

By: Paul Carter, Leader of the Council  
David Cockburn, Head of Paid Service

To: County Council – 15 May 2014

Subject: LGA Peer Challenge – Feedback and KCC’s response

Classification: Unrestricted

**Summary:** This paper provides an overview of the feedback provided by the LGA following KCC’s Corporate Peer Challenge in March 2014. The full feedback letter from the LGA is provided as an attachment. The letter includes a series of recommendations based on the findings of the Peer Challenge team, all of which have been accepted by KCC. This paper provides KCC’s response to each of the recommendations. County Council are asked to note and agree the LGA’s feedback letter and KCC’s acceptance of all of the recommendations made.

**Recommendations:**

County Council is asked to:

- 1) Note and agree the LGA’s feedback letter on the Corporate Peer Challenge;
- 2) Agree the acceptance of all of the recommendations made in the feedback letter; and
- 3) Thank the LGA, members of the Peer Challenge team and everyone who contributed to the Peer Challenge, including officers, Members and partners who took the time to meet with the Peers and share their views.

**1. Introduction**

1.1 From 4 to 7 March 2014, KCC took part in a Corporate Peer Challenge organised by the Local Government Association (LGA). Corporate Peer Challenge is part of LGA’s offer to support sector-led improvement within local government. LGA aim for all its members to have benefited from Peer Challenge by Autumn 2014, and around 50 councils have already taken part.

1.2 The aim of the Corporate Peer Challenge is not to replace previous inspection regimes, but that of a critical friend who understands the pressures and challenges that authorities are facing and can advise accordingly on areas of improvement or investment. Whilst there is no requirement to publish the feedback from the Peer Challenge, we believe it is important that the full feedback letter from the LGA is shared with County Council. The letter is attached as an appendix to this report.

1.3 All LGA Corporate Peer Challenges cover the following five corporate areas:

- Understanding of local context and priority setting
- Financial planning and viability
- Political and managerial leadership
- Governance and decision-making
- Organisational capacity

1.4 Given the timing of the Peer Challenge during the first phase of whole-council transformation, KCC agreed with the LGA that the Peer Challenge team would consider in particular:

- KCC's approach to transformation and in particular the robustness of plans, the management of risk and supporting the required cultural change
- How internal support functions can best support the Council to move to a future strategic commissioning model
- Progress on Health and Social Care Integration as well as Adult Social Care transformation, particularly in the context of the Better Care Fund and Kent's status as an Integration Pioneer
- The integration of Public Health into the KCC

1.5 We also agreed that the Peer Challenge team would provide an external perspective on our approach to economic development and regeneration.

1.6 The LGA worked with KCC to assemble a Peer Challenge team of senior and experienced local and central government and private sector Peers as follows:

- Martin Curtis, Leader of Cambridgeshire County Council
- Carolyn Downs, Chief Executive of the LGA
- Anne Brinkhoff, LGA Programme Manager
- Simon Ridley, Director of Local Government Finance, DCLG
- Andrew Flockhart, Strategic Director of Place, Poole Borough Council
- John Evans, private sector Peer
- Alison Miller, LGA Programmes Team Advisor (shadowing)

1.7 The Peer Challenge team spent a week based at County Hall during which they conducted focus groups and interviews with KCC members and staff and partners. This included a focus group with backbench members, all opposition group leaders, interviews with all Cabinet Members, a focus group with a sample of front line staff, Heads of Service and interviews with all Directors and Corporate Directors. The Peers also spoke to a large number of KCC's partners including the South East LEP Chairman, a CCG representative, the Chief Constable, District Council Chief Executives and a number of representatives from the business community. The Peers visited Discovery Park at Sandwich and met with some businesses operating there. In total, the Peers undertook 47 sessions where they met 32 Members, 64 KCC officers and 52 partners.

1.8 In advance of the Peer Challenge, we prepared a comprehensive self-assessment covering all of the areas to be covered. This provided helpful background information to the Peers, and was supplemented by an additional reading list of key council documents.

1.9 The Peers were very complementary about KCC's organisation of the Peer Challenge, including the briefing information provided in advance, the varied timetable of visits, interviews and focus groups organised and the support they received while at County Hall. They also said that they encountered open and honest engagement with KCC Members and officers at all levels of the organisation.

