

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 2 December 2016

PRESENT: Mr A J King, MBE (Chairman), Mr N J D Chard (Vice-Chairman), Mrs A D Allen, MBE (Substitute for Mrs P A V Stockell), Mrs M E Crabtree, Mr J A Davies, Mrs T Dean, MBE, Mr M Heale, Mr C P D Hoare, Mr L B Ridings, MBE, Mr D Smyth, Mr N S Thandi and Mr J N Wedgbury

ALSO PRESENT: Mr J D Simmonds, MBE, Miss S J Carey and Mr G Cooke

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

253. Apologies and Substitutes

(Item A2)

- (1) Apologies for absence were received from Mr Carter (Leader of the Council), Mr Latchford, Mr Manion and Mrs Stockell.
- (2) Mr Birkby and Mrs Allen attended as substitutes for Mr Latchford and Mr Manion respectively.

254. Declarations of Interest by Members in items on the Agenda

(Item A3)

There were no declarations of interest.

255. Minutes of the meeting held on 8 September 2016

(Item A4)

Resolved that the minutes of the meeting held on 8 September 2016 are correctly recorded and that they be signed by the Chairman.

256. Minutes of the meeting of the Property Sub-Committee held on 29 September 2016

(Item A5)

- (1) Resolved that the minutes of the Property Sub-Committee be noted.
- (2) Mrs Dean said she had welcomed the opportunity to visit the Royal Mail site in Maidstone and that she thought this was a great opportunity to contribute to the development of Maidstone.
- (3) In response to questions Mr Cooke said KCC was working in partnership with Maidstone Borough Council on the future development of the Royal Mail site

and that the next step was to develop a strategic vision for the site that enhanced Maidstone as the county town and protected County Hall. In the short term the site would be used by local charities and additional temporary car parking for staff. He also said British Rail's plans for Maidstone East Station would influence its future development. Mr Cooke hoped to be able to present a report to the Policy and Resources Cabinet Committee in due course.

257. Dates of meetings in 2017/18

(Item A6)

Resolved that the dates of meetings in 2017/18 be noted as follows: Friday 16 June 2017; Friday 15 September 2017; Tuesday 5 December 2017; Friday 2 February 2018; and Friday 16 March 2018.

258. 16/00136 - Annual Equality Report and New Corporate Equality Objectives 2016-2020

(Item B1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which included a summary of the Annual Equality and Diversity Report 2015-16 and asked the Cabinet Committee to review and make recommendations on the draft Equality and Human Rights Policy and Objectives 2016-2020. He also said the policy made it very clear that KCC took equality and diversity issues very seriously
- (2) David Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance) set out the background to the report and its structure. He said there was a requirement to include Equality Impact Assessments in the papers for any key decisions but ways of rationalising the template were being investigated
- (3) Akua Agyepong (Corporate Lead Equality and Diversity) said the draft Equality and Human Rights Policy and Objectives had been developed in consultation with directorates, equality leads, partners and the public and could be considered in three parts with the first part setting out KCC's commitment and vision for equality, diversity and human rights; the second part setting out a clear framework of accountability for the delivery of the policy and its objectives; and the third part setting out KCC's equality objectives.
- (4) In response to queries about the data, Mr Whittle offered to provide a list of data sources but the Committee did not consider this to be necessary.
- (5) In response to comments about the risk of judicial review and the importance of conducting EQiAs before decisions were made, Mr Whittle said that this requirement was implicit in the policy and said the inclusion of a specific reference would be considered in conjunction with Mr Cooke.
- (6) Mrs Agyepong confirmed that HR and other KCC policies enabled men to take paternity leave

- (7) Mr Cooke responded to comments about Eastern European workers and confirmed that KCC did not pay any of its staff less than the minimum wage.
- (8) Resolved that:
 - (a) The Executive Summary of the Annual Equality and Diversity Report 2015-16 be noted;
 - (b) The proposed decision to approve the Equality and Human Rights Policy and Objectives 2016-2020 be endorsed.

259. Strategic and Corporate Services Performance Dashboard

(Item C1)

- (1) Richard Fitzgerald (Business Intelligence Manager – Performance) introduced the report which set out progress made against key targets set for Performance Indicators. He said: the report included data to the end of September; results were generally very good; and for any indicators assessed as “Amber” or “Red” services had provided an explanation for variances from target which was included in the report.
- (2) Ben Watts (General Counsel – Interim) attended the meeting to provide more information about GL03 Data Protection Act Subject Access requests completed within 40 calendar days which has been rated as “Red”. He said that most delays were due to units either not providing information or providing poor quality information and the Information, Resilience and Transparency team were running workshops which included advice on preparing records to save time. He also said that the number of requests for information had increased as had their complexity. For example requests were being received from former care leavers, former students and former employees and it took time to draw information together, particularly as data was held in a variety of ways. Dealing with requests for information also had to be balanced with service delivery.
- (3) Mr Watts said that new data protection regulations would come into effect in 2018 and suggested that the Cabinet Committee received a report considering the impact of those regulations at its meeting on 16 June 2017.
- (4) In response to a question, he said that the authority could be fined by the Information Commissioner for non-compliance with the Act however any response to a challenge by the Commissioner would demonstrate that KCC took providing a full response very seriously and explain the balance between service delivery and providing information.
- (5) Mr Cooke (Cabinet Member for Corporate and Democratic Services) said that the team who co-ordinated responses to Data Protection Subject Access Requests also co-ordinated Freedom of Information responses which was rated as “Green”. He said he did not want the Cabinet Committee to have the impression that this result reflected the team’s commitment as they worked hard in difficult circumstances and delivered 99% of Freedom of Information requests within the target of 20 working days.

