

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 on Thursday, 16 May 2019

PRESENT: Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr R H Bird, Mr T Bond, Mr D L Brazier (Substitute for Mr N J D Chard), Mr G Cooke, Mrs M E Crabtree, Mrs T Dean, MBE, Mr D Farrell, Mr S C Manion (Substitute for Mr I Thomas), Mr D Murphy, Mr M D Payne and Mr H Rayner

ALSO PRESENT: Miss S J Carey, Mr P M Hill, OBE, Mr E E C Hotson and Mr R L H Long, TD

IN ATTENDANCE: Ms R Anderson (Asset Utilisation Lead), Mrs A Beer (Corporate Director of People and Communications), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr R Fitzgerald (Performance Manager), Mr N Roberts (Head of Property Commissioning and Strategy), Mr D Shipton (Head of Finance (Policy, Planning and Strategy)), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel) and Miss E West (Democratic Services Officer)

UNRESTRICTED ITEMS

156. Apologies and Substitutes

(Item 2)

Apologies for absence had been received from Mr Barrington-King, Mr Chard, Mr Oakford and Mr Thomas.

Mr Brazier attended as a substitute for Mr Chard, and Mr Manion attended as a substitute for Mr Thomas.

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

(Item 3)

No declarations of interest were received.

158. Minutes of the meeting held on 8 March 2019

(Item 4)

1. Miss Carey, Cabinet Member for Customers, Communications and Performance, referred to point 1c of item 7 within the Policy and Resources Cabinet Committee minutes of the meeting held on 8 March 2019 and clarified that the majority of Freedom of Information requests contained between 6 to 25 questions within each request.
2. The Chairman confirmed that the information relating to the costs that Kent County Council would incur with regards to the Meopham Library decision would be re-circulated to Members of the Committee.

3. RESOLVED that the minutes of the meeting of the Policy and Resources Cabinet Committee held on 8 March 2019 are correctly recorded and that they be signed by the Chairman.

159. Business Rates Retention

(Item 5)

Mr Shipton (Head of Finance Policy, Planning and Strategy) was in attendance for this item.

1. Mr Shipton introduced the report and presented a series of slides which informed Members of the Committee about the business rate tax base in Kent and how this compared with other authorities in the south east, how the previous and current local government funding arrangements worked, how 50% business rates retention operated within the current funding system, and potential changes to funding baselines and business rates retention in the future.

Mr Shipton then responded to comments and questions from Members, including the following: -

- a) Mr Shipton talked about the different ways in which the Valuation Office Agency (VOA) assessed the rateable value of properties. He referred to the valuation of the Channel Tunnel and said that when the VOA assessed the rateable value, it was likely that they considered the turnover of the business.
- b) Mr Shipton said that the Channel Tunnel was included on the local rating list for Dover District Council and talked about the two rating lists, both local and central, referred to within the report.
- c) Mr Hotson, Cabinet Member for Corporate and Democratic Services talked about the potential diminution of office rental income in Kent. Mr Shipton said that office estate in Kent had always been relatively small when compared to the rest of south-east England with low rateable values.
- d) Mr Shipton said that when the Channel Tunnel was first listed in the 2017 revaluation, its business rateable value increased from £15.4m to £35m, however, the current value on the VOA list was £28m. He emphasised that it was important to focus on the high value premises as they accounted for the majority of business rates in the county.
- e) Mr Shipton talked about the scale of the funding differentials between London authorities and authorities across the rest of the England and how difficult it is to justify these differentials. He said that Kent County Council regularly responded to government consultations and calls for evidence and had consistently challenged these funding differentials as an individual authority.
- f) Mr Shipton said that although consultation results within central government were always published, there was no justification provided to Councils in regard to the decisions that were made relating to funding arrangements. He added that Kent County Council continued to lobby with government to better understand the rationale behind the funding decisions that were being made.