1.10 The Peer Challenge has proven to be a useful experience for KCC. It has been a valuable opportunity to gain a third party perspective from experienced Peers. In many cases this has provided important reinforcement of priorities and areas for improvement that we have already identified internally and will continue to address at pace. The Peers have also identified some new areas for consideration which will help us as we move forward through transformation.

1.11 The Peer Challenge Team have set out their findings and recommendations in a letter which is attached to this paper. An overview of findings as well as their recommendations and KCC's response to them are set out in this report.

## **2. Overview of findings**

2.1 The headline messages from the Peer Team are very positive. The letter states that "KCC has the capacity and track record to succeed and there is much to celebrate. We heard many examples of where you are doing things extraordinarily well... Many of your successes are testimony to committed and talented members and officers who provide the strategic vision and professional expertise to deliver for local people."

2.2 The Peers confirmed that KCC understands the challenges ahead and that we are using the financial imperative to achieve the whole-council transformation that is needed to meet those challenges. They have acknowledged the achievements in delivering savings so far, and describe the transformation programme going forward as comprehensive and convincing. As we have already identified, the Peers advise that there is still much to do in implementing the outcome of market testing and service reviews and that significant culture change will be required to facilitate transformational change. The Peers found that leadership of Facing the Challenge is direct, focused and visible, and that KCC has allocated the necessary resources to its delivery. The Peers were particularly impressed with our strategic partnership with Newton Europe in driving adult social care transformation. Some helpful recommendations around improving communication and implementation planning have been provided, many of which are already in progress. The Peers have suggested the need for greater clarity and improvements in commissioning, procurement and contract management arrangements as we move forward.

2.3 Around financial planning, the Peers found that the council is making prudent assumptions about future funding and that the budget setting process is effective in

identifying service pressures, which can give Members and officers confidence that we are making realistic assumptions about the future financial challenges. They have provided recommendations around stronger spending control and making better use of financial information to understand service overheads.

2.4 Political and managerial leadership is reported as strong, with praise for the Leader and for the Corporate Board model, which is seen as highly regarded in providing a collegiate approach to managing the Council and providing clear direction and leadership. Corporate Directors are regarded as strong and professional individuals. The Peers were highly complementary about KCC's staff, who are described as enthusiastic, professional, competent and highly committed to delivering for local people. KCC's commitment to nurturing staff was praised, and KCC is encouraged to further engage and involve staff in transformation from the bottom up.

2.5 Governance arrangements were found to be robust, with Cabinet Committees providing a good forum for engagement and debate. The Peers report that backbench Members spoke very highly of their engagement with the council, and that there is a strong sense that Cabinet genuinely want backbench Members to be engaged, which the Peers describe as very positive and significantly better than relationships in many other councils. They emphasised the need for members to understand their roles and responsibilities within a commissioning authority, which we have already recognised and started to shape thinking around.

2.6 The Peers' findings on economic development and regeneration were exceptionally positive. They comment that businesses love working with the County Council and that they feel we understand their needs and operating environment. Developers were of the view that KCC is supportive of economic growth and the personal commitment of the Leader in this was praised. The Peers describe our strategic framework for economic development and regeneration as clear and coherent, with farsighted leadership and aspirations. The Peers saw evidence of our very significant track record in supporting businesses and creating places for growth, including a focus on supporting SMEs. The federated South East LEP governance structure was seen to be a very good solution. A small number of specific suggestions for consideration to continue KCC's success in this area have been provided.

2.7 The Peers found that, along with our partners, we have a strong vision for integrated and streamlined health and social care to provide whole-person care delivered in the community. They found that clinicians are at the heart of this process which they describe as very positive. The Peers consider that we are investing appropriately to deliver health and social care integration. They also report that the Health and Wellbeing Board is regarded as a system leader by key stakeholders. Recommendations have been made about clarifying the role of CCG-level Health and Wellbeing Boards, developing an overarching plan for delivering service improvements to residents, and opportunities to be explored around the recruitment of the next Director of Public Health.

### **3. Recommendations and response**

3.1 The Peer Team's letter finishes with a number of specific recommendations based on their findings. They have stated that many of the recommendations are affirmative of the council's strong record of achievements. Others are actions they believe will develop KCC's effectiveness and capacity to deliver future ambitions and plans.

