

POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 27th September, 2012

9.30 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 27 September 2012, at 9.30 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Denise Fitch**
Telephone: **01622 694269**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (12)

Conservative (10): Mr E E C Hotson (Chairman), Mr J R Bullock, MBE (Vice-Chairman), Mr R W Bayford, Mr A H T Bowles, Ms S J Carey, Mr M J Jarvis, Mr S C Manion, Mr R J Parry, Mr K H Pugh, Mr L B Ridings, MBE, Mr M V Snelling, Mrs P A V Stockell and Mr J N Wedgbury

Liberal Democrat (1): Mrs T Dean

Labour (1) Mr G Cowan

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

Webcasting Notice

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A - Committee Business

- A1 Introduction/Webcast announcement
- A2 Substitutes
- A3 Declarations of Interest by Members in items on the Agenda

A4 Minutes of the meeting held on 11 July 2012 (Pages 1 - 10)

B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

B1 Re-alignment of Commercial Services company structure - Decision 12/07946 (Pages 11 - 26)

B2 Establishing Local Healthwatch in Kent- Decision 12/01943 (Pages 27 - 36)

B3 Sale of development areas 01, 03 & 05, Kings Hill, Village 2 - Decision 12/01955 (Pages 37 - 44)

B4 Sale of development areas 57 Kings Hill, Village 2 - Decision 21/01954 (Pages 45 - 50)

B5 Sale of development areas 62 Kings Hill, Village 2 - Decision 12/01956 (Pages 51 - 56)

B6 Pension Auto Enrolment - Transitional Delay (Pages 57 - 60)

C - Monitoring of Performance

C1 Business Strategy & Support performance dashboard (Pages 61 - 72)

C2 Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio) Financial Monitoring 2012/13 (Pages 73 - 90)

D - other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers

D1 Budget Consultation 2013/14 (Pages 91 - 94)

D2 Kent County Council Equality Policy Statement and Objectives (Pages 95 - 116)

D3 Terms & Conditions Review - Reward Survey (Pages 117 - 142)

D4 HR Restructure (Pages 143 - 156)

D5 Business Planning 2013/14 (Pages 157 - 164)

D6 Broadband Delivery UK (Pages 165 - 170)

D7 Facilities Management Review - Phase 1 Update - Decision 12/01838 (Pages 171 - 180)

Motion to exclude the Press and Public

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

E - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

E1 Goat Lees Primary School - Decision 12/01914 (Pages 181 - 184)

- E2 St Mary's Platt, Sevenoaks - Decision 12/01965 (Pages 185 - 188)
- E3 Capital Programme procurement of external Property Consultancy Services under a new Framework and Associated Contracts- Decision no 12/01964 (Pages 189 - 192)

F - Other items for comment/recommendation to the Leader/Cabinet Member or officers

- F1 New Work Spaces (Pages 193 - 200)
- F2 Dover Christchurch Academy - Decision 12/01902 (Pages 201 - 208)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
(01622) 694002

Wednesday, 19 September 2012

Please note that any background documents referred to in the accompanying papers may be inspected by arrangement with the officer responsible for preparing the relevant report.

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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 Wednesday, 11 July 2012.

PRESENT: Mr E E C Hotson (Chairman), Mr J R Bullock, MBE (Vice-Chairman), Mr R W Bayford, Mr A H T Bowles, Ms S J Carey, Mr D S Daley (Substitute for Mrs T Dean), Mr M J Jarvis, Mr S C Manion, Mr R J Parry, Mr K H Pugh, Mr L B Ridings, MBE, Mr M V Snelling, Mrs P A V Stockell and Mr J N Wedgbury

ALSO PRESENT: Mr P B Carter, Mr R W Gough, Mr A J King, MBE and Mr J D Simmonds

IN ATTENDANCE: Ms A Agyepong (Equalities and Diversity Manager), Mr N Brown (Asset Development and Commissioning Manager), Cheverton (Asset Management Surveyor), Mr D Cockburn (Corporate Director of Business Strategy and Support), Ms D Fitch (Assistant Democratic Services Manager (Policy Overview)), Mr R Fitzgerald (Performance Manager), Mr R Hallett (Head of Finance and Resources - EHW), Ms J Hansen (Finance Business Partner BSS), Ms A Harrison (Regeneration Manager - Growth Areas), Hyland, Mr T Micklewright (Contracts Manager - Pfi), Ms J Van Ruyckevelt (Interim Head of Citizen Engagement for Health), Mr D Shipton (Acting Head of Financial Strategy), Ms R Spore (Director of Property & Infrastructure Support) and Mr A Wood (Corporate Director of Finance and Procurement)

UNRESTRICTED ITEMS

3. Membership

(Item A2)

The Committee noted that Mr L B Ridings, MBE had replaced Mr M C Dance as a Member of the Committee

4. Election of Vice Chairman

(Item A4)

Ms S J Carey proposed and Mr M V Snelling seconded that Mr J R Bullock, MBE be elected Vice Chairman.

Carried

5. Minutes of the Meeting held on 29 March 2012

(Item A6)

RESOLVED that the minutes of the meeting held on 29 March 2012 are correctly recorded and that they be signed by the Chairman as a correct record.

6. Meeting dates 2012 & 2013

(Item A7)

The Committee noted the dates of its meetings for 2012 & 2013 as follows:-

Thursday 27 September 2012

Thursday 22 November 2012

Tuesday 8 January 2013

Thursday 25 April 2013

Thursday 20 June 2013

Wednesday 25 September 2013

Thursday 21 November 2013

7. Facilities Management Review - Decision 12/01838

(Item B1)

(1) Mr Gough and Ms Spore introduced a report on the review of Facilities Management provision which was part of the strategy to delivery of the £10 million of revenue saving allocated against the delivery of 'Total Place' over the next three years. The report outlined the present work taking place to develop a clear Facilities Management strategy across the Council's property portfolio.

(2) Mr Gough and Ms Spore answered questions and noted comments from Members which included the following:

- Members complimented officers on the clear and informative report.
- An assurance was given that the packaging of work into larger tenders would not exclude small local contractors. Ms Spore explained that it was not just about savings but also about achieving a consistent standard of service provision across the estate. Also the scale of the packages needed to be right and appropriate, even in larger packages it was possible to build in a requirement to use local labour. It was important that the packages were set up in the right way so that they did not exclude the local workforce.
- Ms Spore confirmed that a rigorous process had been undertaken to ensure that the right consultant had been secured for this project. The Consultant reported to the Steering Group but was not a member of it as the Steering Group needed to be able to challenge the Consultant.
- In relation to the strategic risks identified, Ms Spore explained that in some areas the margins were very tight and therefore it would be difficult to get the right provider unless the package was put together in the right way.
- Ms Spore confirmed that Finance colleagues attended the meetings of the Steering Group to provide input and were also involved in relation to procurement.

- Regarding Commercial Services, Ms Spore stated that there was a Service Level Agreement for Commercial Services to carry out work in certain buildings but this was small in comparison to the whole estate.
- Ms Spore confirmed that she was happy to share the core recommendations from the Consultant with Members of the Committee.

(3) RESOLVED that the Committee note the principles of the FM review as set out in the report and that before the decision is taken by the Cabinet Member for Business Strategy, Performance and Health Reform to move forward into the implementation stage following the completion of Phase 1, the details on which the Cabinet Member will be taking the decision be circulated to Committee Members and their comments invited.

8. Kings Hill - MOD Boundary Rationalisation

(Item B2a)

(1) Mr Gough and Mr Hyland introduced a report on the transfer/swap of various small land parcels to facilitate the repositioned part of the south east boundary of Kings Hill, adjacent to the bridleway. The proposals would regularise already improved boundary arrangements and maintain the designated bridleway route which was essential to enhance public access around Kings Hill.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member to authorise the transfer/disposal/swap of the respective land parcels necessary for the MOD boundary rationalisation at Kings Hill.

9. Kings Hill - Gas Governor Installation

(Item B2b)

(1) Mr Hyland introduced a report on the granting of a Lease for a peppercorn and the grant of an easement to facilitate essential Gas infrastructure installation. In response to a question from a Member Mr Hyland explained why this was a leasehold rather than a freehold agreement.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member to authorise the lease/easement of the necessary land for the Gas Governor Installation at Kings Hill.

10. Kings Hill - Redevelopment of Toilet Block - Central Area

(Item B2c)

(1) Mr Hyland introduced a report setting out the transfer of land to facilitate the repositioning and redevelopment of the public toilets within the Central Area of Kings Hill. The proposal would facilitate improved circulation arrangements and facilities essential to the enhancement and future of Kings Hill's centre. In response to a question from a Member, Mr Hyland confirmed the costs payable by KCC but stated that these would be less than the enhanced value to KCC from the transfer.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member to authorise the transfer/disposal of part of the Central Area land

and the footprint of the proposed new toilet building to McLagan Investments Ltd (Asda) at Kings Hill and lease land to Liberty Property Limited Partnership.

11. Kings Hill - Area 64 - boundary rationalisation

(Item B2d)

(1) Mr Hyland introduced a report on the transfer back to Kent County Council of various periphery parcels of land to facilitate the provision of landscaping and open space on the west/south boundary of Area 64 Beacon Avenue Kings Hill, adjacent to the co boundary of Village 2, Phase 2 Commercial Area and The Greenway. The proposals would regularise and improve boundary arrangements and make provisions for an attractive footpath route which was essential to enhance public access around Kings Hill.

(2) It was noted that in relation to the type of decisions on Kings Hill considered so far in the meeting further consideration would be given at the appropriate time as to which decisions were “significant” decisions which should come to this Committee prior to the Cabinet Member taking the decision.

(3) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member to authorise the transfer and receipt of the respective land parcels in Area 64 of Kings Hill necessary for good design and estate management.

12. Business Strategy & Support performance dashboard

(Item C1)

(1) Mr Gough introduced the Business Strategy & Support performance dashboard which provided Members with progress against targets set in the current financial year’s business plans for key performance and activity indicators.

(2) Mr Gough, Mr Hallett and Mr Fitzgerald answered questions and noted comments from Members which included the following:

- It was suggested that a more detailed consideration of the dashboard was needed than was possible in this meeting.
- Mr Hallett referred to the Enterprise Resource Planning which had been demonstrated at the previous meeting, Phase 2 was being developed to automate Performance and Data information.
- A Member expressed a preference for hard figures rather than percentages.
- In response to a question Mr Simmonds explained that the grants from Europe were expressed in euro’s as the grant was awarded in this currency.
- It was suggested that in relation to the red areas the objective of the report should be to set out ways in which the area could be improved.
- In relation to a question on the level of rent collected, Ms Spore explained that this would improve as a result to the centralisation of property management. She confirmed that rents were being collected. The issue was the system behind the rent collection and how it fed into the Performance Indicator, work was being carried out to address this.
- It was suggested that there could be an indicator on rent reviews showing any that were behind.

- There was some discussion around the target relating to temporary/modular classrooms.
- It was suggested that the report should include the name of the accountable officer against each of the targets and in the case of those that were red the timeline for improvement.
- In relation to Freedom of Information enquiries, Mr Gough acknowledged the need to get popularly requested data onto the website.

(3) RESOLVED that the report be noted and that a few Members from this Committee meet with Officers and the relevant Cabinet Member(s) to review the appropriateness and relevance of the indicators currently included in the dashboard for this Committee.

13. Business Plan outturn monitoring 2011/12

(Item C2)

(1) Mr Gough introduced the 2011/12 Business Plan outturn monitoring which provided highlights of the achievements in the year 2011/12 for the Business Strategy and Support Directorate.

(2) RESOLVED that the report be noted.

14. Business Strategy & Support Directorate Financial Outturn 2011/12

(Item C3)

(1) Mr Simmonds introduced a report which summarised the 2011/12 financial outturn for each of the A-Z budget lines within the Business Strategy and Support Directorate.

(2) RESOLVED that the report on the revenue and capital financial outturn for 2011/12 including rollovers for committed projects and changes to the capital programme due to re-phasing be noted.

15. Budget Consultation

(Item C4)

(1) Mr Simmonds and Mr Wood presented a paper which set out the proposed consultation and communication strategy for the 2013/14 Budget. It was proposed to carry out formal consultation much earlier than in previous years allowing longer to engage with Kent residents and more time for Cabinet and Cabinet Committees to consider the responses.

(2) Mr Simmonds, Mr Wood and Mr Shipton answered questions and noted comments from Members which included the following:

- Mr Shipton confirmed that the intention was to publish a formal document in September which restated the current budget in an understandable format along with budget proposals and to invite comments from the public. The

comments would then be taken to Cabinet in December for a formal response to the points made.

- Mr Simmonds confirmed that he was happy to receive Members thoughts on the consultation and documentation. He also referred to the role of Local Members making people in their area aware of the consultation and how the budget affected them. Locality Boards would also be involved in this process.
- Mr Wood pointed out that there would be a lot of information that would not be available when we went out to consultation such as the level of Government Grant which would not be known until December 2012, also the impact of the localisation of Council Tax benefit and the level of allocation of localised business rates. Therefore it was not possible for the consultation document to contain definite figures.
- The importance of asking people the right questions in relation to the budget in order to get the most helpful responses was emphasised.
- The use of independent focus groups was welcomed.
- It was suggested that Parish Councils were a good way of getting the message across about the consultation and seeking the widest response, but it was noted that the urban areas were not parished, so it was important that this was covered in area forums as well.
- Regarding the cost of the consultation, Mr Shipton confirmed that this would be an additional cost as the unit had taken a saving in 2011/12 for consultation and therefore this would need to be funded from other savings.
- It was suggested that when the budget was launched it was important that the public realised that this was not just about money but also about transformational change achieving savings.

(3) RESOLVED That (a) the Communication and Consultation strategy outlined in section 3 to the report and the comments made by Members on the formal response to the Cabinet in December be noted and (b) an IMG be established to assist with the development of the Budget, Membership of the IMG to be Mr Hotson, Mr Parry, Mrs Stockell, Mr Ridings, Mr Cowan and Mrs Dean.

16. Establishing Kent Local Healthwatch

(Item D1)

(1) Mr Gough and Ms Van Ruyckevelt introduced a paper which outlined the progress to date of work being undertaken to ensure the successful establishment of Kent Local Healthwatch by April 2013.

(2) Mr Gough and Ms Van Ruyckevelt answered questions and noted comments from Members which included the following:

- In response to a question about the current volunteers view of Healthwatch, Ms Van Ruyckevelt stated that there had been a lot of interest from those involved in LINKs etc about the new model for Healthwatch. Mr Gough assured Members that it was intended to work closely with the LINK to ensure that the knowledge and skills of LINK members was not lost.
- In response to a question Mr Gough stated that at the moment there was a lot of data relating to services held in different areas, what would make a difference was if this was used effectively to shape commissioning decisions. He confirmed that Healthwatch was a statutory body and part of the decision making process.

- A Member expressed concern about the regular changes in the voluntary sector which supported the Health Service and the detrimental effect that this had on the work of Health Service volunteers. It would be good if at the national level the health service could be allowed to have a period of organisational stability in order for changes to bed down.
- Members referred to the good work that Community Health Councils (CHC's) had done and expressed a regret that these had been disbanded. CHC's were a good model for constructive voluntary input into the health service and if possible the way in which they worked should be used to inform the development of Healthwatch.

(3) RESOLVED that (a) the work currently underway and the proposed strategic direction be noted and (b) the proposal to submit the final strategic approach to the Policy and Resources Cabinet Committee in September prior to the decision being taken by the Cabinet Member be noted.

17. Kent County Council - Equality Objectives

(Item D2)

(1) Mr Charman and Ms Agyepong introduced a report on the Public Sector Equality Duty under the Equality Act 2010 which came into force in April 2011, which set out the requirements for public bodies under this duty. The report also gave details of the guidance issued in October 2011 by the Government Equality on what public bodies are expected to publish in order to show how they meet the Duty.

(2) Mr Charman and Ms Agyepong answered questions and noted comments from Members which included the following:

- Ms Agyepong stated that the biggest challenge for an organisation was to establish where equalities fitted into their work. Every decision that the County Council makes must have regard to their duty under the Equalities Act. If the County Council was challenged on its decision making we must be able to demonstrate that we have complied with our Equalities duties.
- In response to question Mr Charman stated that in relation to how we consult and engage there were always areas where we could improve.
- Ms Agyepong explained that in preparation for the report to the September meeting work would be carried out to analyse the results from the consultation over the summer.

(3) RESOLVED that (a) the comments made by Members on the proposed equality policy statement and objectives be noted; and (b) the consultation process, in order to meet the legislative requirements and to mitigate the risk of not meeting the requirement of the specific duties, be noted and the Committee receive at their September meeting the objectives following consultation.

18. Exclusion of the Press and Public

RESOLVED: That under Section 100A of the Local Government Act 1972 the public be excluded from the meeting for the following business on the grounds that it

involves the likely disclosure of Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

19. Sittingbourne Community facility - Decision 11/01794

(Item E1)

(1) Mr Gough and Ms Spore introduced a report which set out a number of large scale regeneration schemes which were currently proposed for Sittingbourne town centre. The report updated the Committee on the current proposals.

(2) Mr Gough and Ms Spore answered questions and noted comments from Members.

(3) RESOLVED That the Committee endorse the decision to be taken by the Cabinet Member for Business Strategy, Performance and Health Reform to enter into the necessary agreements for the Sittingbourne Community Facility.

(Mr A H T Bowles declared an interest as Leader of Swale Borough Council which was co-sponsor of the project).

20. Finalising the Procurement of External Services in the Day to Day Management of Oakwood House -Decision 12/1836

(Item E2)

(1) Mr Pugh and Ms Spore introduced a report and answered questions from Members on the arrangements for the procurement of external services for the day to day management of Oakwood House.

(2) RESOLVED that when available the details of the scheme be considered by a small group of Members from this Committee and they make recommendations or endorse, on behalf of the Committee, the decision to be taken by the Cabinet Member for Business Strategy, Performance and Health Reform to appoint the successful contractor of external services in the day to day management and service delivery of Oakwood House.

21. Margate Housing Initiative - Decision 12/01910

(Item E3)

(1) Mr Gough and Ms Spore presented and answered questions from Members on a report which outlined the programme for delivery of the Margate Housing Intervention programme at Cliftonville West and Margate Central.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Members for Business Strategy, Performance and Health Reform in consultation with the Cabinet Member for Customer and Communities to enter into a collaboration agreement with Thanet District Council to enable the progression of the KCC Margate Housing Initiative pilot project and at a future meeting of the Committee there be an update report on this Initiative, including Hotel Leslie.

22. Kent County Council / Kier Initiative - Decision 12/01911

(Item E4)

(1) Mr Gough and Ms Spore introduced a report which set out the detailed proposal to develop housing schemes upon latent KCC sites to realise capital and generate income for KCC, stimulate the housing market and promote growth of the Kent economy. They answered questions from Members and noted comments made.

(2) RESOLVED that the Policy and Resources Committee endorse the decision to be taken by Cabinet Member of Business Strategy, Performance and Health Reform to enter into the necessary contractual documentation for the KCC/Kier housing initiative project.

23. Kings Hill - Ransom Strip Serving Area F1

(Item E5)

(1) Mr Gough and Ms Harrison introduced a report which set out proposals for the sale of access over land adjacent to Area F1.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member to authorise the sale of access over land adjacent to Area F1 (subject to contract) which was necessary to progress planned development at Kings Hill.

24. To agree to the disposal of a miscellanea of premises known as Wrens Cross, Maidstone

(Item E6)

(1) Mr Gough submitted a report on the disposal of various premises known as Wrens Cross Maidstone.

(2) RESOLVED that the Committee endorse the decision to be taken by the Cabinet Member for Business Strategy, Performance and Health Reform to agree the terms of a sale of the site known as Wrens Cross, Maidstone on the terms recommended in section 4 of the report.

(Mr D Daley, Mr E E C Hotson and Mrs P V A Stockell declared an interest as Members of Maidstone Borough Council and took part in the discussion and decision)

25. District approach to re-provision of capital projects linked to disposals - Decision 12/01837

(Item F1)

(1) Mr Gough and Mr Cheverton introduced a report which outlined the opportunities to pool vacant and disused surplus assets in a locality to support the delivery of capital projects and answered questions from Members.

(2) RESOLVED that the proposed direction of travel in relation to the District approach to re-provision of capital projects linked to disposals be noted.

From: Bryan Sweetland, Cabinet Member for Environment, Highways and Waste
 Mike Austerberry, Corporate Director, Environment and Enterprise
 Ian McPherson, Managing Director, Commercial Services

To: Policy and Resources Committee, 27 September 2012

Subject: Re-alignment of Commercial Services company structure

Classification: Unrestricted

Summary: Following an independent review and consideration by the Governing Board for Commercial Services, a number of changes are taking place in the management, operations and company structure of Commercial Services.

Recommendations:

- i) The Policy and Resources Cabinet Committee is asked to comment on the paper and endorse the actions being taken to change and improve the management, governance and operations of Commercial Services.
- ii) The Cabinet Committee is asked to note and endorse that the Cabinet Member for Environment, Highways and Waste, the Cabinet Member for Business Strategy, Performance and Health Reform and the Corporate Director, Environment, Highways and Waste propose to take formal decisions in relation to the formation of new companies; the transfer of existing KCC employees to such companies; and the entering into of all necessary leasehold and other agreements to give effect to these arrangements.
- iii) All subject to the terms of the KCC Constitution and the Articles of Association of the Company.

1. Introduction

1.1 Commercial Services (CS) is a non-budget funded division of the County Council, which funds itself from the income generated by its own activities. It is largely, and increasingly, focused on trading outside Kent, and made a net return to KCC central funds of £7m in May this year.

1.2 The County Council's policy document Bold Steps for Kent set out the need for new approaches to meet the financial challenges facing local government. In this context the Cabinet Member for Environment, Highways and Waste and Corporate Director Environment, Highways & Waste last year commissioned an external appraisal of the management, operations, governance and future business potential of Commercial Services.

1.3 This independent review recognised the value that Commercial Services added to the County Council and made a number of recommendations concerning changes and improvements to governance arrangements and clarification of the

legal and governance relationship between KCC and Commercial Services. It has also provided valuable advice on areas of current and future business with the greatest potential profitability and sustainability, in order to underpin and strengthen future income returns to KCC.

1.4 The County Council meeting in December last year approved a proposal to establish a Board of Cabinet Members and senior officers to manage Commercial Services, and to ensure a proper separation between ‘decider’ and ‘provider’ which had the potential to become blurred under the existing arrangements. The Board has met a number of times and worked through the recommendations of the independent report. A status report is attached as **Appendix 1** to this paper.

1.5 The objective has been twofold. Firstly to make Commercial Services a leaner, more efficient business, better equipped to compete in challenging conditions. Secondly, to ensure that it operates properly at “arms length” from KCC with an appropriate company structure. It is proposed to simplify its current complex operating model of five companies to two specific company structures as set out below.

1.6 These company changes will pre-emptively address the risk of any challenge under current and forthcoming public sector trading regulations which the government has indicated it may introduce to ensure local authorities do not use their public status to gain commercial advantage over the private sector. They will also ensure the total transparency of future business operations and the profit and loss of Commercial Services.

2. Proposals

2.1 The transformation programme is reconfiguring the current 26 disparate business units into five client-facing divisions. These new business divisions will act under the auspices of the two new legal entities, rather than under the current five limited company structure.

2.2 The new business divisions will cover the areas of Education, Energy, Care, Employment and Direct Services with the sole purpose of returning an income dividend to the Council at no cost.

2.3 The proposed changes to the company structure, and the entering into of various leasehold and other agreements, require various formal Cabinet Member and officer decisions. The proposal is to simplify the current operating model from managing under five limited companies to two specific company structures. One will be a “Teckal” compliant company, which will trade exclusively with the County Council, and the other a “Section 95” company, which will enable Commercial Services to trade with the wider public and private sectors under the auspices of Section 95 of the Local Government Act.

2.4 A more detailed note on these two types of company is attached as **Appendix 2** to this paper.

2.5 “Driving Economic Prosperity” is a key theme of Bold Steps for Kent. These proposals will enable KCC to be confident of, and to demonstrate, the existence of a level playing field with the private sector, and that it is operating on the same principles as its private sector competitors to deliver maximum benefit to its shareholder, Kent County Council, and the people of Kent.

2.6 The review has confirmed the direction of travel for local authority trading, which will encourage a greater use of company vehicles than is common at present. It is considered likely that trading without using a company is probably only possible under government regulations in the short to medium term. The recommendations in this paper address this advice, which it is proposed be implemented now, subject to the Cabinet Member for Environment, Highways and Waste, the Cabinet Member for Business Strategy, Performance and Health Reform and the Corporate Director, Environment, Highways and Waste taking the necessary formal decisions. Such companies will remain totally under the direct control of KCC.

2.7 All KCC staff currently employed by CS will transfer to Commercial Services Kent Ltd (CSK Ltd - the ‘Teckal’ company) on their existing terms with no degradation to either working practice or pension. New joiners, including future appointments to the Executive Team, will move to different, more-private-sector orientated employment terms.

2.8 Private sector trading will be focused more clearly on the Section 95 (non Teckal) company, to be named Commercial Services Trading Ltd, and the premises from which this arm operates must allow such commercial activity to be undertaken.

2.9 To achieve this Commercial Services will change the name and the Articles of Association of the existing wholly-owned company Kent County Supplies Ltd to form the Teckal company, and will change the name of the existing wholly-owned company Kent County Facilities Ltd to form the Section 95 company. The remaining three companies will be dissolved as soon as is practicable. The new company names are subject to approval by Companies House. Simultaneously a relocation of headquarters functions to different premises will allow CS to operate more efficiently and effectively.

3. Financial Implications

3.1 This will be a cost neutral action. As a “Teckal” company, CSK Ltd will provide the manpower and expertise to deliver services to KCC, providing a managed service to KCC to enable it to trade to meet the needs of its general interest. As such, CSK Ltd is not designed to generate a profit (all profit being made by KCC). Furthermore this will allow the regularisation of the property relationship between KCC and CS.

4. Staffing Implications

4.1 A full staff consultation will be undertaken on the TUPE transfer of all existing KCC staff employed by CS to the limited company. TUPE regulations

ensure that the existing employment terms, and pension provision, of staff transferring to a new provider are protected and there will therefore be no adverse impact on transferees. CSK Ltd will obtain admitted body status to the Local Government Pension Scheme in order to provide for the transferred-in pensions.