- (6) In response to a further question, Mr Fitzgerald said that where delays to the payment of retirement benefits caused hardship interim payments could be made. Mr Davies said the issue had been discussed at the Superannuation Fund Committee where the difficulties recruiting people with the right skills to do this complex work and the effort of the Finance team to fill vacancies had been noted.
- (7) Mr Fitzgerald said the direction of travel column compared performance in the current month with the previous month and that the commentary entitled FP04 on page 78 of the agenda papers referred to FP05 Invoices received on time by Accounts Payable processed within 30 days.
- (8) Resolved that the report be noted.

260. Financial Monitoring

(Item C2)

- (1) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) drew the Cabinet Committee's attention to paragraphs 2.7 and 2.8 of the report. He said it had been a particularly challenging year which was not surprising given the loss of £275m in grants since 2010 and savings made of £0.5 billion over the same period. He said a balanced budget would be produced but the revenue pressures caused by the SEN Home to College Transport as well as the uncertainties about funding from the Home Office to offset the asylum pressure and the ability to balance the Adult Social Care position made this challenging. He was reluctant to introduce draconian measures, such as a blanket ban on recruitment, and he was confident directors would be able to deliver services and savings within the framework set
- (2) Jackie Hansen (Strategic and Corporate Services Directorate Finance Business Partner) introduced the report which set out the September 2016-17 budget monitoring position which had been despatched to Cabinet on 9 November 2016.
- (3) Resolved that the revenue and capital forecast variances from budget for 2016-17 that are in the remit of the Cabinet Committee, based on September monitoring to Cabinet, be noted.

261. Business Services Centre Performance Update and Future Delivery Plans

Mr King said this item would be considered in Part II of the meeting to enable full consideration of the information contained in the exempt appendix.

262. Work Programme

(Item C4)

Resolved that the work programme for 2017 be agreed.

263. Business Planning 2016/17 and 2017/18

(Item D1)

- (1) David Whittle (Director Strategy, Policy, Relationships and Corporate Assurance) and Liz Sanderson (Strategic Business Adviser) introduced the report which reviewed the 2016/17 business planning process and set out the proposed business planning arrangements for 2017/18.
- (2) Mr Whittle apologised for the delay in presenting the report which was normally presented to the Cabinet Committee in September each year.
- (3) Ms Sanderson drew the Cabinet Committee's attention to paragraphs 3.2 and 3.3 of the report which set out the successes of the 2016/17 business planning round and the areas where improvements were required. She also drew attention to the recommendations for the 2017/18 process including the proposals that each business plan would clearly articulate the directorate rather than divisional priorities.
- (4) The proposal to focus on directorate rather than divisional priorities was welcomed.
- (5) Resolved that:
 - (a) The review of the 2016/17 business planning process be noted;
 - (b) The proposed business planning arrangements for 2017/18, as set out in section 3 of the report, be agreed.

264. Chancellor's Autumn Statement - Verbal Update

(Item D2)

- (1) Dave Shipton (Head of Financial Strategy) gave a verbal update on the Chancellor's Autumn Statement. He said there was very little in it that would change KCC's financial plans as the outlook remained exceptionally challenging with flat cash between 2015/16 to 2019/20 (comprising reduced government funding and increased council tax). Authorities would not receive any additional money and rising costs and spending demands would have to be offset through savings.
- (2) The Chancellor had specifically announced there would be no changes to the departmental spending plans announced in the Spending Review last year. The only glimmer of hope was the Chancellor's announcement that £1bn of the savings in these departmental plans would be made available for re-investment by spending departments by 2019/20 but no details were available. If Department of Communities and Local Government agreed, the local government share might be around £300m to £400m (and KCC's share might be £9m to £12m) however this would not happen until 2019/20.
- (3) The Chancellor had announced an increase in the National Living Wage from £7.20 to £7.50 an hour from April 2017 which would have an impact on Kent pay scales for 2017. As part of deciding the Kent pay scheme for 2017 a decision would be needed about whether to match or exceed the National Living Wage. The increase in the National Living Wage would have a bigger impact on some contracted services, especially social care, although this

increase was within the bounds of the estimates presented in KCC's Autumn Budget Statement to County Council on 20 October.