3.2 Based on their findings the Peer Challenge Team had confidence in the Council's overall ability to achieve and deliver its objectives and made the recommendations on that basis. They commented that the number of recommendations reflected the very wide scope of the review. These recommendations, which the Council accepts and agrees, and our responses are set out below.

#### **3.3 Recommendation 1: Ensure that you continue to provide strong vision and direction but you facilitate an environment and culture that allows bottom-up creativity**

(1) As we progress into Phase 2 of Facing the Challenge whole-council transformation, we are continuing to provide strong vision and direction. Going forward, we have identified that it is important to more clearly articulate our vision for becoming a strategic commissioning authority. The paper presented to County Council on 15 May 'Facing the Challenge: Towards a Strategic Commissioning Authority' sets out the authority's thinking around this, so that Members and officers can understand what it means for our services and the way that we all work.

(2) The separate paper to County Council on 15 May 'Facing the Challenge: Closing Down Bold Steps' asks Council to agree to close the Medium Term Plan Bold Steps for Kent one year early. This is in response to lessons learned from Phase 1 of transformation which found that it can be confusing to have two separate strategic statements driving the direction of the authority at the same time. Facing the Challenge must continue to set the strategic direction for the Council.

(3) We are already taking action to engage and involve staff in transformation from the bottom-up. The Peers praised the approach taken in the adults transformation programme, working with Newton Europe. As the Peers have recognised, a key component of this work has been an open management style, working with staff within specific services. Feedback from managers and staff was that they tremendously valued this approach as it enabled them to design the new systems using their local knowledge and expertise. The Peers concluded that this is resulting in genuine innovation. We have recognised the strength of this approach and are taking steps to apply it across transformation activity. One way in which we are doing this is through the new Transformation Network for staff, facilitated by HR. Initial staff workshops have been held to gather staff input into transformation plans and activities, and further development of the Network is planned to deliver greater staff engagement.

#### **3.4 Recommendation 2: Design and implement a communication strategy for the transformation programme for staff, partners and citizens**

(1) There has been a regular stream of communication about transformation to staff since Facing the Challenge was launched. This includes dedicated and regularly updated areas of KNet, weekly updates in KMail and in editions of KMail for Managers and cascade of information through Challenger Group events. Ad hoc, personalised communication to specific members of staff affected by changes, such as those brought about by New Ways of Working, have been delivered as required. Communication has aimed to provide staff with an overall picture of transformation aims and progress, as well as specific messages on changes that affect their service or day to day working arrangements. Facing the Challenge has good traction amongst senior and middle level managers.

(2) However, we accept the Peers' findings that, from the perspective of some of our staff, communication has been patchy depending on where they sit within the Council. We recognise the need to ensure that all Directorates support greater consistency in the messages that our staff receive, regardless of which service they work for. As recommended, we are already developing a Communication Strategy for Facing the Challenge that sets out what gets communicated to whom, when and how. We also agree that this must map different audiences that need to receive communication about transformation, including Members, staff, partners and citizens. Development of this Communication Strategy will become a key priority for Phase 2 of the Facing the Challenge programme. The Peers have recommended that the Transformation Director/Programme take responsibility for the development of this Strategy, and through the recent organisational realignment, the Corporate Director of HR is leading on this action through the programme, working closely with the Transformation Director, Transformation Advisory Group, CMT and external communications function. HR is already leading the culture change and staff communication and engagement activity for transformation, including making sure we utilise fully the enthusiasm and commitment of the Director group to be advocates of the transformation programme.

### **3.5 Recommendation 3: Develop a clearer understanding of the differentiation between commissioning, procurement and contract management and their appropriate place within the organisation**

(1) The Peers found that not everyone understands the implications that becoming a commissioning authority may have on the 'look and feel' of the council. They also suggested that the roles and locations within the organisation of commissioners, those that procure and contract managers need to be considered carefully. These are issues that KCC had already recognised and started to work on. The paper being presented to County Council on 15 May on moving towards a strategic commissioning authority starts to address the Peers' recommendations. It acknowledges the need for greater clarity, and sets out the vision for the future of KCC as a strategic commissioning authority and what needs to be done to achieve this vision.

(2) To inform this thinking, we are learning from the experiences of other local authorities who are further ahead in their journey to become a commissioning council, aiming to avoid mistakes that have been made elsewhere and follow good practice.

