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Dear Paul and David

Kent County Council - Corporate Peer Challenge: 4-7 March 2014

On behalf of the Peer Team, I would like to say what a pleasure it was to be invited into Kent County Council (KCC) to deliver the recent Peer Challenge. The Team felt privileged to be allowed to conduct its work with the support of you and your colleagues.

You commissioned the peer challenge at an important point in your whole-council transformation approach which is set out in 'Facing the Challenge', and is expected to deliver fundamental changes to your delivery model and organisational structure. The peer challenge took place towards the end of phase 1 of the implementation plan and provides an opportunity to contribute to your reflection and evaluation of phase 1, and the planning of phase 2. Within this context you asked the peer team to consider in particular:

- Your approach to transformation and in particular the robustness of plans, the management of risk and supporting the required cultural change
- How your internal support functions can best support the Council to move to a future strategic commissioning model
- your 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 KCC

Growing the economy is one of three priorities for the County as set out in 'Bold Steps for Kent', your medium term plan, and KCC has been very successful in delivering regeneration and business growth. You asked the peer team to provide you with an external perspective on your current plans and approaches.

In delivering this focus the peer team also considered the core components that all corporate peer challenges cover:

- Understanding of local context and priority setting: Does the Council understand its local context and has it established a clear set of priorities?
- Financial planning and viability: Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Political and managerial leadership: Does the Council have effective political and managerial leadership and is it a constructive partnership?
- Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

It is important to stress that this was not an inspection. Peer Challenges are improvement-focused and tailored to meet individual council's needs. The peers used their experience and knowledge to reflect on the information presented to them by people they met, things they saw and material that they read.

This letter provides a summary of the feedback that was presented at the end of our March 2014 onsite visit. In presenting this feedback, the Peer Challenge Team have done so as fellow local and central government officers and members, not professional consultants or inspectors. We hope this will help provide recognition of the achievements of Kent County Council while also stimulating debate and thinking about future challenges.

1. Context for the challenge and headline messages

KCC made a confident decision to invite the peer team at this critical point in time. Common to many councils, you are facing unprecedented financial and demographic challenges over the next three years which will require a fundamental transformation of what you do and how you do it. A new Directorate structure has been approved and will commence on 1st April. Inevitably this and the associated transformation savings programme is causing uncertainty and some bruising for your staff. Phase 1 of the transformation programme has been about planning for transformation and the organisation has not yet experienced radical changes. The peer team saw its role as providing you with affirmation and challenge within this space for reflection. We encountered open and honest engagement from KCC members and officers at all levels of the organisation.

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, for example in economic development and regeneration and also across many other services. 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. Businesses in particular love working with the County Council. One business representative told us: *'a good local authority compared with an obstructive one is the difference between success and failure. Kent is a place to succeed'*. They feel engaged through the Business Advisory Board and value the programmes and schemes to support growth, for example High Growth Kent.

The Council understands the scale of the challenge ahead and is using the financial imperative of cost reductions to achieve the whole-scale transformation that will meet future demographic challenges, address customer expectations and embrace the opportunities arising from both mobile technologies and changes in social relationships. Much has been done to deliver £269m savings over the three financial years to 2013/14 and in designing a convincing and comprehensive transformation programme that is expected to deliver estimated savings of £239m by 2016/17. However, there is still much to be done to implement the outcome of market engagement and service review exercises underway. Managers are keen to get more involved in the transformation programme and, if enabled, will bring further commitment, ideas and professionalism to its implementation, whilst ensuring that their staff and colleagues are both enthused and engaged.

Urgency is needed to identify savings (which amount to £45m in 15/16 and £43m in 16/17) as part of the transformation programme, as opposed to service reduction decisions. The experience of using Newton Europe in Adult Social Care demonstrates that bottom-up engagement with managers and staff has been very successful to date and will be crucial if the transformation programme is to be achieved.

As you have identified, significant culture change will be required by everyone to achieve your desired approach to risk and to facilitate transformational change and commercialisation.