5. Equalities Impact Assessment

5.1 Initial screening reveals no further action is required. A report on the assessment is at **Appendix 3**.

6. Legal Implications

6.1 The specialist Articles of Association for the new “Teckal” company have been reviewed by the Director of Governance and Law and will be refined to fully meet KCC requirements.

7. Conclusion

7.1 The establishment of the two new limited companies will meet the aims of “Bold Steps for Kent”, protect KCC from the impact of anticipated legislation and will enable Commercial Services in future to operate more effectively, efficiently and transparently creating a more viable and sustainable business platform.

Background Documents

Appendix 1: Transformation programme recommendations status report

Appendix 2: Briefing note – Teckal vs Section 95 companies

Appendix 3: Equalities Impact Assessment

Ian McPherson
Managing Director, Commercial Services
Gibson Drive, West Malling
Tel: 5352 (01622 605352)

APPENDIX 1 - PROGRESS REPORT - BDO/EVERSHEDS STRATEGIC REVIEW OF COMMERCIAL SERVICES

SERIAL	ANALYSIS	RECOMMENDATIONS	CURRENT SITUATION
1	<p>STRUCTURE:</p> <p>The structure of Kent Commercial Services is unnecessarily complex and not fit for purpose.</p>	<p>Formally constitute a stand alone business as an Arms Length Organisation and under the parent body form two discrete Limited Companies one Teckal compliant the other in open competition.</p>	<p>This change has been prepared and is the subject of a paper to the Policy and Resources Committee prior to a formal Cabinet Member decision.</p>
2	<p>REPORTING LINES:</p> <p>CS must have clear and distinct reporting lines.</p>	<p>CS should be realigned to report to the Deputy Managing Director to whom it should be responsible for meeting KCC targets.</p>	<p>Since this report was written the senior organisational structure has changed and the Governing Board agreed the Managing Director of CS should report to Mike Austerberry.</p>
3	<p>GOVERNANCE:</p> <p>CS's current Governance arrangements are part of the overall Governance arrangements of KCC.</p> <p>CS to have a clearly separate and distinguishable Governance arrangement that mirrors good commercial practice.</p>	<p>CS should be realigned to report through the appropriate Portfolio holder advised by a Governing Board.</p>	<p>The full County Council in December 2012 approved the establishment of a Governing Board of Cabinet Members and Senior Officers to oversee Commercial Services. The Board is in place and had met a number of times to review and advise on current and future strategic direction of CS.</p>

SERIAL	ANALYSIS	RECOMMENDATIONS	CURRENT SITUATION
4	<p>THE EXECUTIVE:</p> <p>The Executive of CS needs to be appropriately structured to enable it to drive the organisation forward and react to the Direction of an established governing board</p>	<p>An appropriately robust Executive should be established.</p> <p>This executive should be formed and in place by no later than April 2012. The final organisational structure, to sustain the organisation, should form part of the independent review of the trading arms, informed by the size and construct of the final organisation following the transition. This executive should manage the transformation from CS current position to the new redesigned organisational structure.</p>	<p>A new executive has been put in place and the new Managing Director recruited following appointment by the panel of Personnel Committee.</p>
5	<p>RELATIONSHIP WITH OTHER PUBLIC SECTOR BODIES:</p> <p>The relationship with CBC, Pro 5 and other public sector trading bodies & commercial operations should be aligned to ensure that the roles of KCC and CS are separated.</p>	<p>The newly appointed Head of Procurement (HOP) to manage the relationship on behalf of KCC which must be separate from the affiliation with CS.</p>	<p>This action has been completed and the roles of KCC and CS are separate.</p>
6	<p>EU AND REGULATORY COMPLIANCE:</p> <p>CS must ensure ongoing compliance with regulations both internal and external (EC and as defined in English law)</p>	<p>The relationship and responsibility should be between the MD of CS and the HOP and that this ensures all CS commercial operations going forward are carried out in accordance with relevant and future anticipated regulations.</p>	<p>This recommendation has been implemented.</p>

SERIAL	ANALYSIS	RECOMMENDATIONS	CURRENT SITUATION
7	<p>SERVICE LEVEL AGREEMENTS:</p> <p>The current SLA's need to be fit for purpose and properly describe the relationships between Directorates and CS</p>	<p>That the Council fully adopts the role of Intelligent Customer and appropriate, balanced and agreed SLAs are drafted, agreed and implemented. A Programme of regular review (annual) is established under the auspices of KCC Head of Procurement.</p>	<p>This recommendation is an ongoing one and is being actioned jointly by the MD of CS and the Head Of Procurement for KCC.</p>
8	<p>BUSINESS RELATIONSHIPS:</p> <p>Currently all sales to KCC are subject to a collective profitability rebate to the Council. This situation leads to suspicion and, in some cases, open hostility towards CS.</p>	<p>Rebates to Directorates are applied based upon sales. Overall rebates to the Authority are adjusted accordingly and Directorate budgets aligned. A simplified method of accounting should be adopted.</p>	<p>A number of rebate issues have been addressed and those that remain will be managed in the most simplified manner.</p>
9	<p>Financial Relationship between CS and KCC:</p> <p>Different accounting systems clearly separate the finances of CS and KCC, however greater clarity is needed in some areas.</p>	<p>Focus effort on clarifying the blurred lines between Kent CC and CS this will become clear with the establishment of an arms length organization and should address the issues around premises arrangements.</p>	<p>Financial relationships are now clear and a clear business plan process for a commercial concern has been adopted and is subject to external review.</p>

APPENDIX 1 - PROGRESS REPORT - BDO/EVERSHEDS STRATEGIC REVIEW OF COMMERCIAL SERVICES

SERIAL	ANALYSIS	RECOMMENDATIONS	CURRENT SITUATION
10	<p>Risk:</p> <p>Good practice would require a stand alone risk policy which is relevant and applicable to a commercial arm.</p>	<p>CS to draft an appropriate risk policy which should be communicated to all staff.</p>	<p>A risk policy is being drafted and will be in place by the end of the FY.</p>
11	<p>Audit:</p> <p>The Audit process is disjointed and takes no account of the commercial activity undertaken by CS</p>	<p>CS is in the process of recruiting an appropriately qualified Audit team of 2 to be responsible for the ongoing Audit function. The auditors, once in post, must be responsible for the Audit and risk functions described later in the detail of this report and they should be accountable from a technical compliance perspective to the Head of Audit and Risk of KCC.</p>	<p>A new internal Head of Audit is in post and relationships with the KCC Head of Internal Audit have been established and terms of reference agreed.</p>
12	<p>LEGAL:</p> <p>At present the arrangements are not sufficiently transparent to demonstrate the commerciality of the arrangements between the Council and the corporate trading entities.</p>	<p>Any entities that are in place should be properly defined, constituted and able to act.</p>	<p>This is being addressed by the formation of the structure recommended to the Policy and Resources Committee, prior to formal Cabinet Member decision.</p>

APPENDIX 1 - PROGRESS REPORT - BDO/EVERSHEDS STRATEGIC REVIEW OF COMMERCIAL SERVICES

SERIAL	ANALYSIS	RECOMMENDATIONS	CURRENT SITUATION
13	<p>DETAILED REVIEW OF COMMERCIAL SERVICES:</p> <p>A root and branch review of Commercial Services should be undertaken to include all of its operating arms</p>	<p>The current 26 business units are not properly aligned, some are not fit for purpose and some run in conflict from the requirements of the parent organization (KCC). This root and branch review using the ROAD© process and should report back with a detailed report which will inform the future structure to be implemented by the revised Management Executive by no later than Apr 2013.</p>	<p>The reviews have been under taken on each area of business and the recommendations of each of these reviews is being considered by the Board and the advice forthcoming is being implemented by the newly appointed Executive.</p>

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APPENDIX 2

The "Teckal" Principle

It is a well-established principle of EU procurement law that the open advertising and tendering rules for public contracts do not apply where a public body obtains services from "in-house" sources.

Basic law is that any public body in the EU wishing to obtain services from the private sector has to comply with public procurement rules, which require open and non-discriminatory advertising, tendering, and contract award. As a generally-accepted rule, a public body does not have to comply with public procurement rules where it is only utilising its own internal resources to satisfy its requirements.

Furthermore if a public body wishes to obtain services from another public body this is provided for under what is known as the "Teckal" ruling, where, for the first time the European Court of Justice held that a public body could bypass the EU procurement rules and directly enter into a contract with a service provider so long as:

- the public body controls the service provider in question as if it was that public body's own department; and
- the service provider in question carries out the essential part of its activities with the contracting authority which controls that entity.

The Teckal exemption allows contracting authorities a greater scope of cooperation amongst themselves without having to rely on a much narrower, existing exemption which applies only where services were provided by a contracting authority based on certain exclusive rights held by that contracting authority.

The question of ownership is not alone decisive in determining whether the requisite level of control is exercised over the proposed service provider by a contracting authority:

- any private sector part-ownership (no matter how minor the stake is) of the proposed service provider is likely to defeat the application of the Teckal exemption;
- the Teckal exemption could still apply even where multiple contracting authorities share the control over the proposed service provider; and
- the controlling contracting authority must possess "a power of decisive influence over both strategic objectives and significant decisions" over the proposed service provider for the Teckal exemption to apply (i.e., the more independently the entity in question is able to act, the less likely it is for the Teckal exemption to apply).

Section 95 of the Local Government Act 2003

Section 95 of the Local Government Act 2003 provides specifically for Local Authorities to take part in trading activities with other public and private sector bodies, and to do “for a commercial purpose anything which they are authorised to do for the purposes of carrying on any of their ordinary functions”.

The act makes further provision that the commercial trading can only be undertaken via a company regulated by both the Companies Acts and Part V of the Local Government and Housing Act 1989.

This provision is to ensure that:

- to make it a level playing field, as most competitors will usually be companies;
- for tax reasons, as local authorities would otherwise have a tax advantage over the competition;
- to ensure compliance with EU Competition Rules - if there is a requirement for a company it is easier to keep it all separate and transparent; and:
- to comply with state aid rules.

**KENT COUNTY COUNCIL
EQUALITY IMPACT ASSESSMENT**

Initial Screening

Directorate: Commercial Services

Name of Service
Commercial Services

Type
Proposed transfer (TUPE) of staff to Commercial Services Kent Ltd

Responsible Owner/ Senior Officer
David Jackson, Planning Director

Completed by: Robert Palmer (Head of HR)

Date of Initial Screening
6 September 2012

Version	Author	Date	Comment
V01	Robert Palmer	06.09.12	

Screening Grid

Characteristic	Could this policy, procedure, project or service affect this group differently from others in Kent? YES/NO	Could this policy, procedure, project or service promote equal opportunities for this group? YES/NO	Assessment of potential impact HIGH/MEDIUM/LOW/ NONE/UNKNOWN		Provide details: a) Is internal action required? If yes, why? b) Is further assessment required? If yes, why? c) Explain how good practice can promote equal opportunities
			Positive	Negative	
Age	No	No	None	None	<p>No internal action is required and no further assessment is required.</p> <p>It is not envisaged that there will be any impact as a result of the transfer of staff to the new private companies.</p> <p>A full EqiA is not required at this time.</p>
Disability	No	No	None	None	
Gender	No	No	None	None	
Gender identity	No	No	None	None	
Race	No	No	None	None	
Religion or belief	No	No	None	None	
Sexual orientation	No	No	None	None	
Pregnancy and maternity	No	No	None	None	

Part 1: INITIAL SCREENING

Context

A review of KCC Commercial Services concluded that the commercial operations of KCC that are operated by Commercial Services needed to be more 'arms length' to KCC. The review recommended the creation of two new limited companies that would trade as Commercial Services and by which the staff who work for Commercial Services would be employed.

Aims and Objectives

Proposed creation of two new limited companies that are arms length to (but wholly owned by) Kent County Council. These new companies would employ all of the staff within Commercial Services. The staff who transfer would be protected by the Transfer of Undertakings (Protection of Employment) Regulations 2006 "TUPE".

Beneficiaries

KCC is the direct beneficiary as Commercial Services will be compliant in its trading activity with a clear line of separation from KCC.

Consultation and data

Informal consultation with staff and unions commenced in August 2012 and will continue until the point of transfer.

Managers are in continual dialogue with their staff, linking in with CS HR as necessary for guidance and support.

Potential Impact

Initial screening notes that service users will not be affected by this TUPE transfer.

At this stage it is considered that the transfer of staff to the private companies will not have an impact on any of the protected characteristics.

No information has arisen from early engagement with staff to suggest that any other protected group will be disproportionately impacted.

JUDGEMENT

Option 1 – Screening Sufficient

YES

Following this initial screening our judgement is that no further action is required.

Justification:

There is sufficient information at this time to indicate that no further action is required.

Option 2 – Internal Action Required

YES/NO

Option 3 – Full Impact Assessment

YES/NO

Only go to full impact assessment if an adverse impact has been identified that will need to undertake further analysis, consultation and action

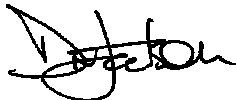
Equality and Diversity Team Comments

Sign Off

I have noted the content of the equality impact assessment and agree the actions to mitigate the adverse impact(s) that have been identified.

Senior Officer

Signed:



Name: David Jackson

Job Title:

Planning Director,
Commercial Services

Date: 11/9/2012

DMT Member

Signed:



Name: Ian McPherson

Job Title:

Managing Director,
Commercial Services

Date: 11/9/2012

By: Roger Gough, Cabinet Member for Business Strategy, Performance & Health Reform

To: Policy and Resources Cabinet Committee – 27th September 2012

Subject: Establishing Local Healthwatch in Kent

Classification: Unrestricted

Summary

This paper outlines the progress on the programme of work being undertaken to ensure the successful establishment of Local Healthwatch (LHW) in Kent by April 2013. It sets out the strategic approach to developing the model and outlines the key stages in ensuring successful delivery of the new requirements.

The proposed approach has been submitted to, and further developed from the feedback from the Corporate Board Meeting (16th April 2012), the Cabinet Members Meeting (14th May 2012), the Policy and Resources Committee (11th July 2012) and the Corporate Board Meeting (3rd September 2012).

This paper outlines the current position regarding the development of the local Healthwatch – taking into account previous feedback - and the move towards procurement.

The Policy and Resources Cabinet Committee is asked to note the content of the report and endorse the next steps as outlined, in order to move to procurement.

1. Introduction

The future vision for health and social care, as outlined in the Health and Social Care Act 2012, is to modernise the NHS so that it is clinically led and built around and focused on users of services. One of the main ways of strengthening the user's voice is the creation of a new consumer champion – Healthwatch.

Local Involvement Networks (LINKs) will be formally replaced by Local Healthwatch (LHW) Organisations in 2013. LHW will also take on additional responsibilities including signposting to services, possibly providing advocacy support and participating in decision-making via membership on the Health and Wellbeing Board.

Localism is critical and each local authority is responsible for commissioning a LHW Organisation that most successfully meets local requirements. They therefore have flexibility and choice over the organisational form for local

Healthwatch, to determine the most appropriate way to meet the needs of their communities.

The key requirements are that LHW organisations must be:

- corporate bodies carrying out statutory functions
- not-for-profit organisations
- able to employ staff and (if they choose) be able to sub-contract statutory functions.

LHW will be able to raise concerns about the quality of services with local CQC staff and will be able to request special reviews via Healthwatch England (HWE), which will be a statutory committee of the Care Quality Commission (CQC). HWE will be able to escalate concerns about health and social care services raised by local HealthWatch to CQC.

Kent LHW will be commissioned by and accountable to but operate independently to Kent County Council. The role of KCC is therefore complex as it will:

- fund and hold Kent LHW to account for its efficiency and effectiveness, in conjunction with Healthwatch England, where necessary
- have increasingly important influence on the health and wellbeing of its population
- continue to commission and provide services about which Kent LHW may wish to comment/challenge

2. Financial Implications

Costs to set up Kent LHW have been provided through two Department of Health grants - £78k designated as start-up costs and a pathfinder grant of £5k. £90k was also taken back into KCC from the LINK under-spend of 2011-12

The Department of Health has issued indicative budgets to fund LHW functions from 2013. Further clarification will be provided in November/December 2012 with final allocations to be made known in January/February 2013.

The current figures given for Kent County Council are:

Funding for the citizen engagement/consumer champion role (currently provided to fund the Kent LINK) will remain the same at £490k

Funding for the Information and Signposting function - £288k
(This figure has recently reduced from £540k)

Funding for the NHS Advocacy function - £357k
(NHS Complaints advocacy is a new statutory responsibility for the Council although it does not have to be provided through Local Healthwatch.)

Total figure including NHS Complaints Advocacy - £1.135m

Total figure excluding NHS Complaints Advocacy - £778k

KCC, as they do now, can retain part of this grant to fund contract and performance management functions within the Council.

LHW funding, as with current LINK funding, will not be ring fenced.

3. Developing Kent Local Healthwatch

3.1. Developing supplier side and potential delivery models of future LHW services

3.1.1. Building on previous work

Kent County Council has demonstrated its commitment to developing a LHW model that reflects the needs of its local communities through the ongoing development work with Kent citizens and stakeholders.

This started in 2011 when detailed engagement was conducted by KCC and the Centre for Public Scrutiny which began to draw out the characteristics and operating model for the future Kent LHW. The full report is published on KCC website.

3.1.2. Ongoing dialogue and co-design

This work was built on in 2012 with a programme of work conducted with local third sector organisations, to ensure continued engagement in the discussion and development of the model.

Mutual Ventures - a social enterprise founded specifically to support the delivery of public services by independent socially focused organisations – were commissioned in February 2012 to work with KCC and voluntary organisations in progressing the previous development work, as outlined below.

An initial event was held on 30th March, attended by 35 people from a range of third sector organisations, LINK members and the LINK host organisation, to explore the role and functions of a LHW and discuss possible delivery models.

All participants were invited to complete an online questionnaire exploring individual organisations' interest in contributing to/delivering the services – ten organisations completed the survey.

In-depth interviews were then conducted with a smaller number of potential key providers/leads based on the event and survey feedback. Meetings were also held with Kent County Council key leads to discuss the emerging themes from the above and consider potential options.

Survey respondents and interviewed groups were invited to a second event on 11th May, to share the feedback from the survey and interviews, discuss the emerging delivery model and agree next steps in developing the model.

As a result of this work four voluntary organisations with a wealth of insight and experience of working with people and organisations across the county - Voluntary Action Within Kent, Kent and Medway Networks Ltd (Kent LINK host organisation), Kent And Medway Citizens Advice and Activmob - expressed their particular commitment to forming a group to take forward the next stage of development. At this stage KCC withdrew from the development work to focus on the procurement process.

Voluntary organisations involved in the process were asked to share the information with other groups so that they could also be involved if they wished and information was put on KCC website inviting others to take part.

The group further considered and developed the three areas and how these could operate at a practical level in Kent and submitted its report to KCC at the beginning of July. It should be noted, however, that whilst there was much agreement in the ideas outlined within the paper there was also some divergence of views – the full Report is on KCC website.

Conclusions from the group:

Operating model

The development work to date suggests that a new independent co-ordinating organisation is the current preferred delivery model option by many. This may be most likely to ensure an inclusive approach, bringing together a wide diversity of delivery partners who will be well placed to deliver the full range of Healthwatch services, capitalising on the goodwill and significant expertise and experience in the market, particularly in terms of providing information and advice. However one group's view remains that the best option would be for KCC to contract with an umbrella organisation that would either deliver some of the functions itself or commission other providers to do this.

Governance structure

The group supported the consultation feedback to date which suggested that a one-tier governance structure with the organisation "owned" and controlled by an independently appointed Board of Directors would be the preferred model for the LHW, with a number of advisory or stakeholder groups (perhaps enshrined in the Company's Articles of Association) to ensure the views of the broader community could adequately influence the running of the new organisation.

The Board would be held accountable through its contract with the local authority (but independent to it); by the advisory stakeholder groups; to the public through its work; and to any other regulatory body.

Legal form

The group endorsed the consultation feedback so far - and experience from elsewhere - that a Community Interest Company may be the most most

straightforward and appropriate form for the LHW to take with regard to the preferred governance structure. This is compared to an Industrial and Provident Society, for example, which could pose more significant challenges in terms of identifying a clear target membership group and the practical challenges of maintaining the active involvement of members. However one organisation's view is that, whilst this organisation would need to be a social enterprise, it would not need to be a new Community Interest Company and there may be benefits to an existing organization holding the contract.

Three workshops were held in July to test the recommended strategic direction with other voluntary organisations across Kent and capture any further insights and experience in order to shape the potential model. A wide range of diverse organisations attended the event and, throughout the process, voluntary organisations – large and small – have expressed their wish to be involved and be part of the 'network of networks'.

All development work is available on the KCC website, so that Kent citizens and partners who might be interested in contributing to or tendering for the service(s) can understand how the work has been developed and co-designed.

3.1.3. Supplier side development

Local authorities can decide how to use the start-up costs received this year and one option is to undertake supply side activity encouraging organisations to prepare to bid:

KCC is keen to support this and has made available up to £1000 per organisation requesting support to prepare their bid for the contract. A request from more than one organisation wishing to work together is reflected in the amount allocated. Three requests for this support have been successful.

4. Establishing an interim Shadow Local Healthwatch

KCC is setting up an interim Shadow LHW Board from September 2012 to run for 6-8 months - until the formal LHW organisation establishes its own governance structure - to test and begin to embed the emerging model, for effective handover to the formal LHW, as it becomes established in April 2013.

The interim Shadow LHW Board will work closely with LINK during the transition period to build on the LINK legacy and begin to create the developing model in practice, to ensure that the new requirements of a Local Healthwatch can be successfully met in Kent. It will also work with LINK to ensure that the commitment of existing LINK volunteers is sustained and that their contribution is shown to be highly valued.

Its key functions therefore will be to:

- manage in and develop both the future organisation and the relationship with KCC
- prepare for and manage the transition from Kent LINK

- start to develop the operating procedures and practices that will be used by the formal LHW from April 2013
- start to model the desired approach to LHW that will best meet the interests of the Kent population, to have a positive impact on local health and social care services

The recruitment pack and application forms to be considered for membership to the Shadow Board – which will be a member-led organisation - were made available at the end of June 2012 and shortlisting took place in August. The Chairman of Kent LINK Governors Group is ex officio a member of the Shadow Board, as transition from LINK is a key function. 14 further applicants have been invited to become a member, subject to references and CRB checks, and the inaugural meeting is being held on the 26th September. This will be an induction/task-focused meeting, facilitated by the national Healthwatch Implementation Lead, to agree the Board's key deliverables, its way of working and structure.

Applicants who were unsuccessful have been invited to become associate members, alongside others who expressly requested to be associate rather than full members.

5. Building and maintaining key supporting relationships

As outlined in 3.1.2., voluntary organisations who have attended LHW meetings have expressed their wish to be involved and be part of the 'network of networks' and some have asked whether there will be more local events. It is proposed therefore that further events be offered in the next 6 months so that the 'network of networks' becomes increasingly robust, in readiness for LHW in April 2013.

Volunteers play a critical and valuable role, underpinning the work conducted by LINK, and KCC is keen to ensure that they are supported and encouraged to continue their commitment by becoming a part of LHW. An event is taking place on 11th September, independently facilitated, in order to create a space for LINK volunteers to share their experience and expertise of being involved in Kent LINK, to celebrate their contributions and discuss how they would like to work with LHW in the future.

It is also proposed that events are organised over the next six months for potential volunteers to hear about the proposals for LHW and sign up to be a part of the new organisation, so building up the pool of available volunteers.

6. Accountability

The set up of LHW is part of the NHS Reforms and so is currently part of Roger Gough's portfolio with senior officer management through Meradin Peachey.

As with the current Kent LINK, LHW will have a strong citizen engagement function. A fundamental difference in arrangements is that KCC will contract and performance manage Kent LHW. Through these new arrangements (and through careful evaluation of organisations that bid to deliver Local Healthwatch

functions) there is an expectation that LHW citizen engagement functions will complement those of KCC and the Local NHS.

A decision has now been reached with Mike Hill and Amanda Honey that once LHW has been set up and operating effectively, accountability will be passed to Customer and Communities.

7. Procurement

Plans for the commissioning of LHW are being developed with the Procurement Team to ensure a LHW Organisation is appointed by 1st April 2013.

Timescales for this process are:

23 rd August	1 st draft presented to the Cabinet Member Roger Gough
29 th August	2 nd Draft agreed by Cabinet Member Roger Gough
6 th September	Quality Assurance of Draft Specification by the LGA Healthwatch Implementation team
13 th September	Health and Social Care Partnership Specification Masterclass, to share best practice
27 th September	Policy and Resources Committee
15 th October	Commissioning and Procurement Board
16 th October	Invitation to Tender issued
Nov/Dec	Evaluation and award
Jan – March	Induction of successful organisation

As outlined above, the Invitation to Tender Specification is currently being written and tested, ready for going out to tender after 15th October.

On 6th September the Local Government Association Healthwatch Implementation Team, consisting of the Programme Director and a number of Local Authority specialists working on LHW met with the Cabinet Member for Business Strategy, Performance & Health Reform and the KCC LHW development team to conduct a Quality Assurance exercise on the draft specification. The team were very positive about the specification and considered it a good model that other Local Authorities could follow. A few amendments were agreed as a result of the exercise. The final stage of quality assurance is on 13th September at a “mini masterclass” for the South East region run by the Health and Social Care Partnership group. The Invitation to Tender is expected to be issued on 16th October

National guidance for all aspects of LHW, including specification and evaluation, continues to be issued and these could still alter Kent’s specification.

Advice from the Procurement Team has mirrored feedback from consultation events and has influenced significantly the way the specification has been written. It includes the following sections:

1. Legislative and Policy Context – how the set up of LHW is a part of the reforms of the Health and Social Care Act 2012, with a plain English explanation of its main functions.

