

## KENT COUNTY COUNCIL

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### CABINET SCRUTINY COMMITTEE

MINUTES of a meeting of the Cabinet Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 29 April 2009.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Ms S J Carey, Mr A R Chell, Mr B R Cope, Mrs T Dean, Mr R W Gough, Mr M J Harrison (Substitute for Mr J E Scholes), Mr C Hart, Mrs S V Hohler, Mr G A Horne MBE, Mr E E C Hotson, Mr R E King, Mrs J Law, Mr M J Northey, Mr J D Simmonds and Mr R Truelove

ALSO PRESENT: Mr P B Carter and Mr N J D Chard

IN ATTENDANCE: Ms L McMullan (Director of Finance), Ms A Beer (Director of Personnel & Development), Mrs S Garton (Head of County Performance and Evaluation Manager), Miss J Purvis (Improvement & Engagement Officer), Mr P Sass (Head of Democratic Services and Local Leadership) and Mrs A Taylor (Research Officer to Cabinet Scrutiny Committee)

#### UNRESTRICTED ITEMS

**142. Minutes - 8 April 2009**  
(Item. A3)

The minutes of the meeting held on 8 April 2009 were approved as a correct record.

**143. Follow-up Items from Cabinet Scrutiny Committee**  
(Item. A4)

The Chairman referred to the Committee's previous request for information following the recommendations of the Communications and Media IMG, as set out on page 12 of the agenda, Mrs Taylor agreed to chase the items up.

Mr Hart referred to the Mosaic report which the Committee requested sight of at their last meeting. The report stated that Freedom Pass holders from more affluent areas were dominant compared to young people in less affluent areas, this was an issue that the Committee wanted to address. The Chairman reported to the Committee feedback from the Cabinet meeting on 20 April - comments regarding Kent Freedom Pass were noted but for clarity Cabinet wished to record that fact that whilst it fully supported the review of the existing scheme it could not give any form of commitment to it being extended to cover the 16 – 18 year old group, because of the significant effect that would have in terms of the budget. A possible source of some funding could be through the colleges of further education and that possibility should be investigated. Mr Truelove suggested that the Committee should continue to sustain the argument that the scheme should be extended to the 16 – 18 year old year groups and to children who travel outside of Kent. Mrs Dean referred to a previous request for proposals from the Cabinet Member about how the County Council might address the promotion of the Kent Freedom Pass scheme and asked that this be followed up. Mr Simmonds suggested that these

points be taken up by the review in September. Mrs Dean had concerns over the timing, new passes were due to be issued in June and Mr Sass confirmed that the IMG that the Committee had previously agreed to set up could take up the point of publicising the Freedom Pass. The Chairman suggested that a note be sent to the Cabinet Member and the relevant Officers pointing out the issues around the timing of the IMG and the distribution of Freedom Passes in June and also to asking them to give some preliminary consideration to improvements in the publicity of the Freedom Pass. Mrs Law suggested that the Youth Advisory Group should be involved in any review of the Freedom Pass.

Members noted the information contained within the report.

**144. Informal Member Group on Budgetary Issues- 16 April 2009**  
*(Item. A5)*

Mr Chard and Ms McMullan were present for this item.

An addendum report relating to the Council's treasury management function had been tabled for Members' consideration. Mr Simmonds summarised the debate at the Budget IMG and explained that the discussions around treasury management had been superseded by the tabled paper which contained a proposal from the Leader of the Council – that an Advisory Group should be formed.

Mr Smyth explained to the Committee that he supported the original proposal of the Budget IMG that treasury management would be scrutinised by the Budget IMG on a quarterly basis, it was a dynamic and useful way of involving Members in the treasury management process. The proposal within the addendum report was to create a sub committee of the Cabinet and Mr Smyth had concerns that this group would not have the degree of detachment that a group dealing with treasury management should have. In his opinion it was an inferior proposal to the recommendation of the Budget IMG. Mr Simmonds considered that it was right that the Cabinet was aware of the Council's actions regarding treasury management at the earliest opportunity, but that the proposal did not preclude the Budget IMG being involved. Mrs Dean explained that she did not agree with the recommendations of the Budget IMG, her preference was for this role to be undertaken by the Governance and Audit Committee. Mrs Dean requested that in relation to the membership of the proposed Treasury Advisory Group, group Leaders had the flexibility to nominate Members onto the group with special expertise. She also requested that the minutes of the meetings of the Treasury Advisory Group be reported to the Governance and Audit Committee and the Budget IMG as a matter of course.