2. Approach to transformation – ‘Facing the Challenge’

KCC has developed an ambitious transformation programme with a clear vision and strategy. In July 2013, KCC endorsed ‘Facing the Challenge: Whole Council Transformation’, a paper setting out the council’s policy response to the financial challenge over the medium term. The Council’s transformation strategy, ‘Facing the Challenge: Delivering Better Outcomes’ was written in September 2013 as a response not only to financial austerity but also to address unfunded demand pressures from a rapidly changing society, increasing customer expectations and technological opportunities; all of which would need significant cultural change within the organisation. A purposeful intent for KCC to become a commissioning authority with a greater focus on outcomes and less focus on process drives the three transformation plan themes: market engagement and service review; integration and service redesign; and managing change better. This deliberate and clear approach is a crucial foundation to drive change of this magnitude.

Leadership of the delivery of ‘Facing the Challenge’ is direct and focussed. The Leader provides strong, visible and involved leadership and chairs the Transformation Board, a cross-party member group providing oversight of the programme, and the Transformation Advisory Group, meeting weekly and receiving progress on individual transformation programmes. The peer team found respect for the Head of Paid Service, Corporate Directors and Directors from members and officers alike.

KCC has allocated the resources necessary to deliver the programme. A Corporate Programme Office has been established which includes KCC programme managers

who are providing programme and project support to Senior Responsible Officers (SROs) and Business Change Managers for each of the transformation programmes. The Council is aware of its skills strengths and gaps and has accordingly undertaken (and publicly defended) the procurement of high class external expertise to ensure that service reviews are challenging and to support SROs with specific skills sets, for example commercialisation. We found evidence that decisions about resource needs for the programme were taken and acted on swiftly to enable the work to move forward. This is enabling the programme to deliver against challenging timescales with rigor.

Internal capacity has been harnessed positively by use of an existing Director in managing the programme. The Director of Transformation has high visibility and enjoys credibility among many members and staff. They see his appointment as a positive endorsement of the Council's commitment to developing staff. This supports not only the credibility of the programme but also its communication through established and new channels.

The risk management arrangements for the transformation programme are appropriate. The programme has its own risk register which is reviewed monthly and reported to the Transformation Advisory Group. It uses a standard risk management methodology. The risk register includes 17 risks, the highest referring to the inability of achieving the financial savings. All risks have identified controls and actions and appropriate level risk owners. This supports robust programme management.

KCC has recognised that communication of 'Facing the Challenge' needs to be improved to ensure that it is delivered more consistently across all KCC Directorates, especially for non-managerial staff who told the peer team that messages and their delivery are patchy and depend on the Directorate to which staff belong. We were told by some that messages can be quite transactional, for example about specific HR terms and conditions, rather than wider transformation and service issues. The peer team would recommend that the Transformation Director/Programme takes on the responsibility for communication of the transformation programme and that this is managed as a change project with a communication plan that sets out what gets communicated to whom, when and how, and ensures that messages are scripted. This plan needs to map different audiences which ought to include members, staff, partners, including those with grant funding from KCC, and citizens.

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. The peer team acknowledge that the services involved in the phase 1 market engagement reviews are preparing business cases for consideration by the Transformation Advisory Group. However, going into Phase 2 unless implementation plans are prepared at the same time, there will be a delay in implementation which will put back the accrual of the resultant financial benefits.

Additionally, the Corporate Programme Office must have the license to operate effectively across the whole Council, particularly in the large people focussed directorates which hold significant budgets.

The roles and specific locations of commissioners, those that procure and contract managers within KCC need to be considered carefully. Clarity on which roles are in the corporate centre and which roles are in the Directorates is crucial to the successful delivery of the transformation programme and in truly becoming a commissioning Council. The team heard from staff and members that not everyone understands nor appreciates the difference between commissioning and procurement nor the implications that becoming a commissioning council may have for the 'feel and look' of the Council.

Our discussions highlighted that the quality of procurement is patchy. We heard about some good procurement skills, particularly for large scale and value contracts. We also heard about areas within Directorates that carry out significant procurement themselves. However, there is a gap in knowledge of supplier base. Procurement savings would be strengthened considerably if there were a more detailed and sophisticated approach to identifying categories of suppliers across the council and aggregating these contracts in order to achieve best value. Looking forward there is a need to consider how you can maximise social value from procurement particularly in areas where there needs to be a high level of input from the voluntary and community sector.