### **3.6 Recommendation 4: Demonstrate more granularity in your workforce strategy about the specific skills required for commissioning, procurement and contract management**

This recommendation follows on from the last. The Peers recognised that we have identified gaps in these areas already, and recommend that we address them at pace. The letter includes a specific finding about the variability of procurement skills across the organisation, acknowledging good skills in some areas. The letter praises the new Leadership and Management Development Strategy developed by HR to support Facing the Challenge, which covers commissioning, contract management and commercial skills. The Peers describe this Strategy as a 'key enabler' for the transformation to be successful. The County Council paper on moving towards a strategic commissioning authority identifies a series of specific skills and areas where further capacity is required. This starts to provide the granularity that the Peers have recommended. HR will continue to develop and refine workforce plans as this thinking evolves to ensure that the specific skills and capabilities gaps are being addressed.

### **3.7 Recommendation 5: Bring forward implementation plans alongside business plans to turn the vision for transformation more quickly into bankable savings**

The Peers have acknowledged the scale of the savings KCC has delivered over the past three years, and praised our strong past savings record. They comment that this coupled with our strong budgetary control, resulting in underspends for the past 13 years, bodes well for the future. We agree with their comment that there is much to be done to implement the outcome of market engagement and service reviews as part of Phase 1; the pace of our transformation is already necessarily quick and to accelerate this any further could introduce unnecessary risk. They recommend that strong, clear and well-focused implementation plans are needed alongside detailed business cases to ensure that swift progress can be made in delivering savings on time. As we move from Phase 1 into Phase 2 this implementation planning is already built in as a critical part of our transformation activity alongside the development of full business cases for review and decision to ensure we have a clear focus on delivering the right outcomes and meeting our savings targets. This focus will be important for implementing the changes agreed as part of Phase 1, but also as we move forward into subsequent transformation phases. The Facing the Challenge Transformation team have met the agreed deadlines for delivery of Phase 1 market engagement and service reviews, as set out in the Phase 1 outturn report to County Council, putting us a strong position to proceed with implementation at pace.

### **3.8 Recommendation 6: Use your financial systems to provide transparency of accurate and comprehensive financial information on the true costs of services at the right level**

(1) We agree with the Peers' findings that managers and staff require clearer financial information to understand the true costs of services. TAG have recognised the importance of using a reliable and consistent methodology for calculating corporate overheads as part of market engagement and service reviews. In December 2013, TAG agreed a methodology that has been used during Phase 1, and agreed in

March that this will be reviewed in light of learning from Phase 1. This is a complex area. As well as fixed and unfixed costs, the cumulative effect on corporate support services of delivery models changing across a number of services must also be understood. Each business case for change needs to be looked at individually, with Directors deciding whether there are genuine savings to be taken or not.

(2) The model used by Finance for calculating cost information on overheads is spreadsheet-based, and figures are calculated annually using outturn figures. As the Peers found, market engagement and service review work in Phase 1 demonstrates that there is potential to use the Oracle system to identify and apportion costs and overheads accurately to business units. It would not be possible to implement this immediately due to the large number of account code changes as a result of restructures happening across the organisation. TAG have agreed that a project will be implemented to generate overhead information throughout the year using Oracle, as soon as possible.

### **3.9 Recommendation 7: Ensure the Head of Paid Service has the authority to make the Council operate as 'One Council'**

We have confidence in the organisation's governance arrangements, which the Peers reported positively on, and recognise the importance of clear, single accountability at senior officer level to the Head of Paid Service (HoPS). The Peer Review Team praised the Corporate Board model, commenting that it provides a collegiate approach to managing the council and enables clear direction and leadership. Alongside this we have clear accountabilities for the HoPS (and other senior strategic roles) set out in the County Council's governance, constitutional arrangements and in senior management job descriptions. However it will always be important to keep the council's governance arrangements under review to ensure that they continue to discharge the authority's functions effectively and respond to the challenges that the authority will face. We will continue to keep the arrangements under review and make changes as necessary.

### **3.10 Recommendation 8: Continue to invest in member development and ensure that your member development programme is refreshed to reflect the role of a member in a commissioning council**

(1) We are very pleased to note that Members spoke highly of their engagement with the Council, and that the Peers found this to be significantly better than in many other councils. As our own evaluation had found, Members praised the induction programme following the County elections in May 2013, which they felt had prepared them well for their roles. Members also spoke positively about ongoing opportunities for member development and briefing available to them. This recommendation encourages us to continue our successful work on Member development which is already an ongoing programme.