Mrs Dean stated that her understanding was that the Audit Commission stated that reports should at least go to the Governance and Audit Committee, which did not happen at KCC. Ms McMullan clarified that reports did go to the Governance and Audit Committee and KCC did comply with all the best practice guidelines. The Treasury Advisory Group was vital for pre-scrutiny in a private and confidential setting. The Governance and Audit Committee was a webcast meeting so the information that was able to be shared would be more restricted.

Mr Chard stated that he supported the proposal within the addendum report and he was relaxed about the membership of the Treasury Advisory Group.

Mr Northey asked that the options paper relating to the POCs involvement in the budget setting process and the paper detailing the locations of all cash deposits be circulated to all Members of the Committee – this was agreed by the Committee.

The Cabinet Scrutiny Committee endorsed the Leader's proposal that a Treasury Advisory Group (TAG) be set up with the following conditions:

1. The minutes of the TAG be sent to the Governance and Audit Committee and the Budget IMG for discussion;
2. Where appropriate, group leaders be allowed flexibility on membership of the group to take advantage of Members with expertise.

**145. Salary Packages for Chief Officer Group**  
*(Item. C1)*

Ms Beer and Mr Carter were present for this item.

The Chairman read a section from the constitution (Appendix 4 part 2, Para 2.3) which stated that no discussion should take place in a meeting about the terms or conditions of employment or the conduct of any officer of the Council unless the meeting had first considered whether to exclude the public. The Committee were happy to proceed with the item on the public side of the agenda as the three spokespeople had previously taken advice from the Head of Legal Service and the Head of Personnel.

Mr Hart raised the issue of the Chief Executive's 'other allowances' which related to the sale of untaken annual leave. He considered it to be an incredible figure and he questioned whether the sale of leave should be allowed in such a senior position. Ms Beer responded by confirming that the ability to buy or sell annual leave was within the Kent Scheme Terms and Conditions and applied to all members of staff, on those conditions. Mr Truelove asked the Leader of the Council whether he considered that budgets relating to senior officer salaries might need to be tightened up in the future. Mr Carter explained that the responsibilities of the Council had increased and that the Council could be considered to be 'leaner' against the backdrop of the demands placed upon it.

Mrs Dean stated that she welcomed the fact that the Chief Executive had made his salary public, she considered that a 15% performance related pay award was very high and that it might be time for the Personnel Committee to address and review the issue of performance related pay. Mrs Dean asked what surveys were undertaken by the Council to ensure that the levels of performance reward grant were comparable with other authorities. Ms Beer explained that KCC salaries were compared with other Local Authorities, particularly larger county councils. KCC was a large authority and it was important to take the size of the organisation into account when considering the pay levels within the authority, unfortunately therefore direct comparators that reflected the size of the roles were relatively few. Jobs within KCC were graded using the HAY job evaluation scheme which enabled jobs and salaries within the public and private sector to be compared. Advice was also sought from the recruitment advertising agency on similar recently advertised jobs across the public sector but which also took into account directly comparable private sector roles. Similarly, advice is sought from Executive Search agencies when senior position recruitment is put out to tender. Overall there had been a

steady increase in recognition of senior positions in the public service and KCC had not increased the majority of County Officers' pay beyond the cost of living that applied to all staff within KCC. The performance pay element reflected the fact that the base salaries compared favourably to other authorities in terms of the size of Kent.

Mrs Dean asked whether the other Members of the Chief Officer Group had been consulted on whether they wished their salaries to be disclosed and if so what the response was. The other issue previously raised was the discrepancy between the Chief Officer's salaries figures published in the press. An explanation had been given outside of the meeting but it was necessary to explain this for the benefit of Committee Members. Ms Beer explained that because the information had been anonymised sufficiently it had not been necessary to consult with members of the Chief Officer Group on whether they wished their salaries to be made public. The discrepancies between the information in the Statement of Accounts and the information in response to Freedom of Information (FOI) requests arose because the Statement of Accounts for a particular financial year covered the amount of money that an individual had received in that year. In FOI requests the Council was asked how an individual was remunerated during the financial year. It was almost always the case that performance related payments were made in the following financial year, but would relate to the previous financial year and so discrepancies would arise between the figures contained in the Statement of Accounts and responses to FOI requests. Ms Beer explained that the Council responded to FOI requests by giving a salary range, the Chief Executive fell into the range of between £250,000 - £259,999 some of the recipients of the FOI response chose to take a mid point of that range and present that as the Chief Executive's salary which was inaccurate.