You recognise that contract management needs to strengthen and if this is done well it will offer opportunities for further savings. There is now an opportunity to make structural changes in these three vital areas and the peer team recommends that you review your current arrangements and engage with other Councils who are advanced in their approaches to commissioning. A key consideration in this will be to develop strategic commissioning capacity to ensure a good interface between service commissioners and procurement, balancing service specific knowledge and expertise with the need to act corporately and with consistency.

The support provided through Newton Europe in Adult Social Care transformation is impressive. The work has secured savings of about £30m over two years through re-engineering the processes for allocating support after first contact and significantly reducing delay and from changing the approach to reablement. Our discussions highlighted that a key component of their work was an open management style and a bottom-up approach, 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 but within the analytical rigor and challenge brought by Newton Europe. This is resulting in genuine innovation. You have recognised the value of this and given the professionalism and commitment of the staff we met, we would recommend that you encourage more of these bottom-up approaches which will both enable transformation projects to go faster and further whilst also empowering staff.

The prevention stream for Children's Transformation remains very high risk because it is split between two Directorates with two SROs. This is a very unusual arrangement and has the potential to create a bottleneck and conflict which will need to be addressed. If you continue with this arrangement, rather than having one SRO, you will need to ensure the Corporate Programme Office has all necessary authority to provide assurance in this area, and report and recommend remedial action to the Transformation Advisory Group as may be necessary.

3. Financial planning and viability

KCC has a strong past savings record. It has made savings of £269m in the last three financial years up to 2013/14. This is coupled with strong budgetary control resulting in underspends for 13 years and a forecast budget underspent for 2013/14. This augurs well for the future.

Budget plans are realistic. The Council is making prudent assumptions about future government funding as well as income streams. The budget setting process is effective in identifying service pressures. This can give members and officers confidence that the Council's assumptions about the size of the financial challenge is realistic.

KCC's approach to medium-term financial planning is robust. The Council has a medium-term financial plan (MTFP) which provides clear and realistic estimates about the future income and expenditure levels. They provide the assumptions for the scale and strategic direction of the 'Facing the Challenge' change programme which has been agreed with members. The Council has already made some difficult service decisions, for example reducing the subsidy on its bus pass for young people (Freedom Pass), and reducing the number of Children's Centres. The MTFP identifies a clear savings target of £239m over the next three financial years.

There is a recognised need for stronger spending control in order to achieve the assumptions in the MTFP. Budget planning for 2014/15 is seeing the introduction of stronger measures of budgetary accountability for Directors' budgets, placing more individual responsibilities for working within budgetary limits, and linking this to Director performance reviews and appraisals. In addition the Council has introduced a cap on debt service costs of 15% of the net revenue budget.

Mitigation measures for short-term budget issues have been identified. For example, the Council has increased its levels of General Reserves from £26m in March 2011 to £31m in March 2013, and increased earmarked reserves from £118m in March 2011 to £163m in March 2013. Although there is a strong focus on delivering savings through 'Facing the Challenge', informal discussions about other possible service savings are taking place. Overall, this provides confidence that the Council has the information, budget control and alternatives to sustain its financial viability over the medium term.

However, the Council faces significant unidentified savings over the financial years of 2015/16 (£45m) and 2016/17 (£43m). Securing £45m savings for the next budget will require certainty to the extent of savings that can be realised through the transformation programme over the next 8-10 months. The timescales set out in 'Facing the Challenge' show that business cases for Phase 1 of the Market Engagement and Service Reviews are due at end-April. Unless implementation plans can be developed quickly there is a significant risk that programmes will not generate savings from 1st April 2015.