- (4) The Chancellor had announced investments in infrastructure to be funded within the additional borrowing included within the fiscal forecasts in the Autumn Budget Statement. Any other investments would have to be funded within the tax and spend plans. Within the £1.1bn for transport infrastructure "to keep Britain moving" was £200m for traffic "pinch-points" but no detail about accessing the funds had been provided. Other investments would be in digital signalling on railways, housing and broadband. There would be 100% business rate relief on new fibre infrastructure and it was assumed that local authorities would receive commensurate compensation. Local Enterprise Partnerships (LEPs) would benefit from an additional £1.8bn in the Local Growth Fund of which £683m would be available to LEPs across the South West, London and the South East. Mayoral authorities would also have new borrowing powers.
- (5) In the Autumn Statement, the Chancellor had announced lower economic growth forecasts which would impact on tax yields and mean increased government borrowing (in addition to the increased borrowing for infrastructure investments) and that a budget surplus would not be achieved until the next parliament.
- (6) As a result the accumulated net debt would continue to rise (from £1.61tr in 2015-16 to £1.952tr in 2021/22) peaking at 90.2% of GDP in 2017/18. The Chancellor had set new fiscal targets of:
 - a budget surplus to be achieved as early as possible in the next parliament;
 - the net deficit to be less than 2% of GDP by the end of this parliament; and
 - Net debt as a percentage of GDP to be falling by the end of this parliament
- (7) Mr Shipton said that, in essence, the Chancellor had built in scope for even lower economic growth than announced in the Autumn Statement.
- (8) The Chancellor had announced some changes to business rates which needed further evaluation. In particular he had announced changes to the transitional reliefs following the recent re-valuation (which could have an impact on the cost of the rates on KCC's premises and on the overall business rate income from 50% retention). These changes could mean a substantial increase in business rates on larger properties with rateable value over £100k. These properties could also see up to 42% increases in business rates where the rateable value had gone up following the recent re-valuation, and this was much higher than previous transitional arrangements.
- (9) The Chancellor had also announced additional relief for rural businesses (and broadband fibre infrastructure) which could impact on KCC's share of the income; however, it was being assumed the authority would receive compensation in the form of a grant.
- (10) Finally the Chancellor announced that, in future, the main budget (setting out tax and spend plans) would be in the autumn from 2017 onwards and the mid-year consolidation in the spring from 2018 onwards.

- (11) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) said that the County Councils' Network and the Local Government Association had made representations to government about the pressure on social services.
- (12) Resolved that the verbal update be noted.

265. Governance and Law - Commissioning Arrangements - Progress Report
(Item D3)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which provided an update on recent developments and future plans regarding the establishment of the commissioning and governance arrangements.
- (2) Ben Watts (General Counsel – Interim) said it was important to develop a strong intelligent client function, ensure that services that were working well continued to and that any services at less than optimum performance were monitored and improved.
- (3) Resolved that progress regarding the establishment of the commissioning and governance arrangements be noted.

266. Exclusion of the Press and Public

Resolved that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

267. Business Services Centre Performance Update and Future Delivery Plans
(Item C3)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) said that this was the first opportunity for the Cabinet Committee to have an in-depth look at the Business Services Centre (BSC) since the decision had been made to retain the back office functions in-house. He said the BSC had delivered services admirably and was a sound operation, however, there was a need to consider its future and to provide an opportunity for Members to comment.
- (2) Rebecca Spore (Director of Infrastructure) introduced the report which provided an update on the BSC's performance over the first quarter of the financial year 2016/17, highlighted some of the key trends, as well as outlining key business developments and aspects of the future evolution of the service. She also suggested that a further report that would include a business case for the BSC's future be considered by the Cabinet Committee.
- (3) Mrs Spore responded to Members' questions about the market testing conducted prior to the decision to create the BSC and the structures in place to avoid duplication and overlap between the various trading companies owned by KCC.

- (4) It was suggested that the Cabinet Committee received a report considering all income generation activity and providing assurance there was no cross-subsidy.
- (5) Resolved that the current performance of the BSC and the future plans be noted.

268. Invicta Law Progress Report

(Item E1)

Geoff Wild (Chief Executive – Designate) and Hedley Mayor (Finance Director) and Peter Baldock (Financial Analyst) were in attendance for this item

- (1) Miss Carey (Cabinet Member for Commercial and Traded Services introduced the report which provided an in-depth update on progress towards the launch of Invicta Law. She said that the earlier report on Governance and Law – Commissioning Arrangements and this one were two halves of a whole and that she was very proud of the achievements to date. She referred in particular to the fact that KCC was the main shareholder and would remain a significant client of Invicta Law. She congratulated the team on securing approval from the Solicitors Regulation Authority.
- (2) Mr Wild provided answers to detailed questions raised by the Cabinet Committee.
- (3) Resolved that the progress of Invicta Law towards its launch date be noted.