2. A profile of Kent – population, deprivation etc
3. Service landscape – basic information on Social Care, Public Health, Health Commissioning and Health Provision
4. Priorities in Kent – Health & Wellbeing Strategy, NHS Operating Framework, Public Health Outcomes Framework, Social Care Outcomes Framework and the Childrens; Improvement Plan
5. Developing the new system in Kent – shadow Health and Wellbeing Board, Shadow LHW
6. Functions of LHW – in addition to the statutory functions, what we want the new organisation to do in Kent. These have been developed through consultation, reflection on the work of the Kent Local Involvement Networks and brainstorming the requirements of adopting a co-operative way of working with the emphasis on building a partnership to achieve common aims of the best outcomes possible for health and social care.
7. Governance and accountability - how LHW will select Governors or Directors, how they will sub-contract specific work to voluntary organisations, accountability to the public and to KCC.
8. Role of the Local Authority - relationships between LHW and KCC will be complex. We will hold LHW to account for operating effectively and they will hold us to account for the social care and public health services we commission. Lessons have been learnt from our relationships with the Kent LINK and we will be providing a more supportive and constructive relationship. KCC will be offering help such as promoting the organisation, brokering relationships with commissioners and providers of care services.
9. Outcomes Framework - KCC will fund, contract and performance manage Local Healthwatch. Performance Management will be through an Outcomes Framework which we will finalise with the successful bidder, once selected. Examples of draft outcomes are:
 - a) LHW's input has influenced health and social care and the user's experience.
 - b) LHW is maintaining and improving the network of voluntary organisations which do or could contribute to better health and social care outcomes.
 - c) The people of Kent know of LHW and its role in improving health and social care.
 - d) Relationships between commissioners and providers of health and/or social care and LHW are professional and effective.
 - e) Health and social care commissioners and providers welcome LHW feedback as being relevant, timely, appropriate and representative of the population.
 - f) Feedback from clients of the Information and Signposting Service report that the service has helped them find the services that best meet their needs.

Early market development work showed there were few organisations that could provide all the LHW services alone. Some voluntary organisations have been liaising and may join together to form a social enterprise that will bid to deliver all services. Advice from procurement, and again this has mirrored feedback from consultation, is that we advertise the services as separate “baskets” of functions and allow bids for one or more of these bundles. This approach will allow us the freedom to choose the organisation(s) that show the greatest prospect of delivery.

Key milestones

The following table shows the key milestones to be met to ensure the successful establishment of the formal LHW in March 2013.

July	Aug	Sep	Oct	Dec	Jan	Mar	Apr 13
P&RCC for agreement re strategic direction		Corporate Board for update & agreement SOB for information P&RCC prior to final decision	Commissioning & Procurement Board				
Appoint to interim shadow LHW		Inaugural meeting of interim Shadow LHW					
Procurement specification developed	Procurement process begins				Award	LINK ends	Kent LHW established
Summary report on issues re. draft regulations		Secondary legislation	HW England Regulations to be published	Actual budget known			

8. Recommendations

Members of the Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to move to procurement following the steps set out in the report.

Background documents

None

Contact details Julie Van Ruyckevelt, Interim Head of Citizen Engagement for Health, KCC, Tel: 07799472930; Tish Gailey, Health Policy Manager, KCC, Tel: 01622 696802

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By: Roger Gough, Cabinet Member for Business Strategy Performance and Health Reform & Barbara Cooper, Director of Economic Development

To: Policy and Resources Cabinet Committee 27th September 2012

Subject: Sale of development areas 01, 03 & 05, Kings Hill, Village 2

Classification: Unrestricted

Summary: This report outlines the rationale for the sale of three small development plots at Kings Hill as part of the adopted strategic land disposal programme at Kings Hill.

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the three parcels of land.

1. Introduction

Kings Hill is one of KCC's flagship mixed developments. It provides high quality and in some cases exemplar forms of development which contribute towards bettering design standards.

KCC and its Kings Hill development partners, Liberty, have committed to a long term calibrated and progressive development land disposal programme.

The Kings Hill development is a proven and essential regular income through annual distributions, generated by the effective disposal of residential development land.

It is proposed that KCC should agree the future disposal of the subject land parcels for best consideration, through a competitive tender basis. This will be facilitated by KCC's development partners, Liberty Property Trust UK.

The proposed land sales form an important part of the remaining unfinished areas of allocated housing development within Village 2. The land disposals will take place with the Partnership's detailed planning permissions and will complete and improve the development.

The three parcels total an area of 1.71 ha (4.224 acres) and will allow the development of 53 family houses, broken down as below:

Site Name	Area (ha)	Area (acres)	Units
01	0.709	1.754	23
03	0.314	0.777	13
05	0.685	1.693	17

Each area is likely to receive a return to the Development Partnership of in excess of £1m.

2 Relevant priority outcomes

The decision directly links to the Council's Medium Term Plan (Bold Steps for Kent) in that it aligns with:

Priority 8 - Responding to key regeneration challenges working with our partners by unlocking a key site within a growth point and which contributes to providing new homes and commercial opportunities at Kings Hill.

Priority 9 - Support new housing growth that is affordable, sustainable and with the appropriate infrastructure; and

Priority 10 – Deliver growth without gridlock.

The proposed decision relates to the long term agreed Master Plan and strategy for Kings Hill and as part of the Council's Policy Framework

3 Consultation and Communication

The proposed sale of land is part of the adopted strategic land disposal programme at Kings Hill. Local Member consultation has taken place.

4. Financial Implications

The three sites will be tendered separately to maximise their sale price. Each area is likely to receive a return to the Development Partnership of in excess of £1m.

5. Legal Implications

The sale and purchase agreements will contain typical terms and conditions used in other recent Kings Hill residential land disposal transactions. The land sale will contain restrictive covenants which benefit the development partnership in order to ensure a consistent approach to build quality and are in the long term best interests of the development.

6. Equality Impact Assessments

Through this report members are not being asked to create, update or remove a policy, procedure or service and therefore there are no equality impacts.

7. Sustainability Implications

There are no sustainability implications of these land sales. Any implications related to the building of houses on these sites have been identified and mitigated against as part of detailed planning process.

8. Alternatives and Options

The alternative option would be to not sell the development areas. This would result in land remaining undeveloped and new family housing not being built. Although land values are typically cyclical in nature, it is considered that delaying the sale of these land parcels would not result in a significantly increased return to the Development Partnership.

9 Risk and Business Continuity Management

None

10 Conclusion

The sale and disposal of these three parcels of land are in line with the adopted disposal strategy at Kings Hill and will result in significant revenue to the Development Partnership and subsequently KCC directly, with minimal risk or negative implications.

11. Recommendations

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the three parcels of land.

12. Background Documents

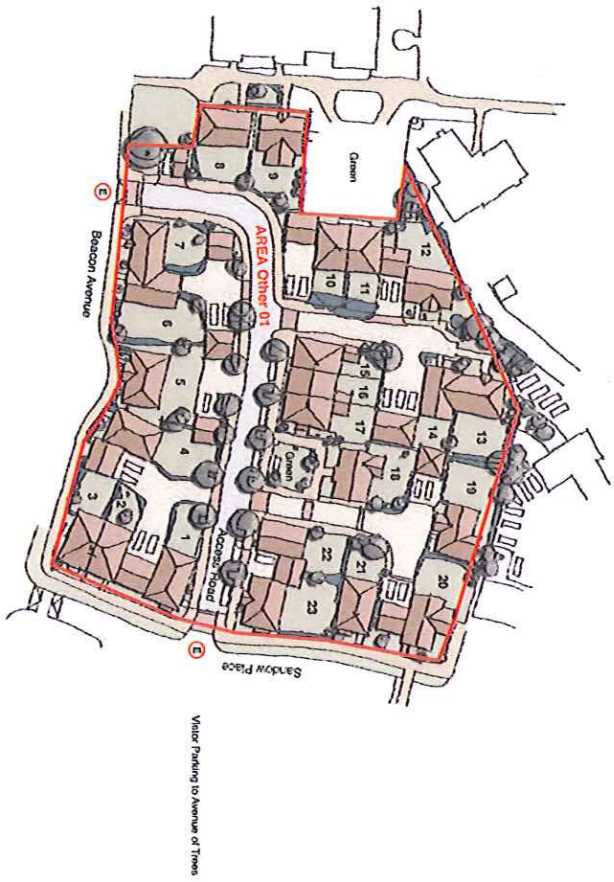
A location based plan along with housing layouts for the three sites are attached for reference purposes.

Nick Abrahams Regeneration Projects Officer
Nicholas.abrahams@kent.gov.uk 01622222743

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Liberty Property Trust

AREA Other 01 - 23 Units



Existing Access Points - Dropped Kero / Services

Liberty Property Trust
Area Other 01,
King's Hill

Proposed Land Release Plan
1:500 @ A1
October 2011

Call
2215-SK02

bbd

Liberty Property Trust

AREA Other 03 - 13 Units



Existing Access Points - Dropped kerb / Stairs

Client Liberty Property Trust	Project Area Other 03, King's Hill	Drawing Proposed Land Release Plan
		Scale: 1:500 @ A1
		Date: October 2011
		Drawing No: 2215-SK03



Liberty Property Trust

AREA Other 05 - 17 Units



E Existing Access Points - Dropped Kerb / Services

Proposed Land Release Plan, Area Other 05, King's Hill, West Malling

Client Liberty Property Trust	Project Area Other 05, King's Hill	Drawing Proposed Land Release Plan
Scale 1:500 @ A1	Author EAP	Date October 2011
Drawn October 2011	Checked EAP	Approved 2215-SK05



David Bull, William Adams, Andrew Flegg, Catherine, 218 70P
t: 01227 30497 w: www.bdb.co.uk

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By: Roger Gough, Cabinet Member for Business Strategy Performance and Health Reform & Barbara Cooper, Director of Economic Development

To: Policy and Resources Cabinet Committee 27th September 2012

Subject: Sale of development areas 57 Kings Hill, Village 2

Classification: Unrestricted

Summary: This report outlines the rationale for the sale of a large development plot at Kings Hill as part of the adopted strategic land disposal programme at Kings Hill.

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the parcel of land.

1. Introduction

Kings Hill is one of KCC's flagship mixed use developments. It provides high quality and in some cases exemplar form of development which importantly contributes towards bettering design standards.

KCC and its Kings Hill development partners, Liberty have committed to a long term calibrated and progressive development land disposal programme.

The Kings Hill development is a proven and essential regular income through annual distributions, generated by the effective disposal of residential development land.

It is proposed that KCC should agree the future disposal of the subject land parcel for best consideration, and this has been achieved through a recently completed competitive tender basis. This has been facilitated by KCC's Development Partners, Liberty Property Trust UK.

The proposed land sale forms an important part of the remaining unfinished residential areas of allocated housing development within Kings Hill Village 2. The land disposal will take place on a subject to planning basis and subject to contract with the Partnership's approval of a detailed planning application and permission and will help complete and improve the overall development.

Area 57 is formed from three parcels with a total area of 1.721 Ha (4.245 Acres) and will allow the development of approximately 63 family houses.

The land transaction is to exceed £1million.

2 Relevant priority outcomes

The decision directly links to the Council's Medium Term Plan (Bold Steps for Kent) in that it aligns with:

Priority 8 - Responding to key regeneration challenges working with our partners by unlocking a key site within a growth point and which contributes to providing new homes and commercial opportunities at Kings Hill.

Priority 9 - Support new housing growth that is affordable, sustainable and with the appropriate infrastructure; and

Priority 10 – Deliver growth without gridlock.

The proposed decision relates to the long term agreed Master Plan and strategy for Kings Hill and as part of the Council's Policy Framework

3 Consultation and Communication

The proposed sale of land is part of the adopted strategic land disposal programme at Kings Hill. Local Member consultation has taken place.

4. Financial Implications

The site has been tendered by the development partnership separately to maximise the land sale price. The terms of the sale has been agreed in principle and will generate a return to the Development Partnership significantly in excess of £1m. Further contributions to the Partnership will be paid by the purchaser towards a public art contribution.

5. Legal Implications

The sale and purchase agreement will contain typical terms and conditions used in most other recent Kings Hill residential land disposal transactions. The site is being sold to the selected housebuilder, subject to the housebuilder/purchaser successfully securing a reserved matters planning permission, and which has yet to be approved by the Development Partnership. The land sale will contain restrictive covenants which benefit the development Partnership, and in order to ensure a consistent approach to build quality and in the long term best interests of the development.

6. Equality Impact Assessments

Through this report members are not being asked to create, update or remove a policy, procedure or service and therefore there are no equality impacts.

7. Sustainability Implications

There is no sustainability implications involved with the land sale. Any implications to the building of all houses on this site has been identified and mitigated against as part of the original planning consent and process and associated Section 106 agreement.

8. Alternatives and Options

The alternative option would be not to sell the development areas. This would result in land remaining undeveloped and new family housing not being built. Although land values are generally cyclical in nature, it is considered that delaying the sale of this land parcel would result in a significant disadvantage to the objectives and returns to the Development Partnership and KCC.

9 Risk and Business Continuity Management

None

10 Conclusion

The sale and disposal of this land parcel are in line with the adopted disposal strategy at Kings Hill with an important contribution towards new homes and will result in significant revenue to the Development Partnership and subsequently KCC directly, minimal risk or negative implications.

11. Recommendations

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the land.

12. Background Documents

A location based plan attached for reference purposes.

Matt Hyland Project Coordinator
Matt.hyland@kent.gov.uk 01622 223423

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NOTES

1. PROPOSED STRATEGIC SERVICE CONNECTIONS TO BE PROVIDED BY SELLER FOR GAS, ELECTRICITY, WATER AND DUCTING FOR TELECOMMUNICATIONS SHOWN THUS :


2. PROPOSED STRATEGIC SERVICE CONNECTIONS TO BE PROVIDED BY SELLER FOR FOUl WATER DRAINAGE :

THE EXISTING LEVEL INFORMATION PROVIDED ON THIS PLAN IS THE LATEST AVAILABLE. THE DEVELOPER SHOULD UNDERTAKE A SURVEY TO CONFIRM THESE LEVELS AND PLOT BOUNDARY LOCATION.

PHASE 1 DEVELOPMENT BOUNDARY



NO BUILDING STRUCTURES WITHIN 10m RADIUS OF SONARWAY

FOR INFORMATION

KINGS HILL, WEST MALLING

AREA 57
PLAN 1

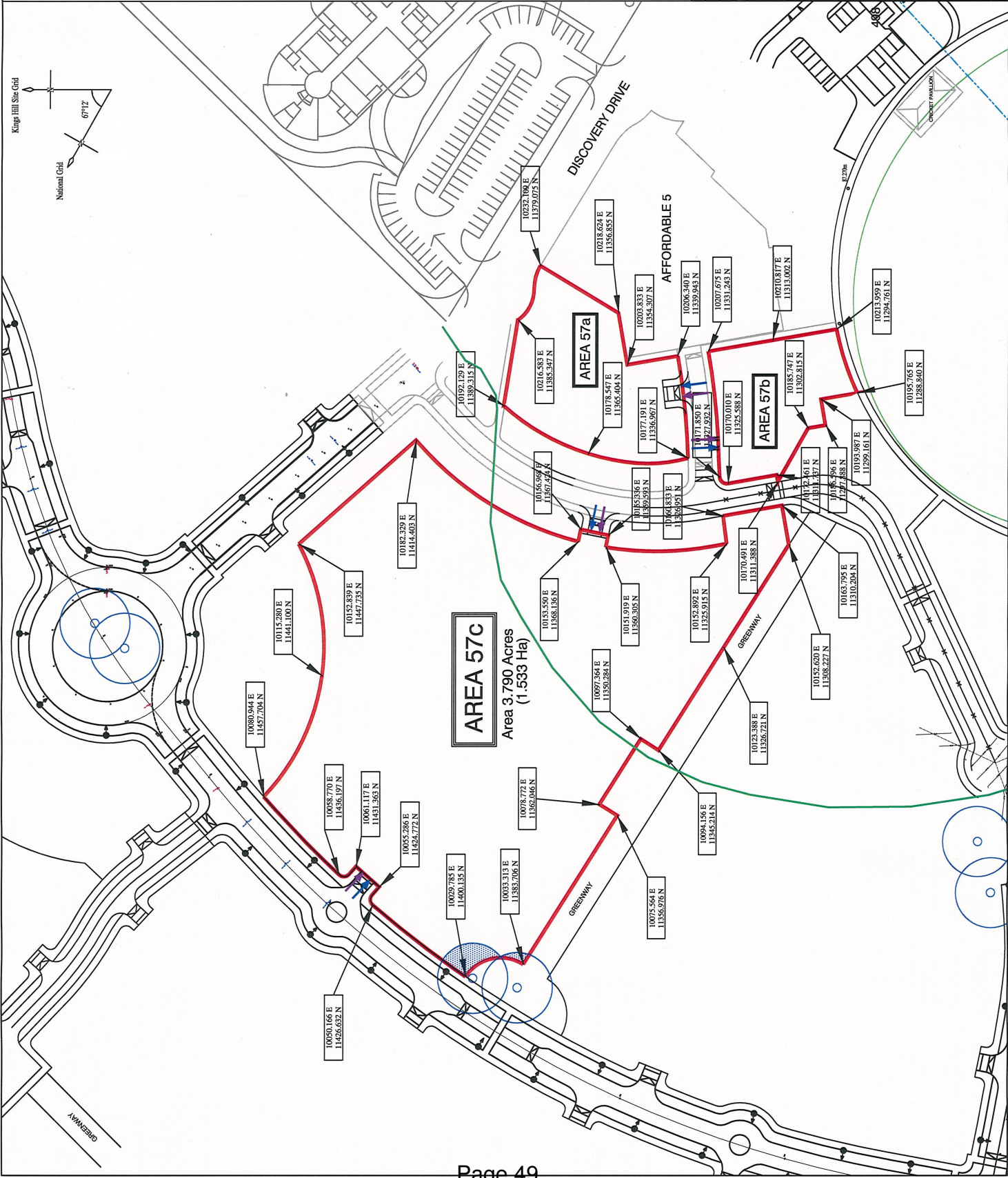
Client
ROUSE KENT Ltd.



PETER BRETT ASSOCIATES - CONSULTING ENGINEERS
30 TOWER VIEW KINGS HILL WEST MALLING KENT ME19 4DT TEL: 01752 229 600 FAX: 01752 874 229
E-MAIL: pba@pba.co.uk Website: www.pba.co.uk

Drawn by: AJR
Checked by: PA
Date: 29/11/05
Plot Scale: 1:500
Drawing Number: AREA 57

2:04645 - 105 - Page 18/18 (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05) (30/06/05)



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By: Roger Gough, Cabinet Member for Business Strategy Performance and Health Reform & Barbara Cooper, Director of Economic Development

To: Policy and Resources Cabinet Committee 27th September 2012

Subject: Sale of development areas 62 Kings Hill, Village 2

Classification: Unrestricted

Summary: This report outlines the rationale for the sale of a large development plot at Kings Hill as part of the adopted strategic land disposal programme at Kings Hill.

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the parcel of land.

1. Introduction

Kings Hill is one of KCC's flagship mixed use developments. It provides high quality and in some cases exemplar form of development which importantly contributes towards bettering design standards.

KCC and its Kings Hill development partners, Liberty have committed to a long term calibrated and progressive development land disposal programme.

The Kings Hill development is a proven and essential regular income through annual distributions, generated by the effective disposal of residential development land.

It is proposed that KCC should agree the future disposal of the subject land parcel for best consideration, and this may be achieved through a competitive tender basis. This has been facilitated by KCC's development partners, Liberty Property Trust UK.

The proposed land sale forms an important part of the remaining areas of allocated residential development sites available within Kings Hill Village 2. The land disposal is most likely to take place on a 'subject to planning' basis and subject to contract, with the Development Partnership's approval of a reserved

matters/ detailed planning application, to ensure the site's development proposals will positively contribute towards the overall development.

Area 62 is a parcel with a total area of 1.536 Ha (3.796 Acres) and will allow the development of approximately 50 family houses.

The land transaction will exceed £1million.

2 Relevant priority outcomes

The decision directly links to the Council's Medium Term Plan (Bold Steps for Kent) in that it aligns with:

Priority 8 - Responding to key regeneration challenges working with our partners by unlocking a key site within a growth point and which contributes to providing new homes and commercial opportunities at Kings Hill.

Priority 9 - Support new housing growth that is affordable, sustainable and with the appropriate infrastructure; and

Priority 10 – Deliver growth without gridlock.

The proposed decision relates to the long term agreed Master Plan and strategy for Kings Hill and as part of the Council's Policy Framework

3 Consultation and Communication

The proposed sale of land is part of the adopted strategic land disposal programme at Kings Hill. Local Member consultation has taken place.

4. Financial Implications

The site is likely to be tendered by the development partnership separately, however, it could also be sold by private treaty, subject to negotiation and in order to secure maximum land sale price and where it can be demonstrated best consideration can be achieved. Accordingly, the purchaser, terms and provisions are yet to be determined. The terms of the sale will generate a return to the Development Partnership significantly in excess of £1m. Further contributions will be paid by the purchaser towards a public art contribution.

5. Legal Implications

The sale and purchase agreement will contain typical terms and conditions used in other recent Kings Hill residential land disposal transactions. The site is being sold to the selected housebuilder, subject to the housebuilder/purchaser successfully securing a reserved matters planning permission, and which has yet to be approved by the development partnership. The land sale will contain restrictive covenants which benefit the development partnership, and in order to ensure a consistent approach to build quality and in the long term best interests of the development.

6. Equality Impact Assessments

Through this report members are not being asked to create, update or remove a policy, procedure or service and therefore there are no equality impacts.

7. Sustainability Implications

There is no sustainability implications involved with the land sale. Any implications to the building of all houses on this site has been identified and mitigated against as part of the original planning consent and process and associated Section 106 agreement.

8. Alternatives and Options

The alternative option would be not to sell the development area. This would result in the land remaining undeveloped and new family housing not being built. Although land values are generally cyclical in nature, it is considered that delaying the sale of this land parcel would result in a significant disadvantage to the agreed objectives and returns to the Development Partnership.

9 Risk and Business Continuity Management

None

10 Conclusion

The sale and disposal of this area of land are in line with the adopted disposal strategy at Kings Hill with an important contribution towards new homes, will result in significant revenue to the Development Partnership and subsequently KCC directly, minimal risk or negative implications.

11. Recommendations

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the land.

12. Background Documents

A location plan is attached for reference purposes.

Matt Hyland Project Coordinator
Matt.hyland@kent.gov.uk 01622 223423

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THIS DRAWING IS COPYRIGHT AND SHOULD NOT BE REPRODUCED WITHOUT WRITTEN APPROVAL.

ABBREVIATIONS

- | | | | |
|------|-----------------------|-----|------------------|
| B/W | Barbed Wire Fence | DP | Down Pipe |
| C/B | Close Boarded Fence | EP | Electricity Pole |
| C/L | Chain Link Fence | FH | Fire Hydrant |
| C/P | Chestnut Paling Fence | GV | Gas Valve |
| F/R | Footpath | H | Height |
| F/W | Fence & Wall | IC | Inspection Cover |
| R/W | Retaining Wall | IK | Ironing Post |
| Br | Brick | Mk | Marker |
| BS | Bus Stop | Mkr | Marker |
| BS | Bus Stop | O/H | Overhead |
| BS | Bus Stop | RE | Reading Eye |
| CATV | Cable Television | RS | Road Sign |
| CL | Cover Level | SV | Stop Valve |
| CT | Cabinet | TP | Telegraph Pole |

NOTES

1 The grid is the Kings Hill site grid & is shown at 500m intervals.

DATA NOTE

- 1) This site has been surveyed to an accuracy commensurate with the scale of 1:2500.
- 2) Do not take dimensions from this drawing.
- 3) Written dimensions on this drawing shall have precedence over scaled dimensions.
- 4) The user of this drawing must verify all site dimensions and levels prior to construction or setting out works, and notify Glen Surveys Limited within 30 days of date of drawing issue of any discrepancies requiring investigation.

Revisions	Aug 06	Chk Date
A	Overlapping areas in phases one and two added.	

GLEN
Glen Surveys Ltd
 Chartered Land Surveyors

BATHERLEY HOUSE, 13 BATHERLEY ROAD,
 SIDCOT, KENT DA14 4DS.

Tel: (020) 8309 5757
 Fax: (020) 8309 6362
 E-mail: glen@glenurveys.co.uk
 Web Site: www.glenurveys.co.uk



KINGS HILL,
 WEST MALLING.

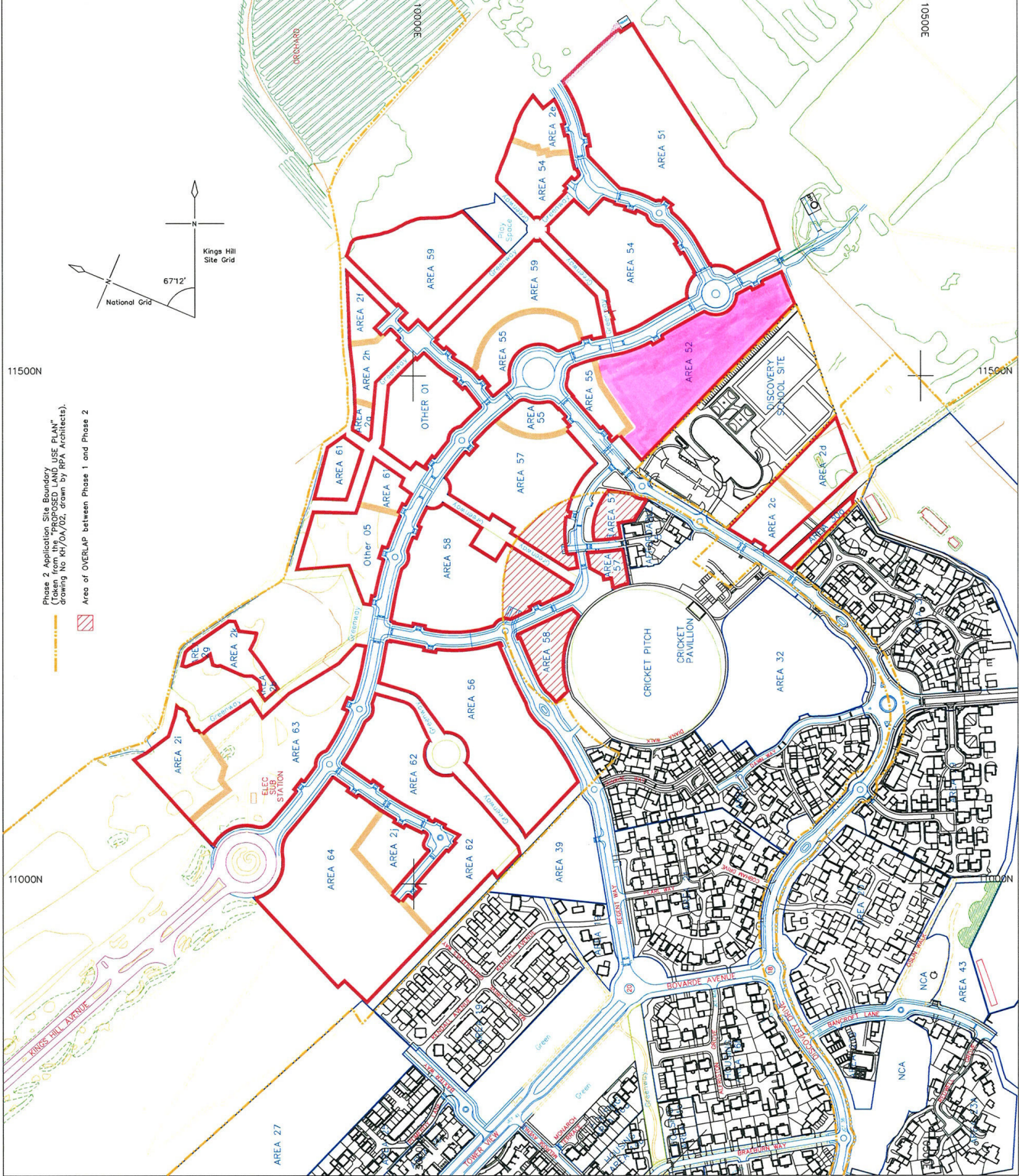
Title: OVERALL PLAN OF PHASE 2
 DEVELOPMENT LAND AREAS
 INCLUDING OVERLAP PHASE1 & 2

Client: LIBERTY PROPERTY TRUST UK LIMITED

Scale: 1/2500 (At A2) Date: JULY 2006

Surveyed: GSL Drawn: IB Checked:

Dwg No: C9451/PHASE2/1 Rev A



Phase 2 Application Site Boundary USE PLAN drawing No KH/DA/022 drawn by RPA Architects.