The peer team consider that there are two additional key issues that need considering to boost the success of the transformation programme. They are:

- A need for a continuous change in culture and mind set among Directors, managers and staff to ensure that personal budget accountabilities are embraced and that staff are encouraged, empowered and challenged to understand the need for a change in balance between cost and service provision and to manage the associated risk. At the same time, members need to be aware that officers must stick to budgets and look for service savings and engage in these discussions. It is essential to create a 'safe space' for discussions about risk and implications for changing services
- Our discussions highlighted a particular concern around Children's Services with regards to budget overspend in Looked After Children, the need for a shift to prevention and alternatives to care and realisation that this service area will have to contribute to the savings agenda. Given the service history and the additional investment provided to address the Ofsted inspection judgment in 2010, this is understandable. Service improvements have been achieved and there is now a need for the Children's Services to consider itself contributing to the corporate savings agenda, as all other Council services.

At present, service managers and staff across the Council do not have the financial information to understand the true costs of services. Early market engagement work has shown your Oracle system can identify this information and apportion overheads and other costs accurately to business units. Carrying this work out for all services is a necessary first step to create the foundations for operating more commercially and for assessing the bids made for services by external providers. The challenge team consider this a top priority for the Council to succeed in market engagement. It will require a change in practice as well as in ensuring that officers and managers understand the true costs of their services.

4. Political and managerial leadership

The Leader is strong, effective and involved. Everyone the challenge team spoke with reflected this view. He is widely regarded as having brought commercial thinking to the Council and is driving transformation and the integration of health and social care.

The Corporate Board model is highly regarded and is seen to provide a collegiate approach to managing the Council. The members and officers we spoke with confirmed this and felt strongly that the model is providing the right space for informal discussions about strategic and services issues, the transformation programme and the financial challenges. This enables a clear direction and leadership. In going forward, care must be taken to manage the agenda of the Corporate Board to deal with the issues that need to be dealt with collectively in order to allow Cabinet members and Directors to provide appropriate service leadership within a corporate framework.

Given the significant challenges that require focus, determination and pace as well as a history of Directorate autonomy, the peer team consider that this leadership model is appropriate for this point in time. However, there is a need to reflect on the implications of strong personalised leadership with regards to the importance of succession planning, to help sustain the culture change for years to come.

The Head of Paid Service and Corporate Directors are highly regarded individuals. Staff, managers and members spoke well of their individual competence and enthusiasm. They are approachable and provide good leadership for the services within their Directorates. The peer team found many examples of excellent local delivery which is testimony to this.

Our conversations with managers and staff highlighted that while Directors are regarded as strong and professional individuals, the Corporate Management Team is sometimes seen as siloed. This is being addressed through additional regular Corporate Directors meetings focused on whole council transformation. Success in the Council's ambition to move from service Directorates into more functional service groups will rely on Corporate Directors to lead and manage across all of the Council. The transformation programme requires horizontal transformation as well as vertical transformation and the Corporate Management Team is the vehicle to achieve this. Similarly, the successful integration of Public Health across all council functions will require a corporate approach, led and managed by the Head of Paid Service.

The Council's leadership programme for its staff (Kent Manager) is highly regarded by many as providing them with the leadership and management competencies to work successfully within the Council. Indeed, several staff who are not taking part are keen to join the programme. Maintaining flagship programmes such as Kent Manager and encouraging staff to improve their skills for the future need of the organisation in times of austerity shows the Council's commitment to and recognition of the importance of nurturing its own staff, thereby building loyalty and commitment over the longer term.

We met with many enthusiastic, professional and competent staff who are keen to contribute to the transformation agenda. This is clearly a result of KCC's long-term commitment to staff development and training. The peer team would recommend that you continue to sweat your assets and harness your professional talent – there is plenty within the organisation. The more staff feel they can contribute ideas to changing their service to save money and to the wider transformation programme the more successful the overall transformation will be. The development of further discussions about risk between staff, managers and members will facilitate this.

Additionally members will need to understand their future roles and responsibilities within a commissioning council. They will have key roles in the strategic planning process (such as the assessment of needs, reviewing service provisions and deciding priorities) as well as in the monitoring and evaluation of provider performance in localities and across the service. For this new model to be successful and for members to continue to have and feel to have ownership, they will need to be supported in understanding and enacting their new responsibilities.