(2) We agree that it will be essential moving forward for Members and the entire organisation to have a clear idea of the role of our Members in a strategic commissioning authority, and have already started putting this into action. KCC will remain a strongly Member-led authority with executive and non-executive Members



responsible for holding commissioners and providers to account for delivery of outcomes. This is picked up in the Commissioning Select Committee report which recommends that Members are supported to understand their new role through training and that further work is undertaken to strengthen member oversight of commissioning, procurement and contract management. The paper on moving towards a strategic commissioning authority that is being presented to County Council suggests a number of points that the role of Members will need to include. As stated in the paper, we will ensure the future training programme for Members includes the development of skills for the new role of Members in the commissioning authority.

### **3.11 Recommendation 9: Simplify the informal governance structure and empower more; but continue to involve members**

(1) While Peers were very positive about most elements of KCC's governance, they reported that informal governance arrangements have grown and become more complex, with many informal boards having evolved over time. The Peers feel that in order to support the council's ambition to increase the pace of transformation, there is a need to review this informal structure. We have recognised this through Facing the Challenge and a review is in place already to look at informal boards operating at the corporate centre, and this is due to report in due course. KCC is a large and complex organisation, and internal processes will always be required to provide collective advice on issues and shape decisions before progressing to formal decision-making arrangements, or where formal routes are not required. We will seek to rationalise informal structures where this is needed, but more importantly we will ensure that each informal board has a stronger and clearer role and remit. We will also ensure that staff are aware of this and understand the types of issues and decisions that should be taken to each informal board. As well as the informal arrangements at the corporate centre, there is also a requirement on all Directors for the informal arrangements in the Directorates to be as streamlined and clear as possible.

(2) Regarding the Peers' recommendation to empower more, we have a strong Officer Scheme of Delegations in place within the council's Constitution, which the Peers have recognised. They have suggested that officers need to be encouraged to use these existing powers more proactively in order to deliver business at pace. This is a managerial responsibility for Corporate Directors and Directors to take forward, recognising that KCC is and continues to be a strongly Member-led authority.

### **3.12 Recommendation 10: Create a safe space where officers and members can discuss risk openly to foster innovation**

(1) Developing a more mature approach to risk is fundamental to delivering the shift in culture that is needed to make Facing the Challenge a reality. We will need to empower staff to innovate and take timely decisions to support customers, holding them to account for delivery rather than restricting their operational freedom unnecessarily. The Corporate Risk function has already started work to explore the organisation's current attitude to different categories of risk, and how this needs to change. A workshop has been held with the Challenger Group and will be followed up with a series of focus groups. Risk appetite statements will be developed for different

categories of risk so that managers can translate these into acceptable risk tolerance levels for their area of business or change programme.

(2) The Peers found that risk management arrangements for the transformation programme are appropriate, and that this supports robust programme management.

### **3.13 Recommendation 11: Ensure that the corporate centre of the organisation is a consistent facilitator to transformation**

The Peers report that some staff and managers perceive the quality of back office functions as patchy. While there are areas of excellent practice within these functions, we agree that there needs to be greater consistency in the support provided across the organisation and recognise the importance to front line services of ensuring the support is of the highest quality. Seven of our corporate services have been included in Phase 1 of service engagement and market reviews, and Procurement is being covered in Phase 2. As well as engaging with the market to explore the best delivery models for these services, this has provided an opportunity to work with the services to ensure they effectively support and facilitate front line transformation.

### **3.14 Recommendation 12: Seriously consider the future relationship with your District Council Chief Executives to further support joint work**

(1) The Peers conducted a group discussion with nine of the District Council Chief Executives as part of the Peer Challenge. During this meeting, Chief Executives spoke to the Peers about a perceived breakdown of trust between themselves and KCC. It is important to note that the Peers only engaged with District Chief Executives. As we had stated in the self-assessment prepared in advance to support the Peer Challenge, with 12 District, Borough and City Councils in Kent, KCC's relationships with them are inevitably variable, not helped by inherent tensions between two-tier areas caused by national funding and planning arrangements. Relationships are likely to shift and alter over time as a consequence of recent events and circumstances.