Area of OVERLAP between Phase 1 and Phase 2

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By: Roger Gough – Cabinet Member for Business Strategy,
Performance and Health Reform
Amanda Beer – Corporate Director of Human Resources

To: Policy & Resources Cabinet Committee. 27th September 2012

Subject: Auto enrolment – Transitional delay

Classification: **Unrestricted**

Summary: There is a need to decide the Council's approach to the introduction of auto enrolment of employees into an Occupational Pension Scheme. Endorsement of the proposed implementation approach is sought from Policy & Resources Cabinet Committee.

1. INTRODUCTION

The Government aims to increase employee membership of pension schemes so that more people are financially self sufficient in later life, rather than being dependant on the State.

It is currently possible for employees to opt out of making a pension contribution and therefore receive more income each month. However this is likely to prove a short term gain rather than a longer term financial advantage since they have no, or a lower, pension as a consequence.

It is for this reason that legislation has been introduced which is intended to increase the numbers of people who are members of a pension scheme. The Pensions Act 2008, as amended in November 2011 requires employers to automatically enroll eligible workers into an Occupational Pension Scheme. KCC already complies with this requirement in relation to all new starters eligible, although there are implications for the Authority in the new responsibility to auto enroll existing staff every three years including those who have previously opted out.

It works by ensuring everyone who is eligible to join the pension scheme is included as a member and if they chose to leave, or 'opt out', they are automatically added back into the scheme every 3 years. However they still have the ability to opt out subsequently should they wish.

The legislation is primarily aimed at private sector pension schemes as membership is typically lower than for the public sector, indeed the public sector schemes largely deliver the auto enrolment principles already. KCC has two pension schemes. The Local Government Pension Scheme (LGPS) and the Teachers Pension Scheme (TPS), both of which operate an auto

enrolment practice are approved and are deemed to be qualifying schemes under Auto Enrolment regulations.

KCC has been allocated 1 March 2013 as the implementation date for Auto Enrolment for these schemes. This is the date from which all new staff must be automatically enrolled and is not possible to alter. As we already operate Auto Enrolment this part of the legislation does not present the Authority with a significant problem.

There is an option available to KCC which enables the Council to register for a 'transitional period' for existing employees. This will allow KCC to defer the implementation up to October 2017 for employees who have currently opted-out of either scheme.

2. IMPLICATIONS

Since 2007, the LGPS and TPS have embodied the principle of auto-enrolment and therefore there is no need, as a matter of urgency, to auto-enroll employees who have previously opted-out.

Although the auto enrolment process is intended to increase pension scheme members and would therefore increase employer contribution costs, it is speculated by some commentators that the opposite could be the case. By raising the awareness that opt out is an option, particularly in a tough economic climate, it could result in more people choosing to leave the scheme.

Currently, therefore, the overall impact on pension scheme membership is unclear.

3. IMPACT

It is very difficult to assess the impact with certainty as it is dependant upon a number of factors, not least that many people have already decided to opt out of their pension scheme. However, in the unlikely event that everyone chose to reverse this, there could be significant implications for staff costs.

3.1. LGPS:

Although it is uncertain how people will ultimately choose to stay in or opt out, data for KCC non school employees in the LGPS has been used to assess potential costs. This indicates, if we assume that around half those who currently opt out of the scheme stay in after auto enrolment, the additional employer costs for pension contributions would be in the region of £250k per month. It must be emphasised that, as we already have an auto enrolment scheme, those who are not already members have consciously chosen to opt out.

3.2. TPS: Non-Schools

Using the same assumptions as outlined in 3.1, the data for KCC non school employees in the TPS indicates an additional employer costs in the region of £8.5k per month.

3.3. TPS – Schools

The scenario for schools is similar however the funding arrangements mean that this is made from Central Government provisions.

4. THE PROPOSED POSITION

Given the considerations outlined on section 2, it is appropriate that KCC utilises the transition period provision for the following reasons:-

- Should a large proportion of employees who are not currently within a pension scheme become members then the transition period would minimize the risk of exposure to costs for the authority over this period.
- If the new 'auto-enrolment' requirements are implemented during a tough economic climate, it is also possible to result in a high opt-out rate. This will defeat the primary purpose of the legislation, which is to increase the number of people who are in an occupational pension scheme, however would not lead to increased employer contributions.
- By 2017 it is likely that a much higher number of schools will have achieved Academy status, and therefore the number of KCC employees will have been significantly reduced.
- Although the final details of likely changes to the LGPS and TPS are not yet known, we are under the impression that they are likely to be helpful. Assuming that the changes to these schemes take place at the same time as contribution increases (i.e. 2014), it would make sense for auto-enrolment to take place after they are made, rather than before.
- As the final details of the 'auto-enrolment' Regulations, are not yet available from the Government, and are not expected until the autumn of 2012, there is an argument for avoiding implementation until the detailed rules are clarified.

5. RECOMMENDATIONS

Policy & Resources Cabinet Committee support the recommendations made below:-

- KCC to fulfill the statutory requirements of Auto Enrolment by assessing and informing employees of their enrolment rights in accordance with AE Regulations. This is to comply with the initial staging date on 1 March 2013.

- KCC informs the Pensions Regulator of its wish to exercise the right to defer, using the transitional arrangements, the full implementation of Auto Enrolment until October 2017 for staff that have already opted out of the LGPS or TPS.

Under the new governance arrangements, the formal decision, following consideration by the Policy and Resources Cabinet Committee, will be taken by the Leader of the County Council.

Background Documents

None

Colin Miller
Reward Manager
Ext 6056

From: Roger Gough, Cabinet Member for Business Strategy, Performance and Health Reform
David Cockburn, Corporate Director for Business Strategy and Support

To: Policy and Resources Cabinet Committee

Date: 27 September 2012

Subject: Business Strategy & Support performance dashboard

Classification: Unrestricted

Summary: The Business Strategy & Support performance dashboard provides members with progress against targets set in the current financial year's business plans for key performance and activity indicators.

Recommendation: Members are asked to REVIEW the Business Strategy & Support performance dashboard, including reviewing the appropriateness and relevance of the indicators currently included in the dashboard.

Introduction

1. Appendix 2 Part 4 of the Kent County Council Constitution states that:
"Cabinet Committees shall review the performance of the functions of the Council that fall within the remit of the Cabinet Committee in relation to its policy objectives, performance targets and the customer experience."
2. To this end, each Cabinet Committee is receiving a performance dashboard.
3. The second Performance Dashboard for the Business Strategy and Support Directorate for 2012/13 is attached at Appendix 1. The first Dashboard was reviewed at the last meeting of the Cabinet Committee.

Performance Review

4. There are two main elements of the Performance Review which members are asked to consider:
 - Reviewing progress against the targets set in the current year business plans, as shown in the attached dashboard,
 - Reviewing the appropriateness and relevance of the indicators currently included in the dashboard.
5. In particular members are asked to consider what are the key high priority indicators they would wish to see included in future dashboard reports.

6. As an outcome of their Performance Review, members may make reports and recommendations to the Leader, Cabinet Members, the Cabinet or officers.

Business Strategy & Support performance dashboard

7. The Business Strategy and Support performance dashboard, attached at Appendix 1, includes latest available results for the Key Performance Indicators (KPIs) and Activity Indicators included in this year's Divisional business plans for the Business Strategy and Support Directorate.
8. Data for different indicators is available on different timeframes and there are two tables in the Dashboard to reflect data availability. Some indicators are shown with monthly results, and some are only reported annually.
9. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against business plan targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

Performance Indicators Exception Reporting

10. To assist members with the performance review, commentary is provided below for indicators by exception. Commentary is only provided for those KPIs showing as Red within the dashboard.
11. The following indicators are rated as Red for Year to Date but not for the Latest Result:
 - Percentage of staff exiting Priority Connect who were redeployed within KCC
12. The following KPIs are rated as Red for both Latest Result and Year to Date:
 - Percentage of Council and Committee papers published at least five clear days before meetings
 - Percentage of Freedom of Information Act requests completed within 20 working days
 - Percentage of Data Protection Act completed within 40 calendar days
 - Percentage of employees registered on Kent Rewards.

Performance Indicator Commentary

Priority Connect

13. Results for July were low, with less vacancies available at this time which matched skills of individuals in the scheme. Results can be volatile each month, with results ranging from 39% to 64%.
14. Performance on a year to date basis remains good and August results, when available, are expected to be back at the higher end of performance.

Committee papers

15. The individual monthly performance over the previous three months is shown below.

	May	June	July
Number of meetings	10	10	17
Paper published on time	9	9	15
Percentage achievement	90%	90%	88.2%

16. The reasons provided for the delays include:
- necessary information required not being available on time
 - papers not received from external partners
 - uncertainty over agenda content.
17. Democratic Services work to ensure agendas are agreed with Chairs well in advance of meetings. However to deliver meeting papers the service is reliant on other parts of the organisation, and in some cases on provision of information from sources external to the organisation.
18. The new Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012, which came into force on 10 September 2012, place an increased burden on Democratic Services and other parts of the organisation to deliver increased information for meetings.
19. The new regulations may make it harder to achieve the target of publication of papers 5 days in advance.

Freedom of Information Act

20. An action plan is in place and has been agreed at Corporate Board. The Cabinet member for Business Strategy, Performance and Health Reform and Corporate Board receives regular reports on progress. A Signed Undertaking was made by the Cabinet member in January, stating that the council will ensure sufficient resources are allocated to request handling and that the council will endeavour to provide responses within timescale.
21. Up to 16 August, a total of 1,134 requests had been dealt with so far this calendar year.
22. Current year to date performance of 84% is only slightly behind the Floor Standard of 85% and is ahead of the position at the end of May (82%). The Floor Standard represents the minimum performance level expected by the Information Commissioner.
23. Sustained improvement is being delivered in response times and performance is expected to be above the floor standard for the full year result.

24. The 100% target is achieved in some weeks, and it is an aspiration that all requests are handled within the required 28 day timescale.

Data Protection Act requests

25. The concentration of efforts to achieve compliance with the more high profile FOIA requests has adversely affected performance with other statutory timescales.
26. Performance has dropped since the last reported result, but remain in line with last year's result.
27. Many enquiries can be responded to very quickly, while some enquiries are complex and require a significant time to respond to. Average response time so far this year has been 35.9 days, which is ahead of the statutory target of 40 days.

Kent Rewards

28. The significant drop in results on this indicator at the start of the year was due to a data cleansing exercise. Action is being taken to encourage more staff to join the scheme with the aim of bringing results back to previous levels by the end of the year.
29. Results have improved from 37.6% to 39.4% between May and July, and there has been a constant upward trajectory so far this year.

Recommendations

30. Members are asked to REVIEW the Business Strategy & Support performance dashboard.

Background papers : [KCC Business Plans 2012/13, Business Strategy and Support](#)

Contact Information

Name: Richard Fitzgerald
Title: Performance Manager
Tel No: 01622 221985
Email: Richard.fitzgerald@kent.gov.uk

Business Strategy & Support Performance Dashboard

July 2012

Page 65

Produced by Business Intelligence, Business Strategy

Publication Date: 12 September 2012



Guidance Notes

RAG RATINGS

GREEN	Performance has met or exceeded the current target
AMBER	Performance is below the target but above the floor standard
RED	Performance is below the floor standard

Floor standards are pre-defined minimum standards set in Business Plans and represent levels of performance where management action should be taken.

DoT (Direction of Travel)

↑	Performance has improved in the latest month
↓	Performance has fallen in the latest month
↔	Performance is unchanged this month

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Divisions

Ref	Division	Director
HR	Human Resources	Amanda Beer
P&I	Property & Infrastructure Support	Rebecca Spore
F&P	Finance & Procurement	Andy Wood
G&L	Governance & Law	Geoff Wild
ICT	Information & Communications Technology	Peter Bole
IAG	International Affairs Group	David Oxlade

Please note:

For some indicators where improvement is expected to be delivered steadily over the course of the year, this has been reflected in phased targets. Year End Targets are shown in this dashboard, but full details of the phasing of targets, where appropriate, can be found in the Cabinet approved business plans.

Where data is only available annually, a forecast is provided and the result is assigned a similar alert to other indicators, by comparison of the forecast with the year end target.

Indicators which show the comment “Snapshot data” under Year To Date Result show results which are a snapshot position at the month-end. For such indicators a Year To Date Result is not applicable, as results do not accumulate through continuous measurement.

Glossary

N/A	Not applicable
Tbc	To be confirmed

Indicators with monthly data available

Indicator	Division	Latest Month Result	Month RAG	DoT	Year to Date Result	Year to Date RAG	Year End Target	Floor Standard	Previous Year	
Supporting strategic objectives										
Percentage of graduates appointed through GradsKent who are placed outside KCC	HR	100%	GREEN	↑	74.2%	GREEN	65%	60%	65.2%	
Percentage of KCC staff headcount aged 25 and under (excludes casual contact staff)	HR	7.0%	GREEN	↔	Snapshot data		7%	6.8%	6.8%	
Percentage reduction in temporary school classrooms (excluding modular)	P&I	1.9%	tbc	↑	2.6%	tbc	tbc	tbc	New Indicator	
Meeting timescales (internal process)										
Percentage of pension correspondence dealt with within 15 working days	F&P	99%	GREEN	↔	99%	GREEN	95%	90%	98%	
Percentage of retirement benefits paid within 20 working days of all paperwork received	F&P	99%	GREEN	↑	99%	GREEN	95%	90%	99%	
Percentage of invoices for commercial good and services paid within 20 days	F&P	81%	AMBER	↑	80%	AMBER	90%	80%	85.4%	
Percentage of Council and Committee papers published at least five clear days before meetings	G&L	88.2%	RED	↓	91.5%	RED	100%	100%	100%	
Percentage of Freedom of Information Act requests completed within 20 working days	G&L	Data by calendar year up to 16 Aug		↑	84%	RED	100%	85%	77%	
Percentage of Data Protection Act completed within 40 calendar days	G&L	Data by calendar year up to 16 Aug		↓	69%	RED	100%	100%	69%	
Average number of days to respond to Local Government Ombudsman complaints	G&L	Data up to 21 Aug		↑	29.4	AMBER	28	32	48%	
Percentage of people management cases (excluding ill-health) resolved within 3 months	HR	64.9%	AMBER	↑	66.0%	AMBER	100%	60%	63%	
Percentage of call out requests responded to with specified timescales	P&I	Data available from September						90%	85%	New Indicator

Indicator	Division	Latest Month Result	Month RAG	DoT	Year to Date Result	Year to Date RAG	Year End Target	Floor Standard	Previous Year	
Financial control and efficiency (see also annual indicators below)										
Percentage of sundry debt outstanding under 60 days old	F&P	72.8%	AMBER	↑	Snapshot data		75%	57%	57%	
Percentage of sundry debt outstanding over 6 months old	F&P	12.8%	GREEN	↓	Snapshot data		18%	28%	28%	
Percentage of rent due which was recovered	P&I	Data quality issues to be resolved						95%	90%	New Indicator
Developing and supporting staff										
Percentage of expense claims made through self-service	HR	79.9%	GREEN	↑	78.0%	GREEN	76%	75%	76%	
Percentage of sickness notification transactions by self-service	HR	57.7%	GREEN	↑	54.7%	GREEN	46%	46%	46%	
Percentage of staff exiting Priority Connect who were redeployed within KCC	HR	28.6%	RED	↓	45.6%	GREEN	40%	30%	34.2%	
Percentage of employees registered on Kent Rewards	HR	39.4%	RED	↑	Snapshot data		60%	52%	63%	
ICT help desk – percentage of incidents resolved at first point of contact	ICT	67.7%	AMBER	↑	70.5%	GREEN	70%	65%	68.6%	
Percentage of working hours where Oracle systems are available to staff	ICT	100%	GREEN	↔	100%	GREEN	99.95%	99.95%	100%	
Feedback and satisfaction										
Percentage of training events with overall satisfaction rating of 4 (satisfactory) or higher	HR	100%	GREEN	↑	96.5%	GREEN	75%	75%	New Indicator	
Percentage satisfaction with the ICT help desk	ICT	98.4%	GREEN	↑	98.2%	GREEN	98%	95%	98.1%	
Percentage of end users satisfied with service from Property and Infrastructure division	P&I	Indicator under development								New Indicator

Annual Indicators

Indicator	Division	Forecast	Forecast RAG	Year End Target	Floor Standard	Previous Year
Supporting strategic objectives						
Reduction in CO ₂ Emissions of Non-School Estate	P&I	2%	GREEN	2%	1%	TBC
Number of up-skilling opportunities per £m of contracts let (including apprenticeships and other workplace training)	P&I	2	GREEN	2	1.8	New Indicator
Financial control and efficiency						
External income generated by legal services	G&L	£1,582k	GREEN	£1,582k	£1,234k	£1,508k
External legal costs paid by KCC	G&L	New indicator under development				
Core HR cost per employee	HR	£180	GREEN	£180	£199	£199
Core HR staff per 1,000 employees	HR	6.5	GREEN	6.5	6.8	6.8
Percentage of annual income target generated	HR	100%	GREEN	100%	90%	97%
Workstations supported per support specialist	ICT	355	GREEN	355	346	351
Percentage of net capital receipts target of £17.6 million achieved	P&I	107.2%	GREEN	98%	80%	New Indicator
Increase in estates income	P&I	7%	GREEN	7%	4%	New Indicator
Reduction in property running costs per m ² of non-school estate	P&I	3%	GREEN	3%	2%	New Indicator
Average office floor space per member of staff in office based teams	P&I	6m ²	GREEN	6m ²	8m ²	New Indicator
Percentage of capital buildings projects where the actual cost is within +/- 5% of the budget	P&I	100%	GREEN	100%	98%	New Indicator
Value of funding successfully bid for by Kent based organisations supported by KCC	IAG	£790.9k	GREEN	£790.9k	£790.9k	£2.61m

Indicator	Division	Forecast	Forecast RAG	Year End Target	Floor Standard	Previous Year
Project draw down in to Kent facilitated	IAG	£1.2m	GREEN	£1.2m	£1.2m	New Indicator
Developing and supporting staff						
Average percentage completion of Kent Manager Programme by KR9 and above	P&I	50%	GREEN	50%	40%	New Indicator
Percentage of eligible managers in HR completing at least 1 module of Kent Manager	HR	100%	GREEN	100%	90%	New Indicator

It should be noted that the range of indicators shown as new for Property and Infrastructure is a result of the new Corporate Landlord model and data is not available for the previous year on a comparable basis, when responsibility for various assets was held within service directorates.

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TO: Policy and Resources Cabinet Committee – 27 September 2012

BY: Paul Carter, Leader
Alex King, Deputy Leader
John Simmonds, Cabinet Member for Finance and Business Support
Roger Gough, Cabinet Member for Business Strategy, Performance and Health Reform
David Cockburn, Corporate Director of Business Strategy and Support

SUBJECT: Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio) Financial Monitoring 2012/13

Classification: Unrestricted

Summary:

Members of the Cabinet Committee are asked to note the first quarter's full budget monitoring report for 2012/13 reported to Cabinet on 17 September 2012.

FOR INFORMATION

1. Introduction:

- 1.1 This is a regular report to this Committee on the forecast outturn for the Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio).

2. Background:

- 2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio and will be reported to Cabinet Committees after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report. The Business Strategy and Support Directorate annex from the first quarter's monitoring report for 2012/13 is attached at Appendix 1. Also attached at Appendix 2 is an extract from the Enterprise and Environment Directorate showing the position for Commercial Services.

3. Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio) 2012/13 Financial Forecast - Revenue

- 3.1 There are no exceptional revenue changes since the writing of the attached quarter 1 report.

4. Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio) 2012/13 Financial Forecast - Revenue 2012/13 Financial Forecast - Capital

- 4.1 There are no exceptional capital changes since the writing of the attached quarter 1 report.

5. **Note to Andy Wood regarding the new Finance support arrangements**

- 5.1 This note, attached at Appendix 3, was produced in August following the rollout of Phase 1 and Phase 2a to review the progress of the new finance support arrangements.

6. **Recommendations**

- 6.1 Members of the Policy and Resources Cabinet Committee are asked to:
- (a) note the revenue and capital forecast variances from budget for 2012/13 for the **Finance and Business Support, Business Strategy Performance and Health Reform, Democracy and Partnerships and Environment, Highways Waste** Portfolios based on the first quarter's full monitoring to Cabinet.
 - (b) note the progress of the new arrangements for finance support.

Jackie Hansen
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BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

- 1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits for changes required in respect of the allocation of previously unallocated budgets, where further information regarding allocations and spending plans has become available since the budget setting process and to reflect adjustments required as a result of the finalisation of restructuring. This primarily relates to changes to Finance and Procurement, which increase both gross and income by £0.201m, and Property and Infrastructure, where gross and income budgets have been increased by £1.200m to reflect the recharging of costs to the Community Learning Service.

There have also been a number of corporate adjustments to cash limit to reflect the allocation of £1.079m roll forward from 2011-12 as approved by Cabinet on 9 July, and a number of other technical adjustments to budget i.e. where there is no change in policy, or where there has been a transfer of responsibilities between units where the effects of the Council restructure are still being refined. These adjustments total -£1.329m on gross and +£0.399m income.

Therefore, the overall movement in cash limits shown in table 1a below is an increase in the gross expenditure budget of £1.151m (+£0.201m + £1.200m + £1.079m - £1.329m from above) and an increase in the income budget of £1.002m (-£0.201m - £1.200m + £0.399 from above).

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in July and the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits

Table 1b shows the latest monitoring position against these revised cash limits.

- 1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

APPENDIX 1

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Finance & Business Support portfolio									
Finance & Procurement	20,008	-7,644	12,364	18,866	-7,468	11,398	-1,142	176	-966
HR Business Operations	7,710	-5,666	2,044	0	0	0	-7,710	5,666	-2,044
Total F&BS portfolio	27,718	-13,310	14,408	18,866	-7,468	11,398	-8,852	5,842	-3,010
Business Strategy, Performance & Health Reform portfolio									
Strategic Management & Directorate Support budgets	2,969	-4,581	-1,612	2,897	-4,520	-1,623	-72	61	-11
Governance & Law	10,339	-12,470	-2,131	10,368	-12,470	-2,102	29	0	29
Business Strategy	3,362	-99	3,263	3,318	-139	3,179	-44	-40	-84
Property & Infrastructure	26,279	-2,931	23,348	27,416	-4,118	23,298	1,137	-1,187	-50
Human Resources	11,534	-3,115	8,419	19,287	-8,852	10,435	7,753	-5,737	2,016
Information & Communication Technology	31,643	-13,967	17,676	33,042	-13,967	19,075	1,399	0	1,399
Public Health - Local Involvement Network	533	-60	473	0	0	0	-533	60	-473
Total BSP&HR portfolio	86,659	-37,223	49,436	96,328	-44,066	52,262	9,669	-6,843	2,826
Democracy & Partnerships portfolio									
Finance - Internal Audit	854	-34	820	1,130	-34	1,096	276	0	276
Business Strategy - International, Partnerships & Cabinet Office	928	-223	705	998	-223	775	70	0	70
Democratic & Member Services	3,953	-3	3,950	3,942	-3	3,939	-11	0	-11
Local Democracy: - Member Grants incl. County Council Elections	1,273		1,273	1,273	0	1,273	0	0	0
Total D&P portfolio	7,008	-260	6,748	7,343	-260	7,083	335	0	335
Total BSS Controllable	121,385	-50,793	70,592	122,537	-51,794	70,743	1,152	-1,001	151

Note: Figures have been rounded

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Finance & Business Support portfolio							
Finance & Procurement	18,866	-7,468	11,398	-150	0	-150	Many staff appointed at bottom of grade; budget based on mid-point of grade
HR Business Operations	0	0	0	0	0	0	
Total F&BS portfolio	18,866	-7,468	11,398	-150	0	-150	
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	2,897	-4,520	-1,623	0	0	0	
Governance & Law	10,368	-12,470	-2,102	-986	1,060	74	Revised business objectives as a result of Units Evolution programme

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy	3,318	-139	3,179	0	0	0	
Property & Infrastructure	27,416	-4,118	23,298	1,351	-700	651	Extension to leasehold payments; more cautious approach to capitalising spend
Human Resources	19,287	-8,852	10,435	-60	355	295	Under recovery of income on Schools Personnel Services, partially offset by underspend on staffing; increased demand resulting staffing pressure on Employee Services
Information & Communication Technology	33,042	-13,967	19,075	0	0	0	
Public Health - Local Involvement Network	0	0	0	0	0	0	
Total BSP&HR portfolio	96,328	-44,066	52,262	305	715	1,020	
Democracy & Partnerships portfolio							
Finance - Internal Audit	1,130	-34	1,096	0	0	0	
Business Strategy - International, Partnerships & Cabinet Office	998	-223	775	0	0	0	
Democratic & Member Services	3,942	-3	3,939	-16	-58	-74	
Local Democracy:							
- Member Grants incl. County Council Elections	1,273	0	1,273	0	0	0	
Total D&P portfolio	7,343	-260	7,083	-16	-58	-74	
Total BSS Controllable	122,537	-51,794	70,743	139	657	796	
Assumed Management Action:							
- R&ED portfolio						0	
- F&BS portfolio						0	
- BSP&HR portfolio				-946		-946	P&I & HR action - see section 1.1.7
- D&P portfolio						0	
Forecast after Mgmt Action				-807	657	-150	

1.1.3 Major Reasons for Variance: [provides an explanation of the 'headings' in table 2]

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Finance & Business Support portfolio:

1.1.3.1 Finance & Procurement: Gross -£150k, Income Nil, Net -£150k

The projected under-spend against gross expenditure results from many appointments to the new finance structure being made at the bottom of grade, whereas the budget is set at mid-point of grade.