5. Governance

The governance arrangements for the transformation programme provide drive, direction and commitment at the most senior level. Both the Transformation Board and the Transformation Advisory Group are chaired by the Leader and are critical to ensuring that programmes can move at pace whilst ensuring the necessary cross-party political commitment to deliver organisational transformation of this scale.

Cabinet Committees and Standing Committees provide a good forum for engagement and debate for backbench members. Committee Chairs are well informed and enthused about their opportunities to be briefed and to challenge before decisions are taken by Cabinet. They feel that the role of Cabinet Committees in debating decisions that will be put to Cabinet is less adversarial than the more conventional scrutiny model. For example, good quality debate and engagement was reported on the transformation programme for adult social care and the proposals for closure of children's centres.

Backbench members spoke very highly of their engagement with the Council. New Members praised the induction programme following the elections in May 2013 and felt that it had prepared them well for their new roles. All members spoke positively about the on-going opportunities for member development, including informal briefings. There was a strong sense that Cabinet members genuinely want backbench members to be informed and that officers understand and respect the role of backbench members and will provide formal and informal briefings that are tailored to the experience and expertise of individual backbench members. Given the political make-up of the Council and a need to collectively deliver the transformation programme this is very positive and significantly better than relationships in many other councils.

Informal governance arrangements have grown and have become complex. There are many informal Boards which have evolved over time. While many of these are serving a purpose, collectively they absorb significant officer time and are reported by many to delay decision making. An example was the Building Schools for the Future programme where we heard that each bid had to go through four different committees before a decision was taken at Cabinet. Given the Council's ambition to increase the pace of transformation, there is a need to review this informal structure. The peer team would encourage the Council to consider whether a more distributive approach to the leadership of the council could increase the pace of change.

Building on Kent Manager, officers need to be encouraged to use their existing powers of delegation more proactively. There is an expectation from the Leader, lead Members and Senior Managers that officers will use their delegations to make decisions in order to deliver business at pace. This is a positive endorsement of officers' skills but needs to be more clearly articulated as part of the organisational culture. Encouraging officers to use their existing powers of delegation requires a culture where officers are supported and encouraged to make decisions to their best ability. It also requires a culture that will support officers to learn from mistakes when they make the wrong decisions. A culture of accepting but learning from mistakes is essential for delegated decision making.

6. Organisational capacity

Staff are very committed to their jobs, to Kent and to the County Council. We met with very able and professional staff who are passionate about their services and achievements and are highly committed to delivering for local people. We heard many examples of fantastic achievements, for example your outstanding work in economic growth and regeneration and the very innovative transformation work in

Adult Social Care, such as 'Promoting Independence Reviews' and the Kent Enablement at Home Service.

Many staff welcome opportunities for personal development arising from the transformation programme. Many value the opportunities to lead or contribute to market engagement and service reviews, and the learning that arrives from engagement with external partners and challenge. Others spoke positively about the opportunities to extend their jobs and sphere of responsibilities following the restructure.

KCC demonstrates the importance of staff development by maintaining a training budget of £3.5m per year on staff training and development and continues to be recognised as an 'Investors in People' organisation. It has produced a new Leadership and Management Development Strategy to support 'Facing the Challenge' which identifies the skills, knowledge and behaviours managers will need to manage the transformation but also to operate successfully and confidently in the new organisational model. This includes commissioning, contract management and commercial skills which are current gaps that are recognised by staff themselves as well as managers and members. This will be a key enabler for the transformation to be successful.

However, some staff we spoke with feel stretched. Our conversations with them highlighted this as a general theme. *'I have no time to think about the direction of my service'* was a comment we heard from several people we spoke to. We heard that staff find it difficult to balance the demands of 'doing the day job' with attending formal meetings, keeping up to date with changes in the Council, managing their staff well and completing job essential training and development. These are concerns which were raised from a general position of 'good will' and are messages that the leadership at KCC needs to hear and consider.