(2) There are a great number of examples where we have worked effectively with Districts to address an area of joint concern or exploit joint opportunities. This has included our partnership work to develop a joint approach to Council Tax Benefit Localisation, recognised by DCLG as an example of best practice, the nationally acclaimed Kent Resource Partnership and Kent Connects, the county's lead technology partnership, which has delivered a return on investment for partners of between 115-400%. Kent's innovative CCG-level Health and Wellbeing Boards bring together local partners, and District Councils are key partners in the preventative agenda. For example in East Kent, we are working with Districts to develop an integrated approach to local housing and accommodation, alongside the development of Community Hubs to help provide a single point of access for health and wellbeing needs. Through the Troubled Families programme, joint work with District Councils is often instrumental in resolving barriers to supporting families, and District Chief Executives act as Project Sponsor for Troubled Families projects in several districts. We also worked in close partnership with our District colleagues on the commissioning of new Youth Service contracts, resulting in contracts that respond to local needs and

achieve savings. There are numerous examples of strong partnership working in economic development, which the Chief Executives acknowledged.

(3) However, we note the concern of the Peers and the feedback from District Chief Executives that they feel the relationship should be improved. We will look at the number of forums in which we engage with Districts to ensure this is adding value for everyone, recognising that the basis for our relationship should be at the political level allowing Leaders to agree strategic direction supported by officer forums around issues that affect the county. We will ensure that forums for working with Districts are based around those issues where there is a genuine need for and benefit from joint working, with a single point of contact at senior level for District Council Chief Executives.

### **3.15 Recommendation 13: Develop a strategy for the Voluntary and Community Sector, as the Council changes its approach to service delivery and works to make savings**

(1) The Peers found that some staff, members and partners share concerns about the impact of moving towards a commissioning council on the voluntary and community sector. We continue to recognise the importance of our relationship with the voluntary and community sector (VCS), and would like to strengthen and move this relationship forward as we become a commissioning authority.

(2) We have already committed to developing a VCS Policy for KCC. This will be developed working with commissioners from across the authority and we will consult and engage with our partners in the VCS. A small Member Reference Group will support its development. The Strategy will define our relationship with the VCS, recognising the role of the wider sector - both those organisations that deliver services on behalf of KCC, and those that we may know very little about but that deliver activities in our communities that help build community resilience and manage demand for services. The Policy will also help us to establish how the sector can be supported to be self-sufficient, considering innovative models of support to the VCS. It will also look at how we can improve our commissioning and procurement processes so that the VCS is able to successfully compete within a commissioning environment, and how our grant funding can be better coordinated to ensure it meets KCC's corporate objectives and is accessible to a range of VCS organisations.

### **3.16 Recommendation 14: Continue to develop the health and wellbeing board to become the system leader for Kent, ensuring that providers are fully engaged, and clarify the role and relationship of the local health and wellbeing boards to the Kent Board**

(1) The Peers were very positive about the strong commitment of KCC and partners to lead the integration of health and social care. They found that the Health and Wellbeing Board is increasingly regarded as a system leader by key stakeholders. The presence of the Leader is regarded as a welcome, dynamic and challenging force to push for faster pace, while the Chairman is ensuring that meetings are collegiate and inclusive. Since the establishment of the shadow Health and Wellbeing Board in 2011 as a national early implementer, arrangements have matured considerably, and the

Board is proving to be a successful platform for promoting joint commissioning and integrated working. The crucial part played by clinicians is recognised and will be developed further. KCC and its partners can be proud of the work done since becoming an Integration Pioneer and in the production of a comprehensive Better Care Fund; this was also recognised by the Peers. However, we know that there are further improvements to make, and we are looking to ensure that the Board is able to usefully engage with providers and has the appropriate relationship with all stakeholders and parts of the system, including the local health and wellbeing boards.

### **3.17 Recommendation 15: Keep listening to the changing needs of your business community, and build on the opportunity created by the new Kent and Medway Economic Partnership to lead and drive the growth agenda**

(1) The Peers report that feedback from businesses about their relationship with and support from KCC was strongly supportive. Businesses told Peers that we understand their needs and the context they operate in, and this recommendation encourages us to continue our extensive and successful engagement with the local business community so that we can continue to support them appropriately. We have a variety of channels through which to do this, and listening to businesses will continue to be a top priority.