1.1.3.2 Human Resources – Business Operations

Following the transfer of Portfolio responsibilities in July this budget now forms part of the Human Resources heading within Business Strategy Performance & Health Reform.

Business Strategy, Performance & Health Reform portfolio:

1.1.3.3 Governance & Law: Gross -£986k, Income +£1,060k, Net +£74k

There is a significant underspend on gross of -£1,025k and a corresponding +£1,025k under-recovery of income due to revised business objectives. In 2012/13 Governance and Law, as part of its 'Evolution, Efficiency, Enterprise' project, is seeking to reduce the cost of legal services to the Council, increase its external trading revenues, and deliver a net surplus of £2.1m. This is a change from the original budget assumption which sought to increase revenue receipts through increasing the team numbers to meet anticipated client service needs. Overall therefore, gross costs have reduced from the budget assumption as team numbers are not as high, but income has also reduced. The unit will shortly be re-profiling its budgets and will look for formal approval of these changes in the second quarter's report. There are also some smaller variances on gross and income totalling +£39k on gross and +£35k on income giving a small net pressure of £74k. This will be covered by a corresponding under-spend within Democratic and Member Services (as shown in table 1b).

1.1.3.4 Property & Infrastructure: Gross +£1,351k, Income -£700k, Net +£651k

Property Group is forecasting a £1,351k gross pressure with a compensating increase in income of £700k in their revenue budget.

The Property revenue budget has been reduced by £3.56m over the past two years in respect of 'Total Place' savings. It was expected that these savings would primarily be generated by coming out of leasehold properties as soon as leases came to an end. Service transformations and restructures throughout the Council, together with the formulation of the new Work Place Transformation Strategy, have resulted in the requirement to extend a number of leases and thus push delivery of some savings to later years. Additionally, revisions to Authority-wide service plans have impacted on the demands for property estate requirements, resulting in a pressure in the current year. Delivery of these savings is a top priority for management action and therefore a full review of all 'Total Place' potential savings, alongside current service plans, is being undertaken to determine the revised phasing of the savings to be reflected in the 2013-16 MTFP.

Additionally, in accordance with accounting requirements, many items of expenditure which have traditionally been capitalised, must be charged to and funded through revenue. As a result Property Group is planning to use £700k of the DFE Local Authority Capital Maintenance Grant, currently shown within their capital budget, to cover this expenditure, as the grant rules allow us to fund revenue expenditure from it.

1.1.3.5 Human Resources: Gross -£60k, Income +£355k, Net +£295k

The Schools Personnel Service has extremely challenging income targets which, with further delegations of funding and responsibilities to schools, require business to be secured on a school by school basis. Consequently SPS are forecasting an under-delivery of income of **+£515k**, but also a partially compensating underspend, mainly on salaries of **-£360k**. In addition, HR is continuing to face increased demand to support many Divisional restructures and transformation programmes throughout this year, which is putting pressure on many units, and as a result Employee Services are forecasting a gross pressure of **+£151k**, mainly on staffing, which is partially offset by increased income of £63k. There are a number of smaller pressures against the rest of Human Resources, including Health and Safety, the Divisional budget and the 'Grads Kent' website, although the latter is more than offset with extra income. There is also a small over-recovery in income generated through the Teacher Recruitment & Retention Team.

The Division continues to review all HR processes including the Employee Services Centre. In the wider context, it may be possible to find savings and efficiencies from elsewhere within HR, possibly from on-going restructures within the unit. However, at present Learning and Development is still in the process of centralising training budgets across the Authority and does not yet have the results of the Authority-wide training requirements. Further clarity on the budgets and aspirations in this area are therefore being sought and an update will be provided in the second quarter's report.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	Property & Infrastructure Gross - extension to leasehold payments; more cautious approach to capitalising expenditure	+1,351	BSPHR	Governance & Law Gross - revised business objectives	-1,025
BSPHR	Governance & Law Income - revised business objectives	+1,025	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-700
BSPHR	Human Resources Income - under-recovery of income target by Schools Personnel Service	+515	BSPHR	Human Resources Gross - under-spend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-360
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+151	F&BS	Finance & Procurement Gross - staffing underspend	-150
		+3,042			-2,235

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

The MTFP assumes a breakeven position for 2012-13. However Property may need to flag an on-going pressure once the review of all potential 'Total Place' savings and their phasing has been completed. Once quantified, the impact of the changes in our accounting for capitalisation of expenditure will also need to be reflected in the MTFP.

1.1.6 Details of re-phasing of revenue projects:

None

1.1.7 Details of proposals for residual variance:

The Directorate is wholly committed to delivering a balanced outturn position by the end of the financial year and will continue to consider all options to ensure this happens. Robust arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

1.1.7.1 Property and Infrastructure

Property are undertaking an urgent and robust review of all savings deliverable through the rationalisation of the property estate, both in respect of the phasing of these savings and whether

there are additional costs involved in delivering these savings, and the impact of changes to service plans. This information will be reflected in the MTFP for 2013-16.

APPENDIX 1

1.1.7.2 Human Resources

The Division continues to review all HR processes and it is anticipated it will find savings and efficiencies from elsewhere within HR. The Division will also look at the findings of the recent Lean efficiency review to provide options to achieve other savings.

1.2 CAPITAL

- 1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- 1.2.2 The Business Strategy and Support directorate has an approved budget for 2012-15 of £34.085m (see table 1 below). The forecast outturn against this budget is £33.385m, giving a variance of -£0.700m.
- 1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.
- 1.2.4 Table 1 – Revised approved budget

	Total	Business Strategy, Performance & Health Reform	
	£m	£m	
Approved budget last reported to Cabinet	28.088	28.088	
Approvals made since last reported to Cabinet	5.997	5.997	e.g. roll forwards, additional fund & virements
Revised approved budget	34.085	34.085	

- 1.2.5 Table 2 – Further changes to budget for Cabinet to approve
- 1.2.6 Cabinet is asked to approve that the underspend of £0.193m on solar panels is moved back to the Energy Efficiency & Renewable Energy in the KCC Estate project which is in approval to plan.
- 1.2.6 Table 3 – Summary of Variance

	Total	Business Strategy, Performance & Health Reform
Reason	£m	£m
Unfunded variance		
Funded variance (from table 2)	0.000	0.000
Variance funded by revenue	0.000	0.000
Project underspend	-0.700	-0.700
Rephasing (beyond 2012-15)	0.000	0.000
Total variance	-0.700	-0.700

Main reasons for variance

- 1.2.8 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.9 Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
BSSHP									
Modernisation of Assets	17.973	0.000	13.232	4.741	13.232	4.741	0.000	0.000	
Disposal Costs	1.000	0.000	0.750	0.250	0.750	0.250	0.000	0.000	
Corporate Property Strategic Capital	2.851	0.000	2.851	0.000	2.151	0.000	-0.700	-0.700	
Connecting Kent	1.208	1.208	0.000	0.000	0.000	0.000	0.000	0.000	
Connecting with Kent	1.914	1.154	0.760	0.000	0.760	0.000	0.000	0.000	
Oracle Release 12	1.549	1.199	0.350	0.000	0.350	0.000	0.000	0.000	
Oracle Self Service Development	0.516	0.449	0.067	0.000	0.067	0.000	0.000	0.000	
Property Asset Management System	0.310	0.000	0.310	0.000	0.310	0.000	0.000	0.000	
Sustaining Kent - Maintaining the Infrastructure	8.932	5.962	2.970	0.000	2.970	0.000	0.000	0.000	
Better Workplaces / Work Place Transformation	1.054	1.030	0.024	0.000	0.024	0.000	0.000	0.000	
Connecting Kent	0.874	0.000	0.874	0.000	0.874	0.000	0.000	0.000	
Enterprise Resource Programme (PHASE 1)	1.234	0.000	1.234	0.000	1.234	0.000	0.000	0.000	
Energy Efficiency & Renewable Energy in the KCC Estate - solar panels (spend)	0.321	0.000	0.321	0.000	0.128	0.000	-0.193	-0.193	
Integrated Childrens System	1.314	0.000	1.314	0.000	1.314	0.000	0.000	0.000	
Faversham Family Centre	0.026	0.000	0.026	0.000	0.026	0.000	0.000	0.000	
Energy Efficiency & Renewable Energy in the KCC Estate (plan)	0.182	0.000	0.182	0.000	0.375	0.000	0.193	0.193	
Enterprise Resource Programme (PHASE 2)	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	
Better Workplaces / Work Place Transformation	8.807	0.487	8.320	0.000	8.320	0.000	0.000	0.000	
BSSHP Total	50.565	11.489	34.085	4.991	33.385	4.991	-0.700	-0.700	

- 1.2.10 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget
- 1.2.11 Assignment of Green/Amber/Red Status
- 1.2.12 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.
- 1.2.13 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.
- 1.2.14 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Significant variances

- 1.2.15 Corporate Property Strategic Capital – underspend of -£0.700m. In accordance with accounting requirements many items of expenditure which have traditionally been capitalised must be charged to and funded through revenue. As a result, property group is planning to use £0.700m of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.
- 1.2.16 Energy Efficiency & Renewable Energy in the KCC Estate - solar panels – the underspend of -£0.193m is due to a decision to reduce the number of buildings from 6 to 3, and also due to the cost of the solar panels having decreased in price. It is requested that the underspend is transferred back to the Energy Efficiency main budget in approval to plan in order to keep the total Energy Efficiency budget in tact. Plans are currently being worked up to use these monies for lighting upgrades and bio mass boilers.

Key issues and Risks

- 1.2.17 No key issues or risks have been identified.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts – actual receipts compared to budget profile:

2.1.2 The total forecast receipts expected to come in during 2012-13 is £19.89m. This is broken down between the various “pots” as detailed in the tables below.

Capital Receipts

	2012-13
	£m
Capital receipt funding required for capital programme	16.385
Banked in previous years and available for use	3.202
Receipts from other sources*	4.558
Requiring to be sold this year	8.625
Forecast receipts for 2012-13	7.670
Potential Surplus/(Deficit)	-0.955

2.1.3 The total capital receipt funding required per the latest forecasts for 2012-13 totals £16.385m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), the required level of receipts to achieve in 2012-13 is £8.625m.

2.1.4 Current forecasts show receipts expected in during 2012-13 will total £7.670m, which leaves a potential deficit on capital receipt funding in the capital programme of -£0.955m. This will be monitored over the coming months to ensure there will be adequate funding to meet the demands.

PEF1

2.1.5 County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council’s land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council’s portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council’s resources.

2.1.6 Any temporary deficit will be offset as the disposal of assets are realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

2.1.7 Forecast 2012-13 position

	2012-13
	£m
Opening balance 1st April 2012	-5.567
Planned receipts	0.910
Costs	-0.343
Planned acquisitions	0.000
Closing balance	-5.000

2.1.8 The above table shows the opening balance on the fund as being -£5.567m. With forecast PEF1 receipts of £0.910m and associated costs of £0.343m this results in a forecast closing balance of -£5.000m, which is within the permitted £10m overdraft limit.

Revenue position

2.1.9 The balance brought forward at the 1st April 2012 was -£2.328m. The anticipated net income from managing the properties held within the fund is estimated at £0.035m, but with the need to fund costs of borrowing -£0.492m against the overdraft facility, the PEF1 is forecasting a £2.785m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

2.1.10 County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

2.1.11 Overall Forecast Position on the Fund:

	2012-13 £m
<u>Capital:</u>	
Opening balance	-14.196
Properties to be agreed into PEF2	0
Forecast sale of PEF2 properties **	11.097
Disposal costs	-0.413
Closing balance	-3.512
<u>Revenue:</u>	
Opening balance	-4.231
Interest on borrowing	-0.426
Holding costs	-0.046
Closing balance	-4.703
Overall closing balance	-8.215

** Figure is net of contributions required to pay out of disposal value of £0.213m.

2.1.12 The forecast closing balance on the fund is -£8.215m, within the overdraft limit of £85m.

2.1.13 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.

ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT (EXTRACT)

1. FINANCE

1.1 REVENUE

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in June and July and the inclusion of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits

Table 1b shows the latest monitoring position against these revised cash limits.

Table 1a below details the change in cash limits by A-Z budget since the published budget:

Table 1a

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Environment, Highways & Waste portfolio									
Commercial Services		-7,761	-7,761	0	-7,761	-7,761	0	0	0

Table 1b below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Table 1b

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Commercial Services	0	-7,761	-7,761			0	

To: Andy Wood
From: Jackie Hansen
Subject: New Finance Support Arrangements

We have now completed both Phase 1 and Phase 2a rollout of ERP. Phase 1 budget managers have completed 2 rounds of forecast monitoring using Collaborative Planning whilst Phase 2a managers have just completed their first return.

The changes which budget managers are seeing are significant, for Finance staff themselves it is huge. The new ERP system is new for all. Finance are doing everything in their power to make the transition as smooth as possible, whilst attempting to instil some cultural change.

Since March 2012, Finance have delivered Budget Manager and Finance Administration training to over 490 people. More than 170 budget managers have received training on the actual Collaborative Planning system. Additionally, quick reference guides, timetables, contact details and help facilities have been developed and provided to everyone trained.

There have been a number of issues which have hindered the success of the planned new world, both from a finance perspective and a budget manager's. As with any change of this magnitude teething problems were expected. The best way forward is to identify where things haven't gone to plan and why, and find alternative solutions, some will be immediate and some will take longer so Finance will have to find an interim.

Two significant changes made already have been to divide Phase 2 planned rollout in to two parts and to move some of the more complex budgets to Phase 3. Secondly, Finance have listened to feedback from some senior managers who have asked if they can 'delegate' some of their Collaborative Planning work to their direct reports. This has been accommodated, where senior managers meet a set of agreed criteria and is being rolled out currently ready for 'go-live' in September.

Corporate Directors have been asked to 'encourage' their budget managers to make this transition work, in partnership with their finance support colleagues. Finance are continually revising their delivery plans in response to feedback. There is however, no Plan B.

This has been a difficult process for everyone but it was never going to be easy. The change is unprecedented. However, Finance have developed and are continuing to develop systems and processes that they believe will work more effectively and efficiently in the future than they have done in the past. Many of the problems being encountered now were there before, but finance would have developed a work around or an additional spreadsheet. They are no longer in a position to do this. The critical point is to recognise that finance can't support budget managers without their buy in and a desire to make this work.

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TO: Policy and Resources Cabinet Committee – 27 September 2012

BY: Paul Carter, Leader
Alex King, Deputy Leader
John Simmonds, Cabinet Member for Finance and Business Support
Roger Gough, Cabinet Member for Business Strategy, Performance and Health Reform
David Cockburn, Corporate Director of Business Strategy and Support

Subject: BUDGET CONSULTATION 2013/14

Classification: Unrestricted

Summary: To update the Committee on the 2013/14 budget consultation launched on 6th September.

Recommendation: Members are asked to note the launch of consultation and that feedback will be provided in the November round of meetings

FOR INFORMATION

1. Introduction

1.1 Consultation on the draft budget proposals for 2013/14 was launched on 6th September. The consultation will run for 8 weeks up to 1st November 2012. The consultation has been launched much earlier than in previous years. This allows more time for consideration of the options and more time for Cabinet and Cabinet Committees to consider consultation responses.

1.2 The consultation is accompanied by a brief paper which outlines the challenge the council faces in addressing additional spending demands while at the same time Government grants are reducing and a proposal to freeze Council Tax for the third successive year. This combination means £60m of savings need to be found next year.

1.3 The package of savings for some portfolios, includes some which are the full year impact of savings we have made as part of 2012/13 budget. We are not specifically seeking views on these full year amounts as decisions have already been taken following full consultation.

1.4 The consultation focuses on £42m of savings which are the key new proposals. This includes proposals to address the £28m of savings that were not identified at the time the current Medium Term Financial Plan

(MTFP) was agreed, as well some items which were included in the current plan but not in detail as there was no impact in 2012/13.

2. Current Medium Term Financial Plan

2.1 The starting point for the budget proposals is the current MTFP. We have updated all the estimates in the original plan, including estimates for forecast inflation and demographic pressures as well as the latest on timing for delivery of savings. Launching consultation early inevitably means these estimates are less robust than they would be later in the year. In particular we have had to estimate the amounts we are likely to get in Government grant as we do not even have provisional grant figures to work from. We have had to estimate the likely number of domestic households for Council Tax purposes as districts will not make the formal assessment until later in the year.

2.2 At this stage for consultation purposes we have not produced individual portfolio plans. Instead we have produced an overall summary for the whole council showing how the net expenditure (gross expenditure less service income) is proposed to reduce from £1.78bn in 2012/13 to £1.71bn for 2013/14. Cabinet Members feel it important to consult about the broad principles and direction of travel at this stage and consultation on detailed implementation can follow at a later date once the overall strategy has been agreed. The key issues for the portfolios within the Policy & Resources remit will be considered at that meeting.

2.3 For simplicity Cabinet Members agreed that we should consult about net expenditure i.e. before Government grant income, rather than net spend after specific grants (as previously quoted in budget plans). Cabinet Members felt that distinguishing between specific and un-ring-fenced grants was unnecessarily complex and distracted from the main message of additional spending demands + reduced grants + freeze Council Tax = need for significant savings.

3. Engagement with Cabinet Committees

3.1 Cabinet Committees have already been asked to establish an Informal Member Group (IMG) to consider the specific budget issues for each portfolio. The IMG for this committee is chaired by Mr Hotson, and includes Mrs Dean, Mr Cowan, Mr Bayford, Mr Parry, Mr Ridings and Mrs Stockell. The IMG has already set a schedule of meetings throughout the autumn. There are no specific terms of reference for the IMG and each group will agree their own working arrangements and which officers should be invited to provide evidence.

3.2 It is intended that the IMG will report its findings to the November meeting together with any specific issues for the Policy & Resources portfolios arising from the consultation. This should provide the Cabinet Committee with sufficient information and evidence to make recommendations to the Cabinet Members. These recommendations can then be considered by Cabinet in

December prior to issuing any changes to the final draft budget. This will provide Cabinet Committees the opportunity to scrutinise the response to consultation prior to the final budget being presented to County Council in February.

3.3 In light of this process Cabinet Committee's need to decide whether they want to debate about the proposals in the consultation paper at this meeting, or whether this should be deferred until November after the IMG has undertaken detailed examination.

4. Recommendation

4.1 Members are asked to

- (i) note the consultation launched on 6th September
- (ii) note the proposed engagement with Cabinet Committees
- (iii) decide at which meeting(s) they wish to debate the consultation

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By: Mike Hill, Cabinet Member, Customer & Communities
Amanda Honey, Corporate Director, Customer & Communities

To: Policy & Resources Cabinet Committee

Date: 27 September 2012

Subject: Kent County Council Equality Policy Statement and Objectives

Classification: Unrestricted

1. Summary

- 1.1 This report sets out the new Equality Statement and Policy Objectives for Kent County Council following the implementation of the Equality Act 2010. Following consultation The Equality Objectives have been further developed since they were presented to the Policy and Resources Cabinet Committee meeting on 11 July 2012.
- 1.2 In April 2010 the Equality Act replaced previous anti-discrimination laws with a single act to make the law simpler. The Equality Act created the Public Sector Equality Duty which covers the nine protected characteristics; ('The Duty' Section 149 of the Equality Act 2010) came into force in April 2011. It requires public bodies to have 'due regard' to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
 - Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - Foster good relations between people who share a protected characteristic and those who do not
- 1.3 Implementing the general duties of the Equality Act requires a culture change which takes time and commitment. Kent County Council, as a public body, must show that it has paid "due regard" to equality issues. This in practice means the Council should prioritise the most significant inequalities in employment and or service delivery.
- 1.4 This is not just about the numbers of people affected. Good practice procedures to fulfil the General Duties include:

- Gathering and analysing information
- Consulting stakeholders
- Carrying out evidence gathering and information on which key decisions have been made via impact assessments
- Prioritising and implementing equality objectives
- Reporting and reviewing
- Monitoring Requirements

1.5 Public authorities are now legally obliged to promote equality of opportunity and eliminate discrimination for service users and staff, rather than waiting for individuals to complain. They have to go beyond ticking boxes and to review progress to ensure that they deliver results. If there are no positive outcomes, public authorities will be failing in their legal duties. This is a step towards a society where equality is the norm and diversity is seen as a benefit to everyone.

2. **Kent Context**

2.1 Kent County Council has experienced a period of significant change with reductions to its budget resulting in major reorganisations and some reductions to staffing and services and it has a new, leaner structure. Maintaining a strong commitment to equality during a period of upheaval is always a challenge; it's difficult to achieve improvements against a backdrop of reductions, but the Council has managed to continue with essential everyday work, adjust to its new conditions and move forwards in some areas.

In light of this, there are other contextual changes:

2.2 **Welfare Reform**- Changes to benefit entitlements will mean the profile of our communities, including levels and areas of deprivation, could change. Our role in supporting people to access the information and benefits they are entitled to and influencing the economic conditions and access to jobs, so that work really can pay, will be crucial.

2.3 **Education**- Our responsibility for education is changing. As schools become independent and more diverse in nature, our relationship with schools in championing the needs of the most vulnerable, closing the gap in outcomes and improving social mobility may change.

2.4 **Partnerships**-Our influence on education, transport and the environment means we are ideally placed to address the root causes of poor health. At the same time, by working in partnership we can support local communities and groups in relation to other key determinants such as housing and employment.

2.5 **Health**-The role we play in improving health and wellbeing has become more prominent. The new Health and Wellbeing Board has brought together organisations to coordinate and oversee the development of integrated approaches to the commissioning of services. KCC has a lead responsibility for a range of local public health improvement and prevention work. Addressing health inequalities and ensuring access to public health information is now our responsibility. Healthwatch will be the consumer voice for health and social care. Through these arrangements, the voices of people at risk of discrimination and inequalities need to be heard.

2.6 The Council has taken a whole organisation approach to addressing issues of inequality both in relation to the provision of services and the way it manages and develops its workforce. These two areas are not only interlinked, but will also ultimately impact on KCC's ability to deliver its Public Sector Equality Duties.

3. Equality Policy and Objectives

3.1 KCC's equality objectives have therefore been developed drawing on the council's current priorities and taking into account known areas of national concern in relation to equality. In Framing the Budget (KCC, 2012) it is stated that "*everything we do, every single day, is about the biggest P of all – people*". Indeed the very focal point of the Equality Act is *also* People and the way that they engage, enjoy, achieve and experience civil society. The approach to the equality objectives is heavily influenced by council priorities and will support the council to fulfil its strategic priorities.

3.2 The final policy statement and objectives are in Appendix 1.

3.3 Members, external stake holders, Directorate Management Teams, employees and staff groups were consulted between May – July 2012. Changes made as a result of consultation can be seen in Appendix 2.

4. Risks

4.1 KCC is required to set Equality Objectives that are specific and measurable and which will enable the council to show progress on equality. They must be consistent with the Equality Act. This duty came into force on 6 April 2012. In order to mitigate this risk, KCC's previous equality strategy has been carried over until the revised policy and objectives are agreed.

4.2 April 2010 to March 2011 saw considerable change within the Council. The Equality and Diversity Team with key stakeholders have been raising the profile of the new Equality Act so that policies can be revised, web pages amended and where appropriate services reviewed. Awareness of the new obligations has been raised in order to ensure compliance.

4.3 As a result of a recent internal audit, internal controls have been strengthened and proposed objectives have been made more specific and measurable.

5. Equality Impact Assessment

5.1 Initial screening of the objectives indicated that the revised policy and objectives will have a positive impact on all the protected characteristics. This proposition was tested as part of the consultation. Consultation feedback (Appendix 2) highlighted the need to improve the recognition and engagement of vulnerable groups and stakeholders in Kent (Appendix 3).

6. Conclusion

6.1 The objectives will enable transparency and accountability in relation to defining what the equality issues are in the business priorities for KCC and Kent as a County. They will enable Kent County Council to demonstrate compliance, to have a focused and integrated approach towards equality across the organisation and enable equality performance to be embedded where it will have the greatest impact, within the business.

7. Recommendations

The Policy & Resources Cabinet Committee is asked to:

1. Note the proposed equality policy statement and objectives for KCC to run from October 2012 to September 2016.
2. Note that the actions to achieve the objectives will be determined through annual business plans and priorities.
3. Agree that as a result of recommendation 2, equality performance will be part of the Performance Management Framework and quarterly core monitoring received by this committee. This will enable the committee to review compliance against the objectives and the Equality Act 2010 on a regular basis.
4. Agree to receive the statutory Annual Equality Report on all equality outcomes

Background Documents:

[P&R Cabinet Committee Report – 17 July 2012](#)

Contact Details

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Appendix 1

KCC Equality & Diversity Policy Statement and Objectives 2012-2016

Kent County Council believes and recognises that the diversity of Kent's community and workforce is one of its greatest strengths and assets. The different ideas and perspectives that come from diversity will help the Council to deliver better services as well as making Kent a great county in which to live and work.

As a major employer and provider of a wide range of services, KCC is committed to and will challenge inequality, discrimination and disadvantage for everyone who lives in, works in and visits Kent.

Working closely with all its statutory partners, including social enterprise, business and the voluntary sector, KCC is also committed to achieving the highest possible standard of service delivery and employment practice.

The Council strongly believes that Kent's community and workforce should not face discrimination, or receive less favourable treatment, on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The Council will promote equality in employment and service delivery by:

Working with all our partners to define and jointly address areas of inequality – In particular through Kent's

- Draft Poverty Strategy
- Bold steps for Education
- Kent Children and Young People's Joint Commissioning Board Strategy
- Mind the Gap - Health & Wellbeing Strategy

We will know that we have been successful when... [\[hyperlink to Strategy and performance measures\]](#)

Promoting fair employment practices and creating an organisation that is aware of and committed to equality and diversity and delivers its Public Sector Equality Duty.