Notwithstanding the engagement work that has been undertaken not all staff yet feel sufficiently engaged in 'Facing the Challenge'. As mentioned earlier in this letter, communication about the programme is patchy and depends on the approach taken by Directors and Heads of Services. We heard some positive examples of regular bulletins from and meeting with Directors. Regular information about the transformation programme is focused mainly on HR aspects which is important for all staff but does not do justice to the significance and scope of the programme as a whole. We had comments from some staff that they are concerned about the impact of change on service users, for example closing children centres or changes in provision to day centres. These are legitimate concerns and staff need to understand the process and wider thinking, including about the impact of changes on users and other services, which precedes service changes. Only then can they be champions for the transformation KCC seeks to achieve.

Staff and managers perceive the quality of back office functions to be patchy. We heard mixed views about the capability of HR, procurement and property services as enablers to support front line staff in delivering change and transformation. Given the ambitious timetable for the market engagement and review projects, it is paramount that these corporate functions have the capacity and capability to support the change

at pace and with an understanding of their role in supporting change as opposed to maintaining the status quo.

The organisational gaps in knowledge and skills about commissioning, commercial and risk management need to be understood and addressed at pace. There is a huge opportunity in using the existing training budget to deliver this but we would also encourage the Council to use local commercial experience to provide a practical challenge to its approach as well as helping with training and development programmes for Council staff.

7. Economic development and regeneration

There is strong connection between members, officers and the business community, including developers. Our site visit and discussions with a range of stakeholders from the private sector highlighted strong and respectful relationships. Businesses, large and small, throughout the County feel that KCC understands their needs and operating environment. They have good dialogue with the Council – both Members and officers – and value the leadership and support provided. Developers were of the view that Kent is supportive of economic growth. The personal engagement and commitment of the Leader in setting out a farsighted vision and aspirations has been significant in this. Indeed, one person told us *'the Kent model works because Paul has led us to considering all matters on a commercial basis'*. This creates resilience and focuses spend on issues that drive the growth agenda.

KCC has farsighted leadership and aspirations which guide a clear and coherent strategic framework for economic development and regeneration. Building on and refining the previous county wide framework 'Unlocking Kent's Potential', it has recently published 'Unlocking the Potential: Going for Growth', a seven year growth plan for Kent and Medway which continues the three themes of 'Places for Growth, Businesses for Growth, Skills for Growth' and sets out 20 solutions to unlock growth in Medway and Kent. This strategic framework has good links with key strategies and plans for transport infrastructure, housing and seeks to use £575 million from the Local Growth Fund over six years from 2015/16.

The ambition for growth is underpinned by competent people within KCC, capable of delivering innovative programmes. Those businesses and partners we met were very complimentary about the mindset, dynamism, competence and skills of lead members and officers at KCC, including their technical skills in property development and finance. KCC is seen by the business community as being able to operate in an environment which delivers commercial success.

KCC has a very significant track record of success in supporting businesses and creating places for growth. A very good example is the Discovery Park near Sandwich, where a multi-faceted response was developed to the withdrawal of a major pharmaceutical company in 2011. The response to this economic threat took a very broad view of the issues and was, as a result, able to engage a wide range of stakeholders in leading the search for solutions. This enabled opportunities to be identified that would not otherwise have been considered. The programme that was developed focussed on the needs of the community at large as well as the needs of businesses. Hence the Discovery Park scheme included the creation of bespoke

business space as well as a business support programme and investment in transport and community assets such as good quality public space and flood defences. Businesses emphasised the value of KCC's focus on providing SME's with better access to finance through schemes such as Expansion East Kent, TIGER or Escalate, as well as specialist schemes for example to businesses in the rural economy.

The newly formed governance structure creating sub regions within the South East Local Enterprise Partnership (SELEP) is seen by businesses to be a very good solution. Responding to calls for a more manageable economic partnership, KCC had a major role in establishing the Kent and Medway Economic Partnership. It was set up in autumn 2013 as an informal public-private body to drive forward growth and prosperity, with strong links to the SELEP. The Partnership is seen as a valuable vehicle for leading and driving the growth agenda. Relationships with SELEP and other sub-regional partnerships in SELEP are good. The range of stakeholders involved in the Partnership is seen to carry authority and to reflect the distinctive variety of business interests in Kent and Medway. Moreover, the direction and priorities in "Unlocking the Potential: Going for Growth" is giving businesses confidence that the leadership they are seeing not only focuses on the needs of Kent (and Medway) but this will also be translated into results on the ground such as new investment in infrastructure, jobs and housing.