- g) Mr Long, Cabinet Lead for Traded Services, Mrs Crabtree, Deputy Cabinet Member for Finance and Traded Services and Mr Hotson, Cabinet Member for Corporate and Democratic Services expressed their views in relation to the funding differentials between local authorities in England and said that Kent County Council regularly lobbied with government for fairer funding.
- h) Miss Carey, Cabinet Member for Customers, Communications and Performance talked about Kent County Council's Fair Funding Review and the Council's successes that were evident within the review which focused on providing better outcomes and a better future for local government for residents living in Kent. She added that Kent County Council had made significant savings in recent years and emphasised the importance of continuing to lobby with government in relation to fairer funding for local governments.
- i) Mr Shipton talked about the outcome of the 2017 revaluations and said that he could provide a detailed case study to Members of the Committee outside of the meeting which set out information in relation to how the revaluation figures within the tables in the report were calculated.
- j) Mr Shipton referred to the two-tier areas within the centrally retained business rates surpass revenue support grant graph in the report and said that the retained share was split, 80% to the lower tier, 18% to the upper tier and 2% to Fire. He talked about the risks that were associated with the 80%/20% split between lower and upper tier authorities and said that a safety net was in place for local authorities.
- k) Mr Shipton talked about the Fair Funding consultation on relative needs and resources that had been launched by government in December 2018, and in particular, the services proposed to be included within the foundation and service specific blocks. He gave the example of special needs transport which could be included in the foundation formula (with an area cost adjustment for counties similar to Kent where travel distances were greater) or in the children's services block to reflect the specific demographic of individual's with SEN in Kent. He emphasised that the recent consultation had not included any details on how the relative needs for children's services were proposed to be identified.
- l) Mr Shipton said that he would provide further information to Members of the Committee in relation to the Formula Grant calculations which were updated each year and the funding differentials between districts and councils once this information became available.
- m) Mr Shipton confirmed that he would circulate the full version of the slides that had been presented to the Committee outside of the meeting.

2. RESOLVED that the report and the accompanying presentation be noted.

160. Strategic and Corporate Services Performance KPIs 2019/20
(Item 6)

Mr Fitzgerald (Head of Performance & Analytics), Mrs Beer (Corporate Director of People and Communications) and Mr Shipton (Head of Finance Policy, Planning and Strategy) were in attendance for this item.

1. Miss Carey, Cabinet Member for Customers, Communications and Performance, and Mr Fitzgerald introduced the report which set out the proposed indicators which would be reported within the Strategic and Corporate Services Dashboard for 2019/20.

Officers then responded to comments and questions from Members, including the following: -

- a) Mr Fitzgerald emphasised the importance of continuing to regularly monitor trends in changing targets and explained that although some of the key performance indicator targets had increased, there had not been a change in every case.
- b) Mrs Beer referred to the CS01, CS06(a) and CS06(b) key performance indicators within the report and explained the rationale behind the targets that had been set. She added that the targets could adjust further in the future as appropriate.
- c) Mr Shipton referred to the FN01, FN07 and FN08 key performance indicators within the report and explained the rationale behind the targets that had been set. He added that the targets were regularly reviewed, and changes could be made where appropriate.
- d) Mr Watts referred to the GL02 key performance indicator within the report and explained the rationale behind the targets that had been set. He emphasised the importance in recognising the difference between Freedom of Information (FOI) and Environmental Information Regulations (EIR) and said that the indicator could be split to reflect FOI's and EIR's separately.

2. RESOLVED that the report be noted.

161. Strategic and Corporate Services Performance Dashboard *(Item 7)*

Mr Fitzgerald (Head of Performance & Analytics) was in attendance for this item.

1. Mr Fitzgerald introduced the report which showed progress made against targets set for Key Performance Indicators.
2. Members of the Committee thanked Mr Fitzgerald for his hard work and involvement in supporting the Policy and Resources Cabinet Committee and wished him well for the future.
3. RESOLVED that the report be noted.

162. Work Programme 2019/20 *(Item 8)*

RESOLVED that the work programme for 2019/20 be noted.

163. Exclusion of the Press and Public

(Item)

RESOLVED that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business as it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

Exempt Items

(open access to minutes)

164. Oakwood House Asset Review

(Item 9)

Mr Hill (Cabinet Member for Community and Regulatory Services), Ms Anderson (Asset Utilisation Lead) and Mrs Spore (Director of Infrastructure) were in attendance for this item.

1. Mr Hotson, Cabinet Member for Corporate and Democratic Services, introduced the report which updated Members of the Committee on the progress of the initial business case for the proposal and feasibility work for the preferred option.
2. Ms Anderson presented a series of slides to the Committee which set out information relating to the Oakwood House review and the preferred option.

Ms Anderson and Mrs Spore responded to comments and questions from Members, including the following: -

- a) Ms Anderson talked about space requirement, space needs and workflow arrangements.
 - b) Mrs Spore talked about the current condition of Oakwood House as a venue and hotel.
 - c) Mrs Spore confirmed that a report would be submitted to a future meeting of the Committee in relation to Maidstone East.
 - d) Mrs Spore talked about the financial implications highlighted within the business case and the options that had been considered.
3. RESOLVED that the report be noted.

165. Review of KCC Company Ownership and Governance

(Item 10)

Mr Watts (General Counsel) was in attendance for this item.

1. Mr Long, Cabinet Lead for Traded Services, and Mr Watts introduced the report which provided an update in relation to the governance, management and development of the proposed holding company for KCC's wholly owned trading vehicles.
2. Mr Long and Mr Watts then responded to comments and questions from Members.
3. RESOLVED that the report be noted.