mr Bole stated that when it had been implemented there were 600 customisations, this had been reduced to 350 customisations and with Enterprise Resource Planning this would reduce further to below 50.
- A Member asked if KCC’s IT provision was too expensive which would hinder shared working with other authorities, Mr Bole stated that the system was not too expensive, but it could be cheaper. There was a need to identify opportunities across the public sector where common tasks could be achieved with fewer staff if shared, the challenge was how best to engage with other agencies to deliver this outcome.
- Mr Bole confirmed that KCC’s approach to engaging with partnerships had always been driven by the aspiration of better public services and greater co-

operation between public services. If we work in partnership we will see our unit costs go down.

- In relation to a question on benchmarking, Mr Bole stated that they used a mix of benchmarking including national comparators and across multiple market sectors not just public services..
- Regarding the Integrated Children's System, Mr Bole confirmed that all these systems were designed to a specification set by central government, we were trying to adapt our approach to deliver a system better able to support the objectives of the improvement programme for children's services.

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

### **138. Complaints, Comments and Complements**

*(Item B7)*

(1) Mr Gough and Ms Hill introduced a report which provided information about, the Local Government Ombudsman Letter & Annual Review 2010/11, developments in KCC Complaints Management, a summary of the complaints, comments and compliments received by the Council, further improvements for 2011/12 and the Business Strategy & Support Annual Complaints, Comments and Compliments Report.

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

- Ms Hill stated that the complaints team had been centralised which would make it easier for the public to know who to complain to enable complaints would be dealt with in a more focused way. The next time that this report was produced it would also be possible to include the outcome the complaints.
- In relation to a question on improving the process for dealing with insurance claims relating to potholes which was the source of a lot of complaints, Mr Wood explained that claims were dealt with in accordance with KCC policy. The inclement weather last winter and the claims culture had led to an increase in claims, and consequently an increase in the number of rejected claims resulting in complaints. He confirmed that KCC did settle claims when they were at fault.
- A Member referred to a press report that stated that KCC's complaints were 12 % higher than the next authority. Ms Hill explained that a lot of work had been done to improve the recording of complaints, especially Highways complaints which had an impact on the figures, as we record more complaints. Benchmarking with other local authorities had shown that they expect their number of complaints to increase.
- The amount of complements was noted.

(3) RESOLVED that the report be noted.

### **139. Select Committees - update**

*(Item C1)*

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

(2) RESOLVED that the Select Committee topic review update be noted.