(2) We are pleased to note that businesses consider the new federated governance structure within the South East Local Enterprise Partnership (LEP) to be a very good solution. KCC played a lead role in setting up the Kent and Medway Economic Partnership to drive the growth agenda and stand up for Kent and Medway's interests within the large South East LEP. The Kent and Medway Economic Partnership has developed 'Unlocking the Potential: Going for Growth' which is the new seven year growth plan for Kent and Medway. It sets out the opportunities for business growth and the challenges that we must overcome. The delivery of 'Unlocking the Potential' will drive our work to promote economic development and growth over the coming years, working with local businesses, developers, Districts and other public sector partners, and central government.

## **4. Other issues raised**

4.1 The Peers' feedback letter includes a number of other helpful findings and suggestions that were not formalised into specific recommendations. There are a number of specific suggestions that we would like to note and respond to, as below.

### **4.2 Urgency to identify savings**

The Peers have suggested that urgency is required to identify savings (£45 million in 2015/16 and £43 million in 2016/17) required in the Medium Term Financial Plan (MTFP) to be delivered through transformation. We take on board this suggestion, and accept that there are some unidentified savings in the MTFP where the detail of where savings will be delivered has not yet been confirmed. However, KCC has a strong track record in delivering a balanced budget and we are confident that we will deliver these savings. Despite the current challenges, we are no further behind in identifying savings than we would expect to be in the budget-setting timetable. Progress against

transformation is on track, and implementation of Phase 1 decisions will continue at pace.

#### **4.3 Risk associated with having two SROs for the 0-25 transformation change portfolio**

The Peers feel that splitting the SRO (Senior Responsible Owner) role between two Corporate Directors introduces the risk of a bottleneck and conflict. We acknowledge that this is an unusual arrangement in portfolio management terms, but one that is necessary and working for KCC given the need for close working between the Education and Young People's Services and Social Care, Health and Wellbeing Directorates on this area. We have arrangements in place to mitigate this risk. As the Peers have suggested, the Corporate Portfolio Office has the necessary authority to provide assurance over this portfolio and recommend any remedial action to senior management and TAG as necessary. A blueprint for the 0-25 transformation change portfolio has been developed jointly between the SROs. It sets out the vision and objectives for the 0-25 change portfolio and provides milestones that will allow the organisation to keep track of delivery.

#### **4.4 Recruitment of the new Director of Public Health presents an opportunity to ensure public health works across all of the council and the health economy**

The transition of Public Health into KCC has been a significant change for the council. Although this was well-managed, inevitably it will take some time to fully realise the potential of this change. The Peers report keenness amongst public health staff to take a whole-council approach to public health and build relationships with District Councils. They have rightly suggested that effective leadership from the incoming Director of Public Health will be crucial to achieve this. We will ensure that this is delivered through the recruitment and appointment process for the new Director.

### **5. Conclusion**

5.1 The LGA Corporate Peer Challenge was a valuable experience for the County Council and has provided us with helpful recommendations and added impetus to take forward actions we have already identified. We would like to extend our thanks to the LGA and the Peers who conducted our Peer Challenge for their time, insights and recommendations. We would also like to thank everyone who was involved in the Peer Challenge, including numerous Members, staff and partners who took the time to meet with the Peers and share their views honestly and openly.

5.2 KCC has provided a response to all of the recommendations and agreed to take or progress action to implement them.

5.3 The LGA have offered KCC continued support to take forward the findings of the Peer Challenge. We will work with the LGA to determine the best way in which we can make use of this offer.

## **6. Recommendations**

County Council are asked to:

- 1) Note and agree the LGA's feedback letter on the Corporate Peer Challenge
- 2) Agree the acceptance of all of the recommendations made in the feedback letter
- 3) Thank the LGA, members of the Peer Challenge team and everyone who contributed to the Peer Challenge, including officers, Members and partners who took the time to meet with the Peers and share their views.

### **Attachments:**

Feedback letter from the LGA to Paul Carter and David Cockburn on KCC's Corporate Peer Challenge, dated 24 April 2014.

### **Background papers:**

None

### **Report author:**

David Whittle, Head of Policy and Strategic Relationships  
[david.whittle@kent.gov.uk](mailto:david.whittle@kent.gov.uk), 01622 696345

Jenny Dixon-Sherreard, Policy Manager  
[jenny.dixon-sherreard@kent.gov.uk](mailto:jenny.dixon-sherreard@kent.gov.uk), 01622 694122