We will know how well we are doing by knowing:

- % Top earners across the protected characteristics (BME, Sexual Orientation, Disability, Age)
- Turnover by protected characteristics
- TCP Ratings by protected characteristics
- Staffing information during restructures by protected characteristics (numbers redundant, retained and promoted)
- Numbers of apprentices securing employment at end of apprenticeship

- Tribunals and Employee Relations case work profiled by protected characteristics

Improving the way KCC listens to and engages with its employees, communities and partners to develop, implement and review policy and to inform the commissioning of services through:

- keeping residents and staff informed;
- enabling communities to have their say through consultations
- making sure that communities have easy access to accessible information
- knowing who makes up the communities in Kent

We will measure the impact of our engagement through

- the Council's employee engagement survey,
- performance against the employee engagement action plan
- consultations, and the outcome of consultations
- the Community Engagement team activity and user satisfaction tools.

Improving the quality, collection, monitoring and use of equality data as part of the evidence base to inform service design delivery and policy decisions by:

- Understanding what and how the data will be used
- Providing best practice guidance on the collection and use of data for staff
- Offering guidance, updates and training on how to use and collect data
- Clarifying what data need/ use when commissioning services from partners
- Consistent and clear standards in the use of data in defining service need and managing the performance of services

We will measure the impact through:

- The availability of improved levels of data
- Improved use of equality analysis as part of the evidence basis in EqIA's and key decisions.
- Ensuring that the data is used as part of core performance management.
- All parts of the business are able to identify and collect relevant data

Providing inclusive and responsive customer services through:

- Understanding our customers
- Connecting with our customers effectively and efficiently
- Empowering staff to meet service expectations
- Improving access to services

- Working with our partners to improve our customer experience

This will be measured through the success of our customer service strategy
[\[hyperlink to KCC Customer Service Strategy\]](#)

Understanding and responding to the equality impacts when KCC is doing its work by

- Ensuring we understand the impact of all our decision through undertaking equality analysis
- Ensuring that we understand and monitor the cumulative equality impacts of the decisions that are taken within the Council
- Ensuring with have the best internal process for making good decisions that take equality and diversity into account

We will know we have been successful when

- All our key decisions take into account equality analysis
- Our commissioning and procurement activities are more efficient and focused

Appendix 2

Post Consultation Equalities and Diversity policy statement for 2012-2016

Pre Consultation

Kent County Council believes and recognises that the diversity of Kent's community and workforce is one of its greatest strengths and assets.

As a major employer and provider of a wide range of services, KCC is committed to challenging inequality, discrimination and disadvantage for everyone who lives in, works in and visits Kent.

Working closely with its statutory partners, social enterprise, business and the voluntary sector, KCC is also committed to achieving the most appropriate standard of service delivery and employment practice.

The Council strongly believes that Kent's community and workforce should not face discrimination, or receive less favourable treatment, on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Post Consultation

Kent County Council believes and recognises that the diversity of Kent's community and workforce is one of its greatest strengths and assets. The different ideas and perspectives that come from diversity will help the Council to deliver better services as well as making Kent a great county in which to live and work.

As a major employer and provider of a wide range of services, KCC is committed to and will challenge inequality, discrimination and disadvantage for everyone who lives in, works in and visits Kent.

Working closely with all its statutory partners, including social enterprise, business and the voluntary sector, KCC is also committed to achieving the highest possible standard of service delivery and employment practice.

The Council strongly believes that Kent's community and workforce should not face discrimination, or receive less favourable treatment, on the grounds of age, disability, gender reassignment, marriage and civil partnership,

Key changes

Despite the fact the majority of respondents felt that the statement was appropriate and clear, some helpful suggestions were made around the recognition of the benefits of recognising diversity.

As such a few minor changes have been made to the first paragraph of the statement.

Changes have also been made to the third paragraph to demonstrate our commitment to working with all partners in achieving the highest standard's of service delivery possible

Reason for position

The policy statement is clear , concise and sets the County Council's position in relation to its duties and how it affects resident and visitors to Kent

The Council will promote equality in employment and service delivery by:

pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The Council will promote equality in employment and service delivery by:

Working with partners to address areas of inequality

Working with all our partners to define and jointly address areas of inequality – In particular through Kent’s

- Poverty Strategy
- Bold steps for Education
- Kent Children and Young People’s Joint Commissioning Board Strategy
- Health & Wellbeing Strategy
- Mind the Gap

We will know that we have been successful when... [\[hyperlink to Strategy and performance measures\]](#)

Some respondents felt that this objective was too “high level” and not specific enough in what it meant- As such, some of the key strategies that are being developed in the organisation, will be included so that all can see key areas/ priorities for KCC

Once the strategies have been agreed, a hyperlink to the strategy and performance framework will be created so that the equality work can be seen in context

Issues may emerge over the next few years to which the organisation and partners will need to respond. Working with key partners means that these areas of policy and priority are addressed, and equality is part of the issues that are addressed.

Promoting fair employment practices and creating an organisation that is aware of equality and diversity and able to deliver its Public Sector Equality Duty

Promoting fair employment practices and creating an organisation that is aware of and committed to equality and diversity and delivers its Public Sector Equality Duty.

Additional /Changed Performance

Some respondents felt that we should be going further than being aware of equality and diversity and that we needed to show commitment to undertaking our duties – the language used has been

One of the greatest resources in KCC both in terms of investment and the ability for KCC to deliver innovative and responsive services to customers is its employees.

Measures

- % Top earners across the protected characteristics (BME, Sexual Orientation, Disability, Age)
- Turnover by protected characteristics
- TCP Ratings by protected characteristics
- Staffing information during restructures by protected characteristics (numbers redundant, retained and promoted)
- Numbers of apprentices securing employment at end of apprenticeship
- Tribunals and Employee Relations case work profiled by protected characteristics

changed slightly to show this commitment.

A number of additional performance measures were put forward which have been included.

Employees are also the agents through which Equality duties will be delivered. From welcoming customers and providing services to the county to undertaking Equality Impact Assessments to developing policy to. Staff will be on the “frontline” of delivering KCCs Public Sector Equality Duties.

Staff are also customers of the authority- from using roads to services such as schools, libraries and Social Care.

The public in Kent and beyond are also the pool of talent from which KCC will draw the best employees. KCC looks to maintain its reputation as an employer that recognises the dignity and well being of its staff and to recognise the ambassadorial role that staff have in promulgating the reputation of the organisation. This helps KCC attract the best staff to the organisation.

Improving the way KCC listens to and engages with its employees, communities and partners to develop policy and services

Improving the way KCC listens to and engages with its employees, communities and partners to develop, implement and review policy and to inform the commissioning of services through:

- keeping residents and staff informed;
- enabling communities to have their say through consultations
- making sure that communities have easy access to accessible information
- knowing who makes up the communities in Kent

We will measure the impact of our engagement through

- the Council's employee engagement survey,
- performance against the

Feedback from consultation noted that KCC should demonstrate how this duty would be discharged.

Some respondents noted that there should be better identification of stakeholder and vulnerable groups

As such the experiences of staff through the "life cycle" of employment is critical- both in relation to liabilities for the organisation as an employer and critically in relation to the experience of staff as employees and ambassadors for the reputation of KCC as an employer and deliverer of services

The Localism Act 2011- speaks of: "Push[ing] power downwards and outwards to the lowest possible level, including individuals neighbourhoods, professionals and communities as well as local Councils and other local institutions" ([DCLG, 2012](#)). Implicit in this approach is that there will be partnership and involvement by local communities in shaping local agendas, and holding to account key decision makers. Calls for transparency through the five key measures will mean that it is important that there is an open dialogue with staff, communities and partners.

An engaged workforce is critical for ensuring that the services KCC delivers are of the highest level. Part of engaging with employees is to ensure that the approach is inclusive and reflects differing perspectives on

employee engagement action plan

- consultations, and the outcome of consultations
- Community engagement team and user satisfaction tools.

engaging with work and the employer.

Improving the collection monitoring and use of data to inform service design delivery and policy decisions.

Improving the quality, collection, monitoring and use of equality data as part of the evidence base to inform service design delivery and policy decisions by:

- Understanding what and how the data will be used
- Providing best practice guidance on the collection and use of data for staff
- Offering guidance, updates and training on how to use and collect data
- Clarifying what data need/ use when commissioning services from partners
- Consistent and clear standards in the use of data

We will measure the impact through:

- The availability of improved levels of data
- Improved use of equality

Internal audit has found KCC to have limited compliance against the requirements of the Equality Act.

The need for consistency in our approach to the collection of data was cited with an emphasis on quality and use.

Improving the way in which information is collected and analysed in relation to the services that KCC delivers will provide more effective performance managements and also be key in enabling effective procurement and commissioning

Telling people why we ask questions and how we will use it will be critical in KCC fulfilling this objective

It is important that KCC has a clear understanding of the community it serves, understands the changes to the community and the impact these changes will have on service provision.

Improving the quality and content of data means that KCC will be better able to respond to the needs of customers, and effectively manage or commission services in a way that is financially sound and purposeful at the point of use.

It also enables the organisation to understand what the customer experience is in relation to the services that they have received and

analysis as part of the evidence basis in EqlA's and key decisions.

- Ensuing that the data is used as part of core performance management.
- All parts of the business are able to identify and collect relevant data

allows the organisation to address issues and to improve change and develop services.

It provides a strong evidential basis for future planning and past performance.

Examples from other sectors show that the organisations that understand their customer base are the ones that grow and thrive. From this comes opportunities for development and innovation

Providing inclusive and responsive customer services

Providing inclusive and responsive customer services through:

- Understanding our customers
- Connecting with our customers effectively and efficiently
- Empowering staff to meet service expectations
- Improving access to services
- Working with our partners to improve our customer experience

This will be measured through the success of our customer service strategy

The Customer service strategy has a number of work streams that will have equality implications and will only be successful if it can demonstrate a clear understanding of who's KCC's customers are and provide and network and responses that meet the needs of those

Understanding who KCC's customers are will be critical in the organisation's ability to shaping and developing creative and efficient responses in order to face the challenge presented

The Customer Service strategy is the standard to which various services across KCC will be expected to operate.

Ensuring equality and diversity is embedded in relation to expected standards of management/monitoring/delivery with out-facing services will result in core considerations being included in the work of the teams who adopt this model. This will serve to bring the organisation

Understanding and responding to the equality impacts when carrying out duties and taking decisions.

[\[hyperlink to KCC Customer Service Strategy\]](#)

Understanding and responding to the equality impacts when KCC is doing its work by

- Ensuring we understand the impact of all our decision through undertaking equality analysis
- Ensuring that we understand and monitor the cumulative equality impacts of the decisions that are taken within the Council
- Ensuring with have the best internal process for making good decisions that take equality and diversity into account

We will know we have been successful when

- All our key decisions take into account equality analysis
- Our commissioning and procurement activities are more efficient and focused.

in the delivery of services

Some respondents felt the objective was to technical and serviced only ticked boxes. However, this objective reminds KCC that it must follow due process in decision making and is related costly to our internal governance structures however demonstrate the comment to the public as to how KCC will fulfil this duty,

Changes to local government in terms of expectations and real per capita funding mean that the way in which KCC has planned and delivered services will have to change.

The move towards a commissioning authority, rather than one that delivers services directly, will mean that what is provided must be focused on the areas identified as priorities by Members, and must also consider the needs of people in relation to their Protected Characteristics.

Furthermore, a change of approach to the Council's core services will work to attract a broader customer base in order to sustain services. Using equality analysis to Improve design, delivery and access will mean that KCC is a provider of choice for those who control their budgets. It will also improve the effectiveness of KCC's commissioning and procurement processes. In addition, the authority that will be able to demonstrate commitment to its Equality Duties and the difference this makes.

Appendix 3

Part 1: INITIAL SCREENING

Context

In April 2010 the Equality Act replaced previous anti-discrimination laws with a single act to make the law simpler. The act covers nine protected characteristics.

Every person has one or more of the protected characteristics, so the act protects everyone against unfair treatment.

The Public Sector Equality Duty (Section 149 of the Equality Act 2010) came into force in April 2011. It requires public bodies to have 'due regard' to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

Aims and Objectives

In October 2011 the Government Equality Office (GEO) published guidance on what public bodies are expected to publish in order to show how they meet the Duty. The guidance states that public bodies:

- Must publish their first equality objectives by 6 April 2012, with subsequent objectives published at least every four years
- Must decide how many equality objectives it should set and what they should be
- Objectives should take into account evidence of equality issues across all its functions, consider issues affecting people sharing each protected characteristics and take into account about the three aims of the Duty.

The purpose therefore of setting objectives is to strengthen performance against the requirements of the Equality Duty. Through the analysis of our performance to date, a set of proposed equality objectives have been established to provide a framework for the Council to underpin the priority action necessary to achieve its obligation to meet its public sector general duty. To gain assurance that the proposed Equality Objectives are meaningful and reflective of the priority action required of the Council, the following objectives have been proposed for consultation:

The Council will promote equality in employment and service delivery by:

- Working with partners to address areas of inequality

- Promoting fair employment practices and creating an organisation that is aware of equality and diversity and able to deliver its Public Sector Equality Duty
- Improving the way KCC listens to and engages with its employees, communities and partners to develop policy and services
- Improving the collection monitoring and use of data to inform service design delivery and policy decisions.
- Providing inclusive and responsive customer services.
- Understanding and responding to the equality impacts when carrying out duties and taking decisions.

Beneficiaries

The following beneficiaries have been identified:

- Kent County Council- Members and Officers
- Residents
- Service users
- Strategic Partners
- Voluntary and Community Sector
- Visitors to the County

Consultation and data

To find out more about the population profile of the County, please click here.

<https://shareweb.kent.gov.uk/Documents/facts-and-figures/Equalities%20and%20diversity/kcc-edprofile-apr2012.pdf>

The profile of the County in addition to its close proximity with London and international borders means that the equality objectives will cut across all protected characteristics. As such consultation will be focused at all 9 characteristics and key beneficiaries.

Potential Impact

Adverse Impact:

No adverse impacts have been identified in relation to groups with protected characteristics in the proposed equality objectives. It is envisaged that the adoption of the equality objectives will result in services that have paid due regard to protected characteristics in relation to the design and delivery of services.

Positive Impact:

The objectives will enable the organisation to achieve the outcomes of its plans and at the same time will be able to deliver against its public Sector equality duties.

Part 2: FULL IMPACT ASSESSMENT

Name

KCC Equality Objectives

Responsible Owner/ Senior Officer:

Matt Burrows

Date of Full Equality Impact Assessment:

15 August 2012

Scope of the Assessment

Assumptions made that the objectives identified will respond to the needs of the different PC Groups under the Equality Act

Information and Data

See above consultation and data section.

Involvement and Engagement

A significant number of groups and representatives were directly contacted and invited to participate in the consultation process. In addition to this, awareness was raised through the Kent County Council websites.

Judgement

The final objectives will have a positive impact on all protected characteristics. Key areas of concerns where:

- the recognition of the benefits of recognising diversity.
- commitment to working with all partners in achieving the highest standard's of service delivery possible
- KCC needed to show commitment to undertaking our duties – the language used has been changed slightly to show this commitment
- KCC need to show how this duty would be discharged.

Also it was felt that:

- Improving the way in which information is collected and analysed in relation to the services that KCC delivers will provide more effective performance managements and also be key in enabling effective procurement and commissioning

As such the objectives have been adjusted to reflect these changes

Action Plan

See below

Monitoring and Review

Monitoring and review will be undertaken through the creation of an internal working group who will oversee KCC's compliance against the requirements of the Equality Act 2010

An annual report will be put before members to demonstrate compliance and progress against the objectives.

Equality and Diversity Team Comments

Sign Off

I have noted the content of the equality impact assessment and agree the actions to mitigate the adverse impact(s) that have been identified.

Senior Officer

Signed:

Name: Steve Charman

Job Title: Head of Consultation & Engagement

Date:

DMT Member

Signed:

Name: Matt Burrows

Job Title: Director of Communications and Engagement

Date:

Equality Impact Assessment Action Plan



Protected Characteristic	Issues identified	Action to be taken	Expected outcomes	Owner	Timescale	Cost implications
All	Internal management group to oversee the implementation of the Objectives	Review of existing groups	Consistent Compliance with the Equality Act 2010 across KCC	Amanda Honey/ Matt Burrows	September- December 2012	On-cost-part of core delivery.
All	See KCC Objectives embedded in core business	Business plans and performance frameworks aligned against the objectives	Consistent Compliance with the Equality Act 2010 across KCC	Amanda Honey/ Matt Burrows	September – December 2012	On-cost-part of core delivery.
All	Compliance and progress against objectives	Annual Report	Members and Public are aware of progress against objectives and compliance against the Equality Act 2010	Amanda Honey/ Matt Burrows	Annual Reporting cycle	On-cost-part of core delivery.

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By: Roger Gough – Cabinet Member for Business Strategy,
Performance and Health Reform
Amanda Beer – Corporate Director of Human Resources

To: Policy & Resources Cabinet Committee

Date: 27 September 2012

Subject: Terms & Conditions Review – Reward Survey

Classification: **Unrestricted**

SUMMARY:

This paper outlines to Policy & Resources Cabinet Committee the approach taken to seek employee views about the various elements within their employment package. A countywide staff survey is currently being conducted and is taking place in advance of the requirement to make savings of £500k from terms and conditions from April 2013. The results of the survey will enable the Council to make informed choices about future short and long term changes to terms and conditions and the wider employment package.

1. BACKGROUND

- 1.1 Personnel Committee on 16 May 2012 endorsed the approach to the terms and conditions review via staff surveys, focus groups and internal communication mechanisms. The Reward Survey is the main staff consultation mechanism to enable KCC to gauge which aspects of the Total Reward package are most valued by staff.
- 1.2 The Survey asks staff to rate aspects of the wider reward package, including Pay, Pensions and Retirement, Allowances, Benefits, Work Environment, Learning and Development. Results will then be collated to enable a holistic view to be taken about any future changes to the package.
- 1.3 The overall intention of the Reward Survey is to inform the delivery of savings and to influence the longer-term design of the wider Employment Package.
- 1.4 An Equalities Impact Assessment was completed prior to the Reward Survey going live, and no adverse issues were identified.
- 1.5 Trade Unions have been involved with the Reward Survey, as part of the consultation process and they will be included in helping to define the wider employment package.

2. SURVEY ACCESS, COMMUNICATION AND RESPONSES

- 2.1 The Reward Survey went live on KNet on Friday 27 July and will remain open until at least Friday 28 September. A copy of the questionnaire is attached at Appendix 1. It is available to all Kent Scheme staff, including non-teaching staff within schools and those on Soulbury terms and conditions.
- 2.2 The Reward Survey can be accessed via a link on KNet and also on Kent.gov.uk via the following link:
<https://www.kent.gov.uk/af3/an/default.aspx/RenderForm/?F.Name=JV6nN5nXacz> for those staff without access to KNet. Staff without electronic access can complete the Survey by telephone via the Contact Centre. Also, letters have been sent to 1175 non-schools staff who do not have KNet access, informing them of the survey and the link.
- 2.3 Letters will be sent to 13,360 non-teaching staff via the schools courier system, informing them of the survey and the link, along with covering letters to Head Teachers. These letters will be delivered in the first week of September, at the start of the new school term.
- 2.4 A separate e-mail will be sent to Head Teachers to ask for their views on Kent Scheme terms and conditions, prior to the start of the new school term in September.
- 2.5 As of 12 September, over 1,500 staff had responded to the survey, representing around 15% of the total Kent Scheme population. Schools responses are unlikely to filter through until September.
- 2.6 HR Business Partners have been asked to prompt their DMT managers to remind staff about the Survey. Also, Staff Groups have been contacted and asked to remind their members about the Survey. Once we have received more responses, it will possible to gauge whether there is a need for focus groups to discuss any particular issues which arise.
- 2.7 The Reward Survey has been the top story on KNet. Reference to the survey and a direct link will continue to appear on KNet until the end of September. A link to the survey will also be placed on the KNet Noticeboard. Regular reminders for staff to complete the survey will appear on KNet, increasing towards the closing date.
- 2.8 An article and link to the Reward Survey has been placed on Kent Trust Web and will also appear in the Schools e-bulletin in September.
- 2.9 An All Points Bulletin has been sent out to increase awareness. Also, a link to the survey is available on the Kent Rewards website and a 'Yam Jam' discussion is currently being planned for the beginning of September to be led by Roger Gough and Amanda Beer.

- 2.10 An update was provided to Personnel Committee on 17 September 2012. Proposed changes, informed by the results of the survey are to be brought to Personnel Committee for approval on 29 November 2012.
- 2.11 Policy and Resources Cabinet Committee are invited to comment on the Reward Survey approach.
- 2.12 As the survey is currently being undertaken, a verbal update will be made to the Committee indicating the response level and any significant preferences which can be identified prior to the final closure of the survey period.

3. TIMESCALES

- 3.1 Staff consultation runs from the end of July to the end of September with consideration of proposed changes during October. Any immediate changes to take place will be implemented during the next financial year with subsequent longer-term changes being effective from April 2014 and beyond.

4. CONCLUSION

- 4.1 This is the most comprehensive Reward Survey to have taken place and there has been considerable investment in its design to ensure maximum effectiveness. Staff have been given a range of options to encourage their contribution to the future design of the Total Reward Package through their completion of the Survey. Consequently, the outcomes of the survey can be used as a precursor to consultation about any subsequent proposed changes.

5. RECOMMENDATION

- 5.1 Policy & Resources Cabinet Committee considers the approach and members of the Committee are invited to contribute to the consultation process.

Background documents

None

Colin Miller
Reward Manager
Ext 6056



Reward Survey

Welcome to the Reward Survey!

This is your chance to have your say about your employment package with KCC and to tell us what you value most.

We are aware that people value different elements of their employment package and that this may change over time. We want to find out your views so that we can ensure that KCC's offer continues to be modern and fit for purpose over the years to come. As you are aware, in the current economic climate we need to identify some savings, but we want to make sure that any changes reflect not just business requirements but take your views into account as much as possible.

The Reward Survey covers a wide range of benefits, so please also use it to find out more about what is on offer. Not only that - you may be one of 10 lucky winners of £50 shopping vouchers of your choice.

Once you have finished the survey, a summary of your responses will be e-mailed to you for you to print off, so that you can see for yourself the elements of the employment package which you value most. All responses are anonymous, but you will need to provide us with your e-mail address if you wish to be part of the prize draw.

Please note that your opportunity to complete this survey will close on **Friday 28 September** so don't miss out on your chance to have your say.

Would you like to be entered into the prize draw to win one of 10 prizes of £50 shopping vouchers of your choice? Yes No

Please give us your name and e-mail address below so that we can notify you if you win. Your contact details will only be used for this purpose and all your answers will remain confidential.

Name

E-mail address

Would you like to receive an e-mailed summary of your responses? Yes No

Please give us your e-mail address so we can send the summary to you.

Where you see a blue question mark next to a question option, this means there is additional information available to help you answer.

About you

Do you work in a: Directorate School

Which unit/section/department/team do you work in?

What age range do you come under? 24 and under 25-34 35-44 45-54 55-64 65 and over

Which pay grade range do you come under? KR 2-5 KR 6-9 KR 10-12



Do you work: KR 13+
 Part-time
 Full time

Pay

Please rank in order the following (1,2,3,4) in order of preference where 1 is highest.

Fair pay for job

Consistency with others within the organisation

Competitive with other organisations

Amount of pay

Recognition

Please rank in order the following (1,2,3,4,5) in order of preference where 1 is highest.

Appraisal process

Manager saying 'thank you'

Cash award (Payment to recognise a one-off piece of work done well)

Non cash award(One-off non financial reward for work well done)

Team or peer recognition eg Quality Service Awards

Pensions and retirement

On a scale of 1 -5, how important are the following? (1 is essential, 5 is not important at all)

Local Government Pension Scheme (LGPS)/Teachers Pension Scheme (TPS) - Defined benefit (These are national schemes and KCC must adhere to these rules. Your pension is based on your salary and number of years in the scheme. The contribution KCC makes is currently 21% of your salary, if you are a LGPS member and 14% for TPS.) 1
 2
 3
 4
 5

Additional Local Government Pension Scheme pension (Opportunity to buy additional pension up to £5000 per year) 1
 2
 3
 4
 5

The ability to make Additional Voluntary Contributions to my pension(You can contribute more to your pension based on standard investments or ones which you choose) 1
 2
 3
 4
 5

3 times annual salary for life assurance/Death in Service(Your nominated dependants will receive 3 times your annual salary should you die while still in employment)

1
 2
 3

4
 5

Would you prefer to work longer for more pension?

Yes
 No

At what age do you hope to retire?

50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 Over 75



How much do you value receiving more than the statutory minimum for the following (1 is essential, 5 is not important at all)

Redundancy pay

1

2

3

4

5

Maternity / Paternity / Adoption Pay

1

2

3

4

5

Sick pay

1

2

3

4

5

Please indicate which of the following additional allowances you receive:

Overtime - enhanced rate of pay after 37 hours

If part-time, paid overtime beyond contracted hours up to 37

Time off in Lieu (Toil)

Stand by

Sleep in

Out of hours payments

Disturbance Allowance (Formerly Appendix E)

Salary protection

Of any of the following you receive, please rate how much you value them (1 is essential, 5 is not important at all)

Overtime - enhanced rate of pay after 37 hours

1

2

3

4

5

If part-time, paid overtime beyond contracted hours up to 37

1

2

3

4



	<input type="checkbox"/>	5
Time off in Lieu (Toil)(Time taken in compensation of hours worked)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Stand by(Payment made to compensate for being available to work outside of normal working hours)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Sleep in(Compensation for sleeping at KCC establishment and being available for work)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Out of hours payments (Enhancements for working at evenings and weekends)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Disturbance Allowance (Formerly Appendix E)(Reimbursement of additional costs incurred due to change of office location as a result of reorganisation)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Salary protection(Compensation for reduction an grade and salary)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5

Reward survey

Benefits

Please indicate whether you agree or disagree with the following statements.