Relationships with business support organisations throughout Kent have been nurtured effectively so that there is a clear common understanding about the economic context and priorities. Despite some challenging changes in contractual relationships, there is a strong sense of confidence in the County Council and its commitment to working with local partners who support the growth agenda.

While feedback from businesses was strongly supportive, they were keen for us to reflect back three areas for consideration in particular. They are:

- A general reminder to KCC and the ED team to keep listening to their changing needs and ambitions.
- The need to understand the fast changing needs of the cluster of Life Science and Biomedical businesses located in the Discovery Park. They told us that, as they develop and their competitive environment changes, the next step in their development is to develop access to specialist finance and venture capitalists in the City of London, as well as international markets. They require targeted support to achieve this
- For the Council to make the most of the knowledge it has acquired, particularly about biomedical industries which is a key contributor to the Gross Value Added (GVA) of the local area. Other centres in the UK and abroad are aware of the potential of this sector and value that can be realized by offering the right environment for its development and growth.

The delivery of economic growth is predicated on the development of housing. In the absence of a Structure Plan for Kent, it is the responsibility of District Councils to allocate sufficient housing numbers within their Local Plans. The peer team would

encourage KCC to consider how it might be able to work better with its District Council partners to deliver a county wide land allocation plan for Kent.

8. Health and social care integration

KCC and its partners have a strong vision for an integrated and streamlined health and social care system which should provide whole person care rather than treating specific problems separately. The vision is for these services to be delivered in the community, avoiding unnecessary and expensive hospital admissions. Kent's position as an Integration Pioneer provides a clear vision and a strong catalyst for taking this work forward.

There is strong political leadership for this work and discussions are taking place with the right people through the Kent Integrated Pioneer Steering Group. This group brings together KCC's adult social care service, CCGs, Public Health and, importantly, the NHS Trusts. Positively, clinicians are at the heart of the process, through strong involvement of the CCGs as well as the appointment of a GP as a clinical design director for the adult social care transformation programme within KCC. This is truly innovative and will ensure that the programme and project proposals are developed with strong clinical leadership and expertise.

Additionally KCC is investing appropriately to delivering health and social care integration. The Integration Pioneer and Better Care Fund (BCF) teams are resourced with dedicated project staff. The Council is also investing in care support, recognising the crucial role carers play in supporting adults with social care needs, as well as in prevention and is using its financial resources to invest in health prevention work in the north of the County. If this shows results it will be important for it to be rolled out across all of Kent's health economies.

The Health and Wellbeing Board (HWB) is increasingly regarded as a system leader by key stakeholders in the health and social care community. There is strong commitment to lead on the integration agenda and it is the HWB that holds the Health Integration Steering Group to account. The presence of the Leader on the HWB is regarded as a welcome, dynamic and challenging force to push for faster pace, while the Chair is ensuring that meetings are collegiate and inclusive. In taking the integration agenda forward the HWB needs to consider how it directly engages with the acute sector to ensure that they are full partners in taking this work forward.

The Kent HWB is supported by seven local boards which are modelled on the boundaries of the CCGs. District Councils are positive about the creation of the local health and wellbeing boards and each of them is supported by a Public Health Consultant. This provides a structure that can engage with an enormously complex health and social care system including providers and ensure that public health delivery can meet the variety of local needs and demands. However, within the context of the BCF and system integration, the role of the local health and wellbeing boards need to be clarified in order to ensure that all partners believe that they add value. They need to have a clear and distinct purpose which is complimentary to that of the county wide board.

There is a need for an overarching Kent plan to ensure consistency in the delivery of service improvements to residents. The peer team considers it important and correct that local areas are able to develop different health integration plans to meet the variety of local demand. However, it is equally important that there is a plan for Kent as a whole that delivers significant service improvements consistently to residents.