Mrs Dean requested information on the performance related pay award that had accrued to the Chief Officer Group, the average figure for the Chief Officer Group's performance related pay award seemed high and Mrs Dean was interested in comparing that average pay award with other Officers within KCC. Mrs Dean stated that of 23,000 employees 55 had received an 'excellent' rating, which would be broadly equivalent to the 13 – 15% pay reward that the Chief Officer Group had received. Ms Beer explained that the majority of staff on the Kent Scheme had salary progression dependent on performance through their salary scale whereas Chief Officers were on 'spot' salaries. The total amount paid to the Chief Officer Group would be provided to Committee Members. Ms Beer confirmed that staff who received a 'good' rating also received an incremental increase. To determine the number of employees who were recommended as 'excellent' was difficult but Ms Beer confirmed that she would see what information was available. The Cabinet Members and the Leaders of both opposition groups were consulted as part of the performance assessment of the Chief Officer Group so the pay awards reflected the feedback received. Mr Carter confirmed that he would welcome a discussion at the Personnel Committee about what was an appropriate level of performance award for senior directors, it was important to remember that contracts of employment had to be fulfilled. The performance rewards for directors were measured against objectives that were set by the Chief Executive in consultation with Mr Carter, and they were monitored at the year end in consultation with the Chief Executive, Leader and the Leaders of the opposition groups. The Council's track record over the past 4 years had been excellent, and the Council shouldn't be ashamed for rewarding staff for a job 'well done'. The Council would be reviewing the performance reward scheme to ensure that the allocations were assessed

equitably across the organisation and they were implemented with rigour and this would be debated at the Personnel Committee in the coming months. Mrs Dean endorsed the fact that performance related pay was a good tool, but it was notoriously difficult and needed to be fair across the authority. Mrs Dean confirmed that she was consulted on the performance of the Chief Officers, but the form was a qualitative one, which required a text response on the individual's strengths and weaknesses. The form did not ask for a recommendation on performance pay percentage. It was considered that it would be an improvement to the process if a quantitative section was included on the form in the future. The Chairman explained that it was difficult to give feedback on an officer's performance if the targets which the officers were working to were not supplied.

Mr Smyth asked the Leader whether he supported the publication of senior officer salaries which were over £150,000, should KCC lead the way in being open and transparent? Mr Carter stated that he believed in openness and transparency as long as it wasn't to the detriment of any individual. KCC's salaries had risen in relation to inflation over the past 30 years, if anything there was a slight diminution in relation to other public sector salaries. Ms Beer explained that KCC was responding to a consultation document on amending accounts and audit regulations to improve transparency of reporting of senior officer's remuneration in public bodies, this would be debated with Members. It was worth noting that KCC did give information in response to FOI requests about the level of remuneration for senior managers. Mr Smyth concluded by stating that public companies were required to publish total emoluments, Ms Beer explained that at KCC Chief Officers salaries were 'clean salaries' any lease car costs etc. were paid by the individual at full cost.

Resolved that:

1. The Cabinet Scrutiny Committee thanked Ms Beer and Mr Carter for their attendance at the meeting and for answering Members' questions;
2. The Committee also wanted to record their thanks to the Chief Executive for publishing his salary in an open and transparent way;
3. The Committee welcomed the Leader's offer that in light of the changing economic conditions the Personnel Committee be asked to consider the future performance reward levels of the Chief Officer Group;
4. The Committee asked that the figure for the total performance reward paid to the Chief Officer Group be provided to Committee Members;
5. The Committee asked that the form used by the Opposition Leaders to evaluate the performance of the Chief Officer Group be reviewed to include the opportunity to provide quantitative feedback on the level of any performance reward grant and the detail of the performance criteria and targets that the Officers were being evaluated on.