Leave entitlement should be linked to length of service

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Leave entitlement should be linked to grade

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Concessionary day is valued(Extra day's leave over Christmas and New Year)

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

The concessionary day should be incorporated into my annual leave (this means working more during Christmas and New Year, but an extra day can be taken subsequently)

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

I think my annual leave is appropriate

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

The ability to buy annual leave is important to me

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

The ability to sell annual leave would be important to me

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree



The ability to defer or carry over annual leave is important to me (where offered)

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Please indicate which of the following you have used or would use:

- Maternity Leave - please note that this is set nationally
- Maternity Support Leave (Paternity Leave)
- Adoption Leave
- Personal Leave (compassionate leave)
- Carers leave
- Career break (also known as Time Out)
- Study Leave
- Religious observance
- Trade Union facilities
- Unpaid leave
- Time off for public duties
- Medical screening

On a scale of 1 -5, how important are these to you? (1 is essential, 5 is not important at all)

Maternity Leave

- 1
- 2
- 3
- 4
- 5

Maternity Support Leave (Paternity Leave)

- 1
- 2
- 3
- 4
- 5

Adoption Leave

- 1
- 2
- 3
- 4
- 5

Personal Leave (compassionate leave)(Up to 10 days per year)

- 1
- 2



	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Carers leave(Up to 5 days of the Personal Leave entitlement can be taken)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Career break (also known as Time Out)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Study Leave	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Religious observance(Unpaid time off to enable you to engage in religious activities)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Trade Union facilities	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Unpaid leave(Discretionally unpaid leave to cater for unforeseen circumstances)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Time off for public duties (magistrates, school governor and polling duties)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2



	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Medical screening(Dental, GP and hospital appointments etc.)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5

Please select your top four of the following and rate them (1,2,3,4) in order of preference where 1 is highest.

Support line	<input type="text"/>
Help Fund	<input type="text"/>
Work place mediation	<input type="text"/>
Access to work assessments (support for disabled staff)	<input type="text"/>
Keep in touch days (maternity returners - national provision)	<input type="text"/>
Flexible working opportunities to promote work / life balance	<input type="text"/>
Change Management support	<input type="text"/>
Pre retirement support / counselling	<input type="text"/>
Stress Management / Stress risk assessment tool	<input type="text"/>
Financial counselling	<input type="text"/>
Redeployment support	<input type="text"/>
Display screen equipment assessment	<input type="text"/>
Occupational Health Department	<input type="text"/>

Please tick which of the following policies you are aware of:

- Grievance
- Disciplinary
- Performance & Capability
- Attendance management
- Redeployment
- Redundancy
- Equality & Diversity
- How to deal with Harrassment
- Whistle Blowing

Please indicate which of the following you have used or would use:

- Childcare Vouchers
- Cycle 2 Work
- Staff Club
- Staff Games

- KentRewards.com discounts & cashback
- Value Plus Local - Discounts from Kent based businesses
- Adult Education 10% discount on courses
- Non KCC subsidised lease car scheme
- Fitness activities
- Reward Viewer - online explanation your total reward package
- Benenden Healthcare
- Simply Health - Dental and optical healthcare cashback
- Gym & Health Club discounts
- Health screening
- Kiosk health check
- Private Medical Insurance advice line
- Virtual Gym
- Individual appointments eg, osteopath, reflexologist, chiroprapist

On a scale of 1 -5, how important are these to you? (1 is essential, 5 is not important at all)

Tax efficient savings
 Childcare Vouchers(Tax saving payment mechanism for childcare provision)

- 1
- 2
- 3
- 4
- 5

Cycle 2 Work(Tax saving opportunity to access bicycle for work)

- 1
- 2
- 3
- 4
- 5

Social activities
 Staff Club(KCC organised discounted trips and events)

- 1
- 2
- 3
- 4
- 5

Staff Games(Opportunity for employees to take part in sporting and recreational activities)

- 1
- 2
- 3
- 4



Voluntary benefits 5

KentRewards.com discounts & cashback 1

2

3

4

5

Value Plus Local - Discounts from Kent based businesses 1

2

3

4

5

Adult Education 10% discount on courses 1

2

3

4

5

Non KCC subsidised lease car scheme 1

2

3

4

5

Healthcare - voluntary benefit (paid by yourself)

Reward Viewer - online explanation of your total reward package 1

2

3

4

5

Fitness activities 1

2

3

4

5

Benenden Healthcare(Mutual friendly society which operates as back up to the NHS for faster diagnosis and treatment) 1

2

3



	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Simply Health - Dental and optical healthcare cashback	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Gym & Health Club discounts	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Wellbeing and health promotion Health screening(Nurse based health screening and advice)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Kiosk health check(Kiosk based health assessment)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Private Medical Insurance advice line	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Virtual Gym(Computer based / online health programme)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Individual appointments eg, osteopath, reflexologist, chiroprapist	<input type="checkbox"/>	1
	<input type="checkbox"/>	2



- 3
- 4
- 5
- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

I would pay a discounted rate for alternative therapy treatments such as osteopath, reflexologist or chiropodist

Reward survey

Work environment

Flexible working

On a scale of 1-5, how important are these to you? (1 is essential, 5 is not important at all)

Part time working

- 1
- 2
- 3
- 4
- 5

Flexitime

- 1
- 2
- 3
- 4
- 5

9 day fortnight(Fitting 10 normal working days into 9)

- 1
- 2
- 3
- 4
- 5

Term Time working

- 1
- 2
- 3
- 4
- 5

Annualised hours(Working a set number of hours on a flexible basis over the course of a year)

- 1
- 2



Job Sharing

- 3
- 4
- 5

- 1
- 2
- 3
- 4
- 5

Zero Hours(Working at agreed times when work is available)

- 1
- 2
- 3
- 4
- 5

Working from home

- 1
- 2
- 3
- 4
- 5

Business travel

Do you need to travel for business?

- Yes
- No

I have sufficient flexibility and support for travel at work to enable me to do my job effectively

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

What single change would help to better support you with business travel?

Equity and fairness

Are you aware of the following aspects which aim to ensure equity and fairness across the organisation?

- a county wide approach to grading of jobs
- Equal pay audits conducted
- Right to appeal against decisions (e.g. job evaluation appeal, grievance procedure etc.)

Equality Impact assessments undertaken

On a scale of 1 -5, how important are these to you? (1 is essential, 5 is not important at all)

a county wide approach to grading of jobs

- 1
- 2
- 3
- 4
- 5

Equal pay audits conducted (Proactive demonstration that people are paid fairly and consistently)

- 1
- 2
- 3
- 4
- 5

Right to appeal against decisions (For example Appraisal outcome and job grading)

- 1
- 2
- 3
- 4
- 5

Equality Impact assessments undertaken(Informed decision making to ensure equalities are taken into account in policy formation)

- 1
- 2
- 3
- 4
- 5

How important is it to you that KCC recognises Trade Unions?

- 1
- 2
- 3
- 4
- 5

Are you a member of a staff group?(Such as Unite, Rainbow, Aspire, Level Playing Field)

- Yes
- No

On a scale of 1 -5, how important are these to you? (1 is essential, 5 is not important at all)

Staff groups

- 1
- 2
- 3
- 4
- 5



	<input type="checkbox"/>	5
Investors in People accredited	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Two Ticks rated authority (accreditation for disability awareness)	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
KCC values what staff think and finds out views via surveys	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Key focus on equality & diversity	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Vision is defined - One Council / Bold Steps	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Working for an organisation which values Health and Safety	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3
	<input type="checkbox"/>	4
	<input type="checkbox"/>	5
Valuing people as individuals	<input type="checkbox"/>	1
	<input type="checkbox"/>	2
	<input type="checkbox"/>	3

4 5

Reward survey

Learning and development

Learning and development is important to me

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

It is important that the organisation I work for supports me in gaining qualifications

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

It is important that I am enabled to undertake Continuous Professional Development (CPD) (Ongoing professional training undertaken)

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

It is important to me that my organisation supports my progression through career grades

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

It is important that KCC continues its commitment to 5 days learning and development for everyone

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Personal development opportunities

I have the knowledge, skills and competencies to do my job effectively

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree



I am supported through training and development to develop my knowledge, skills and competencies for the future

Strongly agree
 Strongly disagree
 Disagree
 Neither agree nor disagree
 Agree

I feel happy that KCC is moving to a more flexible and adaptable approach towards working

Strongly agree
 Strongly disagree
 Disagree
 Neither agree nor disagree
 Agree

Do you have:

Strongly agree
 Regular appraisals
 1 to 1s
 A personal development plan

On a scale of 1 -5, how important are these to you?(1 is essential, 5 is not important at all)

How important is career development to enable you to move into a new role within your organisation?

- 1
- 2
- 3
- 4
- 5

Regular appraisals

- 1
- 2
- 3
- 4
- 5

1 to 1s

- 1
- 2
- 3
- 4
- 5

Personal development plans

- 1
- 2
- 3
- 4
- 5



Please select your top four of the following and rate them (1,2,3,4) in order of preference where 1 is highest.
Gaining qualifications

Coaching for performance

Volunteering

Secondments

Work shadowing

Informal opportunities eg attending meetings(Attending meetings or events to broaden knowledge and understanding)

How important is it that the organisation actively develops and uses your skills and abilities to further your career progression? (1 is essential, 5 is not important at all)(Proactive use and development of skills and abilities to further career progression)

1
 2
 3
 4
 5

Reward survey

What's most important to you

Please select your top four of the following and rate them (1,2,3,4) in order of preference where 1 is highest.

More free time

More money

More personal development

Better organisation to work for

More support in your role

More recognition

More benefits and discounts

Better working environment

More opportunity to progress

More autonomy in your role

Better communication

More flexibility

Please tell us (using the box below) about anything you'd like us to consider introducing or changing.

Comments

Reward survey

Equalities information



We want to make sure that everyone is treated fairly and equally, and that no one gets left out. That's why we are asking you these questions. We won't share the information you give us with anyone else. We'll use it only to help us make decisions.

If you would rather not answer any of these questions, you don't have to.

Gender

- Male
- Female
- Prefer not to say

Is your gender the same as at your birth?

- Yes
- No
- Prefer not to say

How old are you?

To which of these ethnic groups do you feel you belong?

- British
- White & Black Caribbean
- Indian
- Caribbean
- Irish
- White & Black African
- Pakistani
- African
- Gypsy/Roma
- White & Asian
- Bangladeshi
- Irish Traveller
- Arab
- Chinese
- Other
- I prefer not to say

Other ethnic group

The Equality Act 2010 describes a person as disabled if they have a longstanding physical or mental condition that has lasted, or is likely to last, at least 12 months; and this condition has a substantial adverse effect on their ability to carry out normal day-to-day activities. People with some conditions (cancer, multiple sclerosis and HIV/AIDS, for example), are considered to be disabled from the point that they are diagnosed.

Do you consider yourself to be disabled as set out in the Equality Act 2010?

- Yes
- No
- I prefer not to say

You may have more than one type of impairment, so please select all the impairments that apply to you. If none of these applies to you, please select Other, and write in the type of impairment you have.

Please tell us which type of impairment applies to you.

- Physical impairment
- Mental health condition



- Sensory impairment (hearing, sight or both)
- Learning disability
- Long standing illness or health condition, such as cancer, HIV/AIDS, heart disease, diabetes or epilepsy
- Other (please specify)
- I prefer not to say

Other

Do you regard yourself as belonging to any particular religion or belief?

- Yes
- No
- I prefer not to say

Which of the following?

- Christian
- Hindu
- Muslim
- Buddhist
- Jewish
- Sikh
- Other (please state)

Other

Are you:

- Bi/Bisexual
- Gay woman/Lesbian
- Heterosexual/Straight
- Gay man
- Other
- I prefer not to say

Other

**Thank you for providing this information, your feedback is important to us.
If you would like to review all your answers before sending them to us, please choose the Review button below. If you have provided us with your e-mail address in the first section, you will also be e-mailed a copy of your form for your records.**

By: Amanda Beer – Corporate Director Human Resources

To: Policy and Resources Cabinet Committee – 27th September 2012

Subject: Human Resources Division – update on restructure

Classification: Unrestricted

Recommendations

The Committee is invited to note the proposals for the restructure of the Learning and Development function in the Human Resources Division and consider the changes made to the rest of the Division and its service delivery as a result of its restructure in July 2011.

Introduction

In March 2011, the Corporate Policy Overview and Scrutiny Committee received a paper on the proposed restructure of what is now the Human Resources Division. The paper outlined the new structure for the Division and highlighted the purpose and principals of the centralised service.

The restructure of the majority of the Division was implemented by July 2011 so there is now slightly more than a year's experience of the effectiveness of the new organisational structure. A decision was made to delay the restructure of organisational development, including the delivery of learning and development activity, whilst some external review and opinion was commissioned and considered. The details of the small, strategic organisational development team were finalised in April 2012 and appointments made to the two senior posts. Following an externally commissioned "lean review" of the learning and development delivery teams, staff and interested stakeholders have been consulted on for the introduction of a new single team. The outcome of the consultation is currently being considered and the new structure will be implemented from 1st November 2012. This final activity will complete the restructure of the Division.

The current structure chart for the Division is shown at Appendix 1.

Learning and Development Restructure

The delivery of Learning and Development activity is a key issue for service directorates and it has been critically important to ensure that the revised structure can deliver the quality and quantity of training required. The new structure reduces the number of in-house trainers employed by the Authority, centralises and reduces the administrative support posts and plans for greater

use being made of externally commissioned training, e-learning and systems technology for booking courses and budget management.

The proposal as it was shared with staff is shown at Appendix 2. The final structure will be shared with the committee at the meeting once all the feedback from the consultation exercise has been fully considered. The revised structure will reduce the cost of the learning and development team by approximately £600,000 in a full financial year.

Review of the impacts of the Human Resources Restructure.

As noted, the majority of the changes to the HR model of service delivery have now been in place for 13 months. Overall the restructure has been successful in its aims of delivering significant budget savings (£3m since April 2011), driving consistency in HR advice and supporting the one council approach. There are further improvements to be made, but progress has been rapid and sustained.

This section of the paper reviews progress made in each of functions of the new division.

- **Business partners (HRBP).** The four senior professionals holding these posts are very closely aligned to the Directorate(s) they support and are members of each Directorate Management Team. They work closely with senior officers. Key areas of focus within the part of the organisation each business partner supports include
 - using business insights to drive change in people management practices to deliver business plans and enhance business unit performance
 - organisational and people capability building
 - longer term resource and talent management planning
 - intelligence gathering of good people management practices internally and externally, to raise issues that managers may not be aware of.
 - Close liaison with external partners on HR issues affecting professional groups

The posts report to the Corporate Director of Human Resources and form the HR strategy group along with the heads of the other main HR functional groups. Effectively, the Business Partners are the conduit between the organisation and the HR function to ensure each can influence the other to create HR and OD strategy and processes that improve the performance of individuals and the services delivered. These posts do not have line management responsibility but have resource available to them from elsewhere in HR.

The HRBP function has been essential in our success so far. It has ensured that the massive restructuring across all service directorates has been supported from design through to implementation with much more consistency than before. Liaison with the HR centres of excellence has helped them to focus on service needs, and apply more consistent service models than previously. The Business partners consistent presence in service directorates, especially at DMTs, continues to support the KCC vision of the 'Self Sufficient

Manager'. They are taking an increasing role in OD activity and service directorates are already benefitting from the coordination of OD initiatives by HRBPs.

- **HR Employment Strategy.** This group will have responsibility for **Employee Relations, Reward, Organisation Design and Employment Policy**, including workforce equality and diversity; development of management information and strategic use of Oracle systems. These are small teams of policy specialists. It also include the **HR Business Support team**, the team of business support personnel officers who advise managers on the management of change; wellbeing; restructures; TUPE; redundancy and re-organisations; cases (discipline, grievance, harassment and bullying); managing employee performance and attendance management; recruitment and retention practice; and workforce planning. The bringing together of this team has without doubt improved consistency and quality of practice across the Authority, aided flexibility and allowed a better understanding of all parts of KCC across the whole HR group. The team regularly canvasses opinion on its service delivery. The feedback shows that:

- 97% of customers rate HR Advisors as excellent (80%) or good (17%)
- Advice given is rated as good or excellent in terms of clarity (95%), flexibility (95%), and timeliness (95%).
- 80% of customers felt we completely understood their business and what they wanted to achieve and a further 19% thought we did mainly.
- 77% felt our administration was completely well managed and professional and 18% felt it was mainly.
- 55% had complete confidence in us and 34% were very confident.

- **Health and Safety.** There is one team of health and safety professionals providing support across the business. Advisors are allocated to lead the relationship with specific business units, but a single team has allowed more flexibility and improved prioritisation and responsiveness. It has enabled what is a comparatively small team to provide a sustained level of support. Feedback from the business has been consistently positive.
- **Organisation Development.** This new group includes the strategic and policy aspects of workforce development and learning and development and has responsibility for organisation development strategy, workforce strategy and change management frameworks, and workforce development of both KCC professions and sectors such as social care. The team has already delivered significant progress in all these areas.
- **HR Business centre.** This includes, amongst other smaller teams, payroll and personnel services, the Schools Personnel Service and Learning and Development. The improvements realised from the restructure of this team can be summarised as follows:

Savings, efficiencies and resilience

- New processes implemented and economies of scale realised – reduced overall costs for delivery
- Better systems – moved all of schools over from external supplier to in house Criminal Record Bureau (CRB) solution. Excellent feedback, saving for the service (@ £50K pa) and reduced pricing passed on to schools of £4 per check

Enhanced collaboration between the teams

- Pooling expertise – much more collaboration / cross-over between Teacher Recruitment & Retention (TR&R), SPS Consultancy, Specialist schools training and L&D (training admin, staff standard, head teacher recruitment)
- Planned relocation providing Property with valuable solution and moving operational team to one location
- Greater business focus with an overarching view of the products enhancing marketing strategies and delivering more income.

One function – no duplicates

- Merger of SPS and ESC operations with cross-training and reduced management & staff costs. Best practice applied to both teams' processes
- CRB team merged, delivering savings on location costs and a more resilient, effective team
- More support for delivery of training in schools from Consultants, TR&R and L&D

Greater income and opportunities

- Increased income from Specialist Training in schools with Consultants now taking on training as part of their role
- Use of TR&R intelligence to feed into schools and offer a more 'value-added' service supporting long-term plans and strategies to attract further business

Conclusion

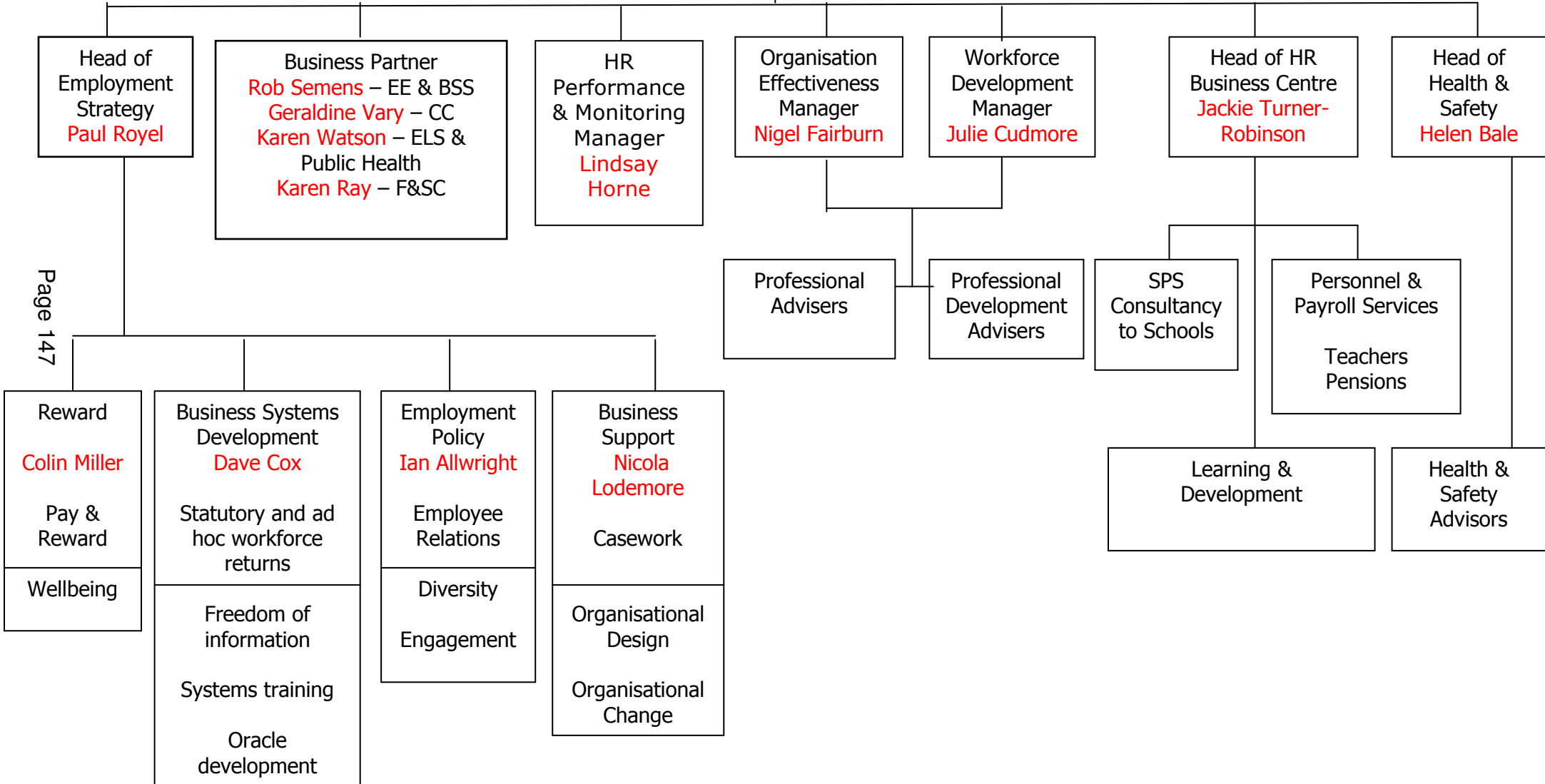
The Committee is invited to comment on the proposals for the new learning and development team and note the impact of the broader HR restructure.

Background Documents

“Restructure of Personnel and Development” Corporate Policy Overview and Scrutiny Committee March 2011.

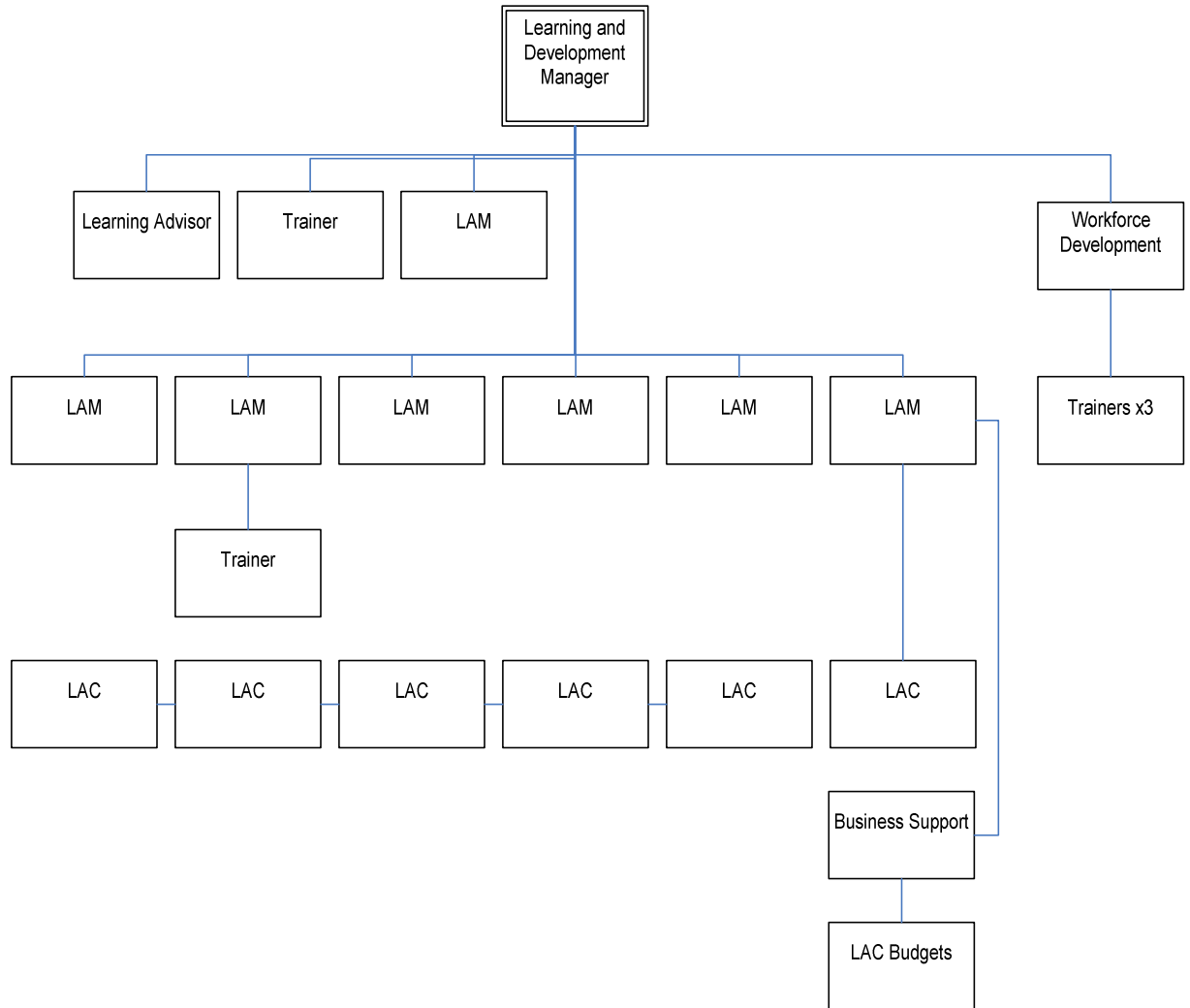
Amanda Beer
Corporate Director Human Resources
Ext 4136