Like many other councils, in taking this agenda forward, there is a need to move rapidly from high level planning to demonstrate how the money will shift from the acute sector into community based services to realise your vision.

The vacancy of the Director of Public Health presents you with an opportunity to ensure public health works across all of the Council and the health economy. Our discussions highlighted that the transfer of public health teams from the two previous PCTs in East and West Kent was managed well but required staff to integrate into a new public health team as well as into the Council. We heard about good engagement with the local health and wellbeing boards as well as regeneration activities in Thanet and the Healthy Living Centre in the north of the County. There is keenness among public health staff to take a 'whole council' approach to public health and building relationships with District Councils. Effective leadership from the incoming Director of Public Health will be crucial to realise this vision. At the same time, all Corporate Directors need to embrace the opportunities that the public health staff and resources offer.

9. Other messages

There are a number of other messages which do not fall within the framework of the peer challenge questions but are important for us to feed back. They are:

- The member grant scheme is highly valued. Many members we spoke with recognise their budget as a very important resource to be able to support local projects or resolve local issues. They particularly value the non-bureaucratic and timely manner with which the grant operates.
- We met with District Council Chief Executives who highlighted what they perceive to be a breakdown in trust between themselves and Kent CC. This is a matter of serious concern. Whilst they were positive about some of the joint working, particularly economic growth and waste partnership, they unanimously felt that the relationship with them should be improved to support further joint working.
- By contrast the Chief Executive of Medway Council believes the relationship to be strong and fruitful. He values his relationship with the Head of Paid Service and felt that joint working including the work around the Kent/Medway LEP sub group to be one based on mutual respect.
- Staff, members and partners share concerns about the impact of moving towards a commissioning council on the voluntary and community sector.

10. Recommendations

Based on their findings, the peer challenge team had confidence in the Council's overall ability to achieve and deliver its objectives and we recommend that the council considers the following actions. There are a large number of recommendations which is a direct result of the very wide scope for the review. Many of our recommendations are affirmative of the Council's strong record of achievements. Others are actions we believe will develop your effectiveness and capacity to deliver future ambitions and plans.

1. Ensure that you continue to provide strong vision and direction but you facilitate an environment and culture that allows bottom-up creativity
2. Design and implement a communication strategy for the transformation programme for staff, partners and citizens
3. Develop a clearer understanding of the differentiation between commissioning, procurement and contract management and their appropriate place within the organisation
4. Demonstrate more granularity in your workforce strategy about the specific skills required for commissioning, procurement and contract management
5. Bring forward implementation plans alongside business plans to turn the vision for transformation more quickly into bankable savings
6. Use your financial systems to provide transparency of accurate and comprehensive financial information on the true costs of services at the right level
7. Ensure the Head of Paid Service has the authority to make the Council operate as 'One Council'
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
9. Simplify the informal governance structure and empower more; but continue to involve members
10. Create a safe space where officers and members can discuss risk openly to foster innovation
11. Ensure that the corporate centre of the organisation is a consistent facilitator to transformation
12. Seriously consider the future relationship with your District Council Chief Executives to further support joint work

13. Develop a strategy for the Voluntary and Community Sector, as the Council changes its approach to service delivery and works to make savings
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
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

11. Next steps

The Council's political leadership and senior management will undoubtedly wish to reflect on these findings and suggestions before determining how the Council wishes to take things forward. As part of the Peer Challenge process, there is an offer of continued activity to support this. We made some suggestions about how this might be utilised, for example a follow-up visit after 9-12 months. I look forward to finalising the detail of that activity as soon as possible.

In the meantime we are keen to continue the relationship we have formed with the Council through the Peer Challenge to date. Heather Wills, Principal Adviser (South East England) is the main contact between the Council and the Local Government Association. Heather can be contacted at heather.wills@local.gov.uk and will provide access to our resources and any further support.

In the meantime, all of us connected with the Peer Challenge would like to wish the Council every success going forward. Once again, many thanks for inviting the Peer Challenge and to everyone involved for their participation.

Yours sincerely

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