**146. Corporate Assessment Performance Improvement Plan**  
(Item. D1)

Mr Carter, Mrs Garton and Miss Purvis were present for this item.

Mr Smyth began the debate by referring to code CMA1 – within area for improvement 2 – communications, the inspectors’ comment stated that ‘the council was over-keen to claim credit’, the monitoring comment stated that “there was no need for separate action, given the recognition that this was ‘unintentional’” Mr Smyth challenged the word ‘unintentional’; Mr Carter explained that in his opinion the monitoring comment was right and appropriate and he was keen to ensure that the transformation that the Council had been delivering was embedded and working. The Council should be proud of its successes and not be afraid of publicising them.

Mr Smyth referred to code CPA1 – within area for improvement 6 – corporate practice/processes, it was acknowledged that it was not possible to revise the T2010 document at this stage but Mr Smyth asked for an assurance from Mr Carter that the next plan took into account the implications from the comprehensive performance assessment, ensured that KCC’s role in achieving targets was made clear and that they had SMART indicators against them. Mr Carter explained that over the next four years the quality of performance management would be improved and the Council would work on limiting the bureaucracy involved.

Mr Hart referred to code MMC3 and MMC4 and asked whether it was right that the Leader was the ‘lead director’ for those improvements? Mr Carter explained that he had worked hard to ensure that the Chairmen and Members of the POCs made them more effective; he considered that it was up to the POCs to make themselves more vibrant and more exciting. An Informal Member Group would look at and monitor the progress of the Performance Improvement Plan recommendations. Mr Hart asked whether the Leader of the opposition group would be a more appropriate lead on that area for improvement. Mr Carter stated that the leaders should work together to achieve the objectives.

Mr Truelove referred to code CPB1, he stated that a recent Highways Advisory Board meeting showed that Kent Highways were still showing poor performance when it came to responding to the public, progress was being made but there was still a long way to go. In relation to code OCC2 - Mr Truelove also considered that further thought needed to be given to action to adapt to climate change and congestion within Maidstone town.

Mrs Hohler agreed with Mr Carter and explained that Members of the Communities POC, of which Mrs Hohler was the Chairman, were encouraged to input into the Committee and she had been impressed with a recent meeting of the Children’s Families and Education POC.

Mr Harrison queried code WDD2; the monitoring of that area stated that reports would be made to the Kent Public Service Board and Mr Harrison queried who the Board comprised of. Mr Carter explained that the Board was chaired by himself and included the Chief Executives of all the big public agencies in the county on issues of significant collective importance. The Chairman asked how and when the Board reported to the Council and Mr Carter confirmed that it reported to the Kent Partnership and had to report to the sovereign body with any decisions.

Mrs Dean referred to code MMC1, KCC were asked to ensure that Members had real public engagement and debate with all sections of the community; this was a crucial area for the Council. The evidence of improvement stated that there should be ‘wider implementation of the Neighbourhood Forum model of Local Boards’ and

evidence under code MMB3 stated 'increase in officer support to Local Boards'. Mrs Dean asked about the level of support expected in the new council for the Local Boards, a number of Members considered that the Neighbourhood Forum model was the best in terms of engaging with local Members but there was clearly an issue of resources to support the local boards. Mrs Dean asked the Leader how the issue would be taken forward and how the issue of resources would be resolved. The Leader explained that the Council was in a transition from local boards to predominantly Neighbourhood Forums, it was an evolving process, a budget had been set for officer support, which had been increased and this would have to be reviewed at the end of the year or in the case of a significant crisis where the demands placed on officers were unreasonable. Members should not expect, individually, the same number of hours of officer support as they would do if they were working in a collective of three or four Members.

Mr Simmonds considered that KCC did some excellent work informing its Members but the take up of briefing sessions was often disappointing. Many agendas, such as the CFE POC contained a lot of statutory material which submerged the agenda and often stifled discussion on pressing issues. Mr Simmonds asked that this be considered to allow the POCs to concentrate on significant issues. The Corporate POC was a good model of how the Committees should work. Mr Carter concurred with Mr Simmonds and expressed his view that the CFE POC was trying to do the impossible with the statutory material it had to deal with.

The Chairman referred to code RMC3 under relationship management, the Inspector's comment stated that 'there was a need to strategically manage District Council relationships at senior management level, promoting a better level of trust to make them more effective'. The inspectors comment for RMC4 stated that the Council should 'adopt a less defensive approach to advice and guidance from regulators and local partners on areas of improvement and ways of doing things' Under evidence of improvement for both issues the comment stated that 'we believe this is the way we currently work'. The Chairman queried whether there was a degree of awareness of the way in which the Council was operating? Mr Carter stated that he didn't have to agree with everything the inspector said and he didn't on a number of issues. The relationship with the districts was a good one, and the two tier system did not get in the way, the Council was proud of its achievements.

The Chairman referred to code MMC1 – 'ensure Members have real public engagement and debate with all sections of the community' the evidence stated that 'regular Members attendance at District (s) LSPs' and this would be evident from the Member annual reports. The Chairman asked what structures would be put in place to allow Members to attend the District LSPs and therefore be able to include it in their Member annual report. Also, in terms of the monitoring of the improvement, whether it should include the fact that the LSP papers were available to the Members within the local area that they represent. Mr Carter considered that it might be appropriate for the Member Information Point to network with the LSPs around the county and inform the relevant Members.

Referring to code MMB1 (Members) which was 'ongoing via Inphase', the Chairman asked for more information on Inphase as he was not aware of the system. Mrs Garton explained that Inphase was a new performance management system used to record performance data, it was at an early stage and the new national indicator set, the LAA2 information, and the T2010 information was

currently being entered onto it. It would bring those three elements together to enable to user to drill down to look at the performance of directorates or business units. It was the intention to pilot the system initially with Cabinet Members, in terms of having remote access, and then it could be open to all Members. The Chairman queried whether it would contain real time performance information? Mrs Garton confirmed that where possible it could be 'real' time, more likely quarterly or six monthly, but in most cases the indicators were collected on an annual basis and therefore real time would not be possible. The Chairman asked that if information was being reported to the Cabinet Member, it would also be made available to all Members? Mrs Garton explained that directorates could decide which indicators they would report to their Members and how regularly.

Mrs Law referred to code WDA2, it was surprising that the inspector's comment contained the word 'ambitiously' and Mrs Law asked the Leader whether he considered it a very good aspiration to want to get to level one on the Equality Framework, Mr Carter agreed and the Council was making good progress.

Resolved that:

1. The Cabinet Scrutiny Committee thanked Mr Carter, Mrs Garton and Miss Purvis for their attendance at the meeting and for answering Members' questions;
2. The Cabinet Scrutiny Committee requested that further clarification be added to the Improvement Plan setting out the actions taken to achieve the improvement;
3. The Committee asked that the Performance Improvement Plan be reported back to the Committee in six months time when it was reported to COG and Cabinet.

#### **147. Annual Unit Business Plans 2009/10** (Item. D2)

The Chairman explained that the Committee were being asked to consider which Business Plans to recommend to the future Committee for scrutiny. The following topics were suggested:

1. Kent Highway Services (including street lighting) (Mr Harrison, Mr Horne, Mr R King)
2. The Trading Standards Service (Mr Northey)
3. 14 – 24 Innovation, School Organisation (Mr Horne)
4. Kent Adult Education and KEY Training (Mr Smyth)
5. Supporting Independence Programme (Mr Smyth, Mr Gough)
6. Sport, Leisure and Olympics Service (Mr Truelove)
7. Special Schools Provision (Mr Simmonds)
8. Kent Youth Service (Mrs Dean)
9. How Kent Adult Social Services supplies a spot check service to ensure that elderly people receiving domiciliary care are getting the level of service which is being contracted for and is satisfactory to them. (Mrs Dean)
10. Waste Management (Mr R King)
11. Joint Commissioning and priorities with NHS (Mr Gough)
12. Mental Health (Mr Cope)



Kent Highway Services was a popular suggestion, Members suggested that it include the issue of street lighting, white lines and signage and there was a general consensus that Kent Highway Services would be a priority, with interest expressed in items 2 – 10 above. It was suggested that the HOSC might wish to take on the issue of the Joint Commissioning and priorities with NHS, and the Mental Health Services, Mrs Taylor agreed to consult the Chairman of the HOSC regarding that issue.

Resolved that:

The Cabinet Scrutiny Committee recommend that the future committee might like to consider the above suggestions for scrutiny of the business plans.