**Corporate Director
Human Resources
Amanda Beer**

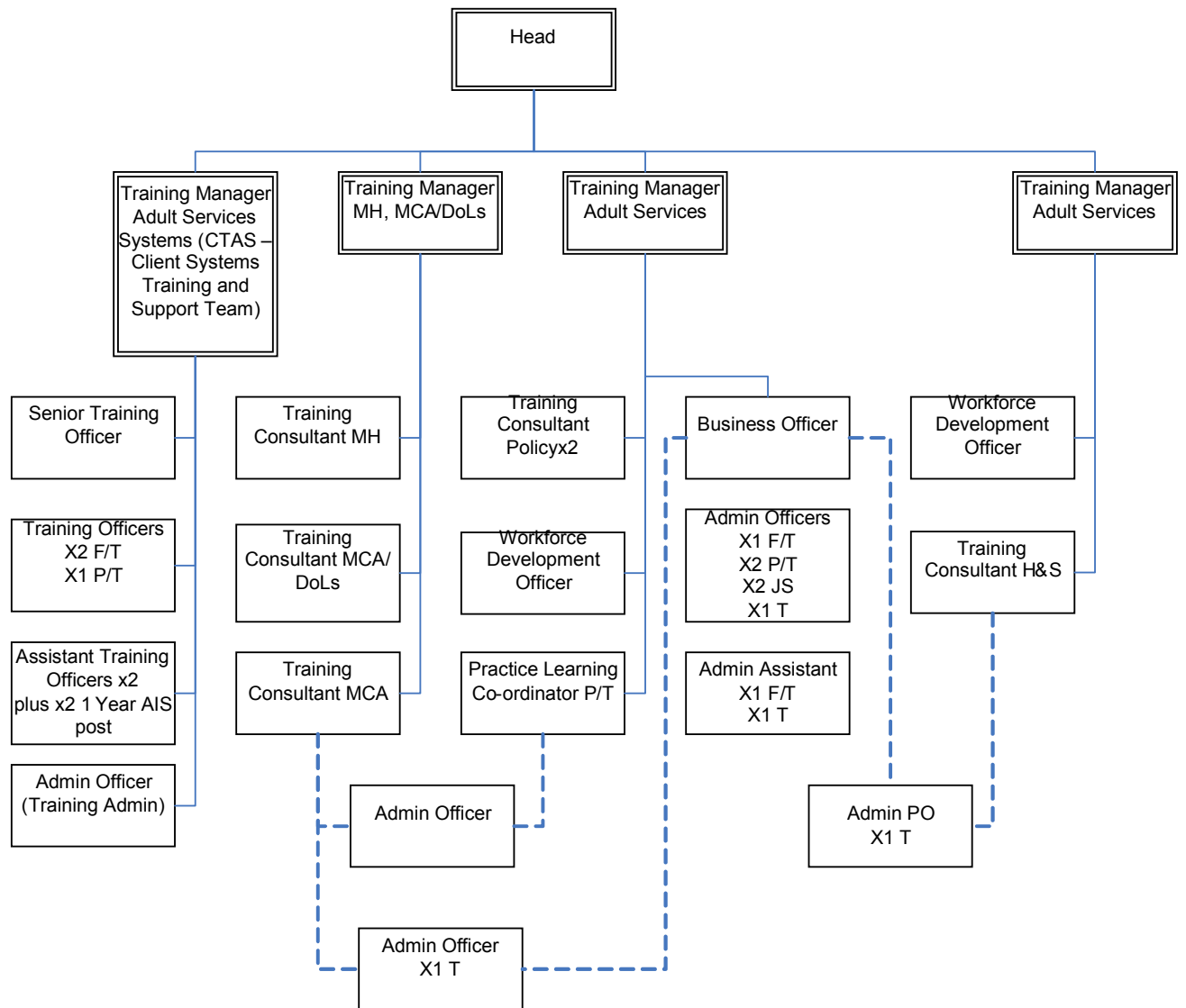


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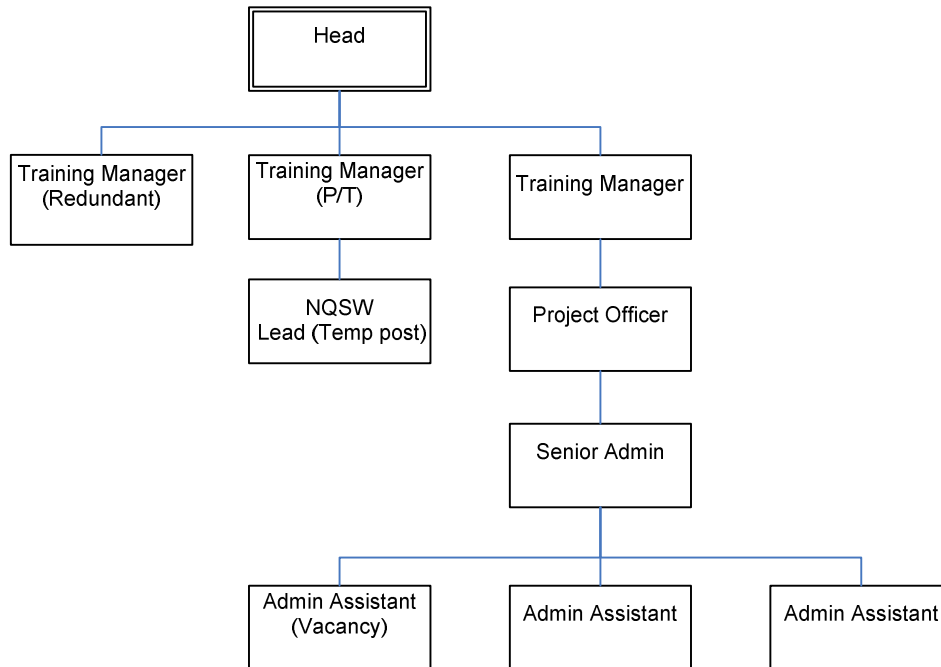
Core L & D Team Organisational Chart



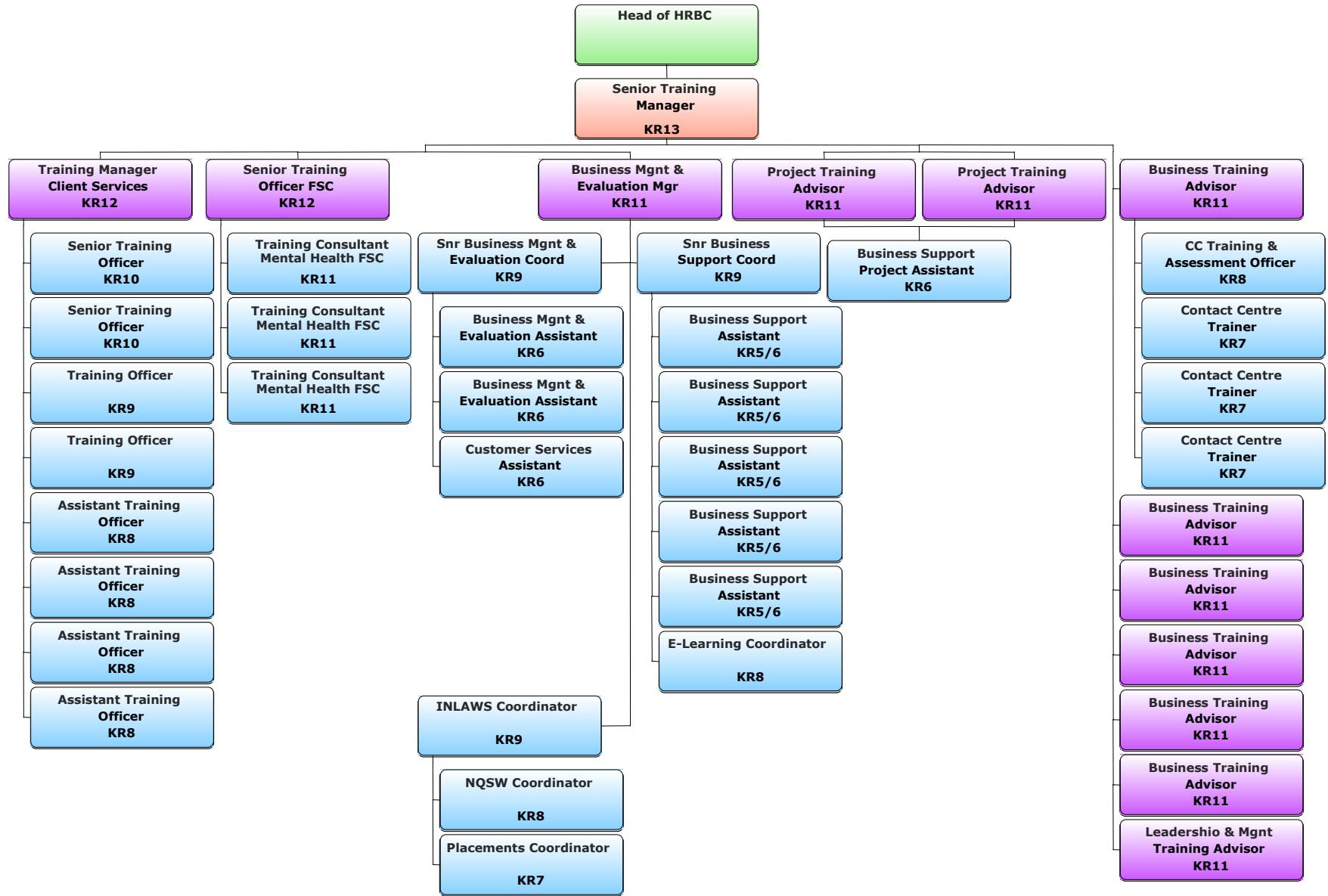
Adult Services Organisational Chart



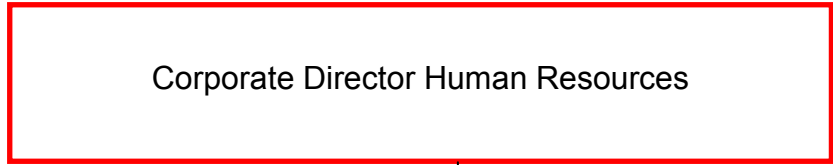
Children's Professional Development Organisational Chart



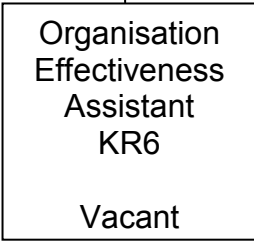
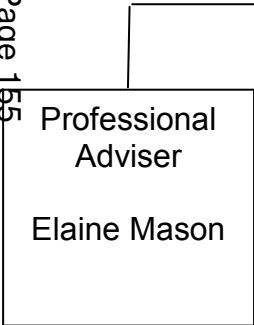
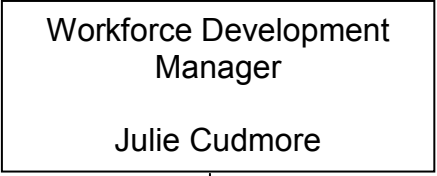
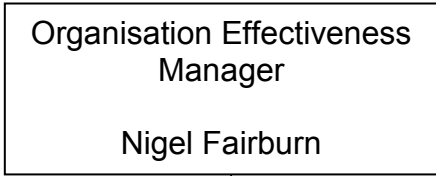
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Organisation Development Structure



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By: Roger Gough, Cabinet Member for Business Strategy,
Performance and Health

David Cockburn, Corporate Director Business Strategy &
Support

To: Policy & Resources Cabinet Committee - 27 September
2012

Subject: Business Planning 2013/14

Summary: Following '*Change to Keep Succeeding*' KCC's business planning process is now co-ordinated by the Policy & Strategy Relationships team within Business Strategy. This report details changes made to the business planning process for 2012/13, as well as highlighting the proposed changes to the process planned for 2013/14 – the first planning year in which Cabinet Committee's will be part of the planning process.

1. Introduction:

- 1.1 Effective business planning is a pre-requisite for any organisation to ensure a clear focus on delivering agreed organisational priorities across both the medium to long-term and through more day-to-day activity.
- 1.2 The centralisation of support services as a result of *Change to Keep Succeeding* changed the way business planning is now conducted within KCC. Specific responsibility for co-ordinating the production and quality assuring annual business plans, before being approved by Cabinet, now sits with the Policy and Strategic Relationships Team in the Business Strategy Division.
- 1.3 However, it is important to note that the preparation of annual business plans themselves remains with individual Directorates/Divisions. Support is provided by the Policy & Strategic Relationships team to Directorate Management Teams (DMT) on business planning through the policy 'business partner' for each Directorate.

2. Business Planning Process 2012/13:

- 2.1 There were two significant changes to the business planning process in 2012/13:
 - a. Due to the significant number of restructures across the organisation in early 2012 and running into the 2012/13 financial year, business plans were prepared primarily at the Divisional level, as it represented

the most stable tier of management / structure across the organisation at the time. However, this did have the advantage of reducing the number of business plans from circa 46 when previously developed at Business Unit level, to 23 based on the new Divisions. However, this was only an interim decision and a commitment to review the granularity of business plans for 2013/14 was made by Cabinet in April 2012.

- b. The 2012/13 Business Plans were developed using a revised business planning template, based on the planning template used across Whitehall Departments. This was intended to ensure business plans were focussed on detailing the actions underpinning the delivery of priorities, identifying accountable officers for delivery, start and end dates for actions, setting out of milestones and performance indicators with more benchmarking and floor performance information to contextualise performance targets.
- 2.2 Much of the information regarding the historical and legal basis for services, as well as the detail previously included to satisfy the requirements of the Audit Commission Corporate Assessment was excluded from business plans in 2012/13. As a result, the 2012/13 Business Plans were significantly more streamlined than plans developed in previous years.
 - 2.3 Directors and Cabinet Members have been consulted on their views regarding the changes made in 2012/13. There is strong consensus that developing Member approved business plans at Divisional level has allowed a clearer focus on strategic priorities and activity across all parts of the organisation without creating huge documents that unnecessarily detail operational and technical issues.
 - 2.4 There was also a strong view that the revised plan template was more useful and more intuitive to use than previous business plans. However, there were a number of suggestions made as to how it might be improved going forward. These included:
 - a) A need to be able to track business activity indicators but not necessarily develop targets for activity indicators
 - b) Improve the way risk management and business continuity issues are reported
 - c) The need for Divisions to reflect forthcoming activity that may require 'corporate' services support – this will allow corporate support services (such as ICT, Property, HR etc) to better forecast and plan for service demand

3. Business Planning Process 2013/14:

- 3.1 The overall intention is to build on the business planning process for 2012/13 in 2013/14 with one very significant distinction. The creation of Cabinet Committees, with the resulting emphasis on pre-scrutiny, means that they must now be involved in the development of business plans before they are approved by Cabinet, as the approval of business plans

is an annual Key Decision. This is in contrast to previous years where business plans would be first approved by Cabinet in late March/early April, and then potentially called in for review through the scrutiny process.

Timetable

- 3.2 The result of the introduction of the Cabinet Committee system is to bring the timetable for the development of business plans forward so Committees have the opportunity to comment on draft plans before they are approved by Cabinet.
- 3.3 Whilst not an absolute requirement, ideally Cabinet Committees should discuss priorities for business plans in the November round of committee meetings so that services can take account of any views about how services need to develop in the light of known legislative and other external changes, as well as financial constraints. This might also be undertaken through, or linked to, the Budget IMG process where applicable.
- 3.4 Divisions will be required to share substantive, but still draft, business plans with Cabinet Committees at the January round of meetings as this is the last opportunity for Committee's to formally consider draft plans before approval by Cabinet. It is important to recognise that as draft plans not all activity for the forthcoming year may have been finalised by January and it will not be possible to include detailed financial information as the 2013/14 budget will not yet have been approved by County Council.
- 3.5 Corporate Directors, Directors and Cabinet Members remain responsible for overseeing the development of business plans, taking account of any advice or suggestions provided by their Cabinet Committee. The final business plans will be approved by Cabinet in March/April. A timetable setting out this process linking business planning to budget planning is attached at Appendix A.

Granularity

- 3.6 It is proposed that 2013/14 business plans should again be prepared at Divisional level, with the exception of ELS where, as was the case in 2012-13, the Corporate Director believes there is a business need for the plans to be at service level. Whilst undertaking business planning at Divisional level in 2012/13 was initially a temporary solution to accommodate restructures at the time, the advantages of developing plans at this level of granularity in reducing the overall number of plans whilst maintaining scope to be appropriate for Member approval is particularly beneficial.
- 3.7 Most Divisions have underpinning Service Plans and/or Team Plans which in turn inform the development of individual action plans and personal development plans for individual officers. The list of Business Plans to be approved by Cabinet, and considered by each Cabinet Committee, is set out in Appendix B.

Commercial Services

- 3.8 Commercial Services link to the annual business planning cycle has often been complicated. Whilst structured within a Directorate hierarchy it was advised that Commercial Services should be included in the business planning process, despite much of the usual detail expected in business plans being excluded on the grounds of commercial confidentiality. Likewise, the business plan template for KCC services has never been appropriate for a commercial entity. This meant that whilst a Commercial Services business plan was approved by Cabinet, it often contained limited information beyond a list of contracts to be signed over the forthcoming year.
- 3.9 Elsewhere on this agenda the Committee will consider proposals to improve the governance and structure of Commercial Services. Legal advice in developing the revised structure and governance is that there is no requirement for a separate Member approved business plan outside of the new governance model for Commercial Services, indeed, that it would actually not be appropriate for the proposed arrangements. Subject to approval of the proposals for Commercial Services, they will not be part of 2013/14 business planning process or future annual planning rounds.

Delegations

- 3.10 The importance of business plans in providing delegated authority to officers is underlined several times in the new scheme of delegations approved by County Council. To reinforce this point, the business plan template will also include the statement "*The Corporate Director is authorised to negotiate, settle the terms of, and enter the following agreements/projects*". However, business plans do not provide automatic authority where a Key Decision is required. In order to further support the forward planning of key decisions, business plans will require activity or projects that may require a future Key Decision to be recorded in the business plan and state whether this has yet been included in the Forward Plan of Key Decisions.

Revisions to the template

- 3.11 Given the positive feedback on the use of the revised template in 2012/13 only minor changes are proposed to deal with the issues raised in feedback and outlined in paragraph 2.4. These include:
- a) Identification of potential future key decisions linked to business activity against each priority.
 - b) A more standard approach to reporting of risk and business continuity issues.
 - c) A requirement to identify where proposed activity impacts on other parts of the business, in particular 'corporate' support services, e.g. HR, Property, ICT or corporate consultation team. This forward planning is particularly important to help support services plan their activity against expected demand from services.

Performance Indicators

- 3.12 Perhaps the biggest change in the business plan template is the options available for reporting of performance indicators. This is being driven by two processes:
- a) The issue raised last year that the Business Plan template for Key Performance Indicators did not match how some data was actually measured and more options were required to present information measured on termly or an annual basis for example.
 - b) The improvements to performance management arrangements, in particular the development of Directorate Dashboards and a revised Quarterly Performance Report which is being led by Business Intelligence, Performance and Risk team in Business Strategy.
- 3.13 The revised template now provides an array of options for reporting of performance appropriate to the measurement period of the indicator being used. So it will be possible to monitor on an annual, quarterly, financial year, term-time or academic year. Consistent with the new format of the Quarterly Performance Report for financial year 2012/13, the business plans will also include Activity Indicators, which represent demand levels for services. These are not Performance Indicators as such, as KCC may not be able to directly influence the level of demand.
- 3.14 There is obviously a clear relationship between business plans and performance management. Cabinet Committees are currently in the process of reviewing the current year performance dashboards and the feedback from the Committees will help shape the selection of KPIs which are included in next year's plans.

4. Business Plan Guidance:

- 4.1 As has previously been approved by the Governance and Audit Committee, new management guides are being produced as a replacement for Statements of Required Practice (SORP's). A new management guide on business and financial planning has been produced, which includes a checklist for managers that summarises the information that needs to be considered for business plans. This suite of documents can be found on KNet on <http://knet/ourcouncil/Pages/MG3-Business-and-financial-planning.aspx>

5. Recommendations:

- 5.1 Policy & Resources Cabinet Committee is asked to NOTE the changes to the business planning process for 2013-14 as set out in this report.

Appendices:

Appendix A: Strategic Budget and Planning Timetable 2013/14

Appendix B: Proposed 2013/14 Business Plans by relevant Cabinet Committee

Background Documents:

- Divisional Level Business Plans 2012/13 – available at http://www.kent.gov.uk/your_council/council_spending/financial_publications/business_plans_2012-13.aspx
- Business Planning Management Guide
- Business Planning Template 2013/14
- Business Planning Template 2013/14: Guidance Note

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Appendix A:

KCC STRATEGIC BUDGET AND PLANNING TIMETABLE 2013/14

TIMELINE	CRITICAL MILESTONES FOR STRATEGIC BUDGET PROCESS	CRITICAL MILESTONES FOR DEVELOPMENT AND APPROVAL OF BUSINESS PLANS
JUNE	CABINET/CMT consider forthcoming budget and initial Medium Term Financial Plan (MTFP) Strategy Outturn reported to Cabinet	
JULY	Draft Budget and MTFP for public consultation finalised	
SEPTEMBER	Consultation on high level Budget proposal & Cabinet Committees consider consultation feedback First Quarter Monitoring to Cabinet & Dashboard reporting to Cabinet Committee	Divisional Units to COMMENCE development of 2013/14 business plans
OCTOBER	Leader makes Autumn Budget Statement	Divisional Units to ENGAGE and CONSULT with Cabinet member on development of their business plan
NOVEMBER	Provisional Local Government Finance Settlement & CABINET/CMT informally consider forthcoming budget and MTFP proposals Dashboard reporting to Cabinet Committee	Cabinet Committees CONSIDER key activity which should be included in business plans
DECEMBER	Budget and MTFP finalised following Local Government Finance Settlement Second Quarter Monitoring to Cabinet	Divisional Units to undertake ongoing development of business plan whilst activity/budget details not yet finalised
JANUARY	Consideration of final budget by Cabinet Committees Draft Budget and Draft MTFP considered and endorsed by CABINET Dashboard reporting to Cabinet Committee	Cabinet Committees consider draft business plan - without budget and activity details at this stage Divisional Units to SUBMIT draft business plan to Cabinet Member for approval.
FEBRUARY	Budget and MTFP debated and APPROVED by County Council Precepts and Council Tax issued to Districts by end of month	Divisional Units to SUBMIT draft business plan to Strategic Business Advisor for quality assurance of plan
MARCH	Council Tax Bills issued by Districts Third Quarter monitoring to Cabinet	Divisional Units to complete FINAL business plan with budget and activity details
APRIL		Business plans APPROVED by CABINET

Appendix B: Proposed 2013/14 Business Plans by relevant Cabinet Committee

Environment, Highways & Waste Cabinet Committee:

E&E - Kent Highways
E&E - Planning & Environment
E&E - Waste Management

Communities Cabinet Committee:

C&C - Service Improvement
C&C - Customer Services
C&C - Communication, Consultation & Community Engagement

Social Care and Public Health Cabinet Committee:

FSC - Learning Disability & Mental Health
FSC - Specialist Children's Services
FSC - Older People and Physical Disability
FSC - Public Health
FSC - Strategic Commissioning

Education Cabinet Committee:

ELS – Advocacy and Entitlement
ELS – Educational Psychology
ELS – Fair Access
ELS – Provision Planning & Operations Service
ELS – Special Educational Needs
ELS - Standards and School Improvement
ELS - Skills and Employability

Policy & Resources Cabinet Committee:

BSS - Finance & Procurement
BSS - Information and Communication Technology
BSS - Property and Infrastructure Support
BSS - Human Resources
BSS - Governance & Law
BSS - Business Strategy

Economic Development Cabinet Committee:

BSS – Economic & Spatial Development

By: Roger Gough
Cabinet Member for Business Strategy, Performance and Health Reform

David Cockburn
Corporate Director of Business Strategy and Support

To: Policy and Resources Cabinet Committee – 27th September 2012

Subject: Kent and Medway Broadband Delivery UK (BDUK) Project - Update

Classification: Unrestricted

Summary: Kent County Council is leading a £43 million project to transform Kent and Medway's Broadband infrastructure. This project, which is being delivered in partnership with the Government's Broadband Agency, BDUK, will ensure that at least 90% of properties can access superfast broadband by 2015 and that the remaining 10% have access of at least 2Mbits/s.

Kent County Council has managed to secure an early slot on the Government's procurement pipeline and considerable preparatory work has been undertaken to ensure that the project is ready to procure at end of next month.

1. Introduction

- 1.1 Kent County Council is working in partnership with the Government's Broadband Agency, Broadband Delivery UK (BDUK), to deliver a major project to transform Kent and Medway's rural broadband infrastructure.
- 1.2 The project seeks to ensure that at least 90% of Kent's properties will have access to superfast broadband services by 2015 and that the remaining 10% have access of at least 2Mbits/s. This is in line with the Government's national broadband targets.
- 1.3 Without this project many rural businesses and communities would continue to have either no or very slow broadband services as there are no market-led plans to upgrade infrastructure in many rural parts of County.
- 1.4 Kent County Council is investing over £10 million to enable this upgrade, which has been matched by £9.87 million from the Government. It is expected that the network operator who wins the right to build the network will contribute the remaining funding required for the project.

1.5 Transforming Kent and Medway's broadband infrastructure will be critical for delivering Kent's strategic ambitions as this project seeks to:

- Deliver economic growth by removing a significant barrier to development (especially for the 40% of Kent's businesses based in rural areas).
- Support KCC's ambition to put the citizen in control by providing the infrastructure to support the transformation of public services especially channel-shift agendas and next generation assisted living technologies.
- Tackle disadvantage by increasing access to services and improving educational outcomes.

Furthermore through helping to reduce the need to travel by enabling greater home-working, this project will also contribute towards the delivery of a number of environmental outcomes around carbon reduction.

2. Progress to date

2.1 Considerable progress has been made, at a local level, in taking forward the Kent and Medway BDUK Project. This work includes:

- **Implementation of a successful, demand registration campaign** – the 'Make Kent Quicker Campaign' was launched on the 15th February to provide a robust evidence for suppliers of the demand across Kent for better and faster broadband services. To date there have been over 15,000 registrations from businesses and communities across the County, with many Districts partnering the initiative and running local campaigns. Feedback from BDUK has indicated that this is an excellent response rate.
- **Securing an early slot on the Government's broadband procurement pipeline** – the Government has made it very clear that it will not be possible for all local authorities to undertake their procurements at the same time due to capacity constraints within the market. By getting early sign off of our local broadband plan, Kent County Council has managed to secure a very early slot in the Government's procurement pipeline. We are in the process of confirming timelines with BDUK, but we expect to launch our Invitation to Tender at the end of October.
- **Undertaking an Open Market Review with Suppliers** to ascertain the extent of current market deployment plans. This work is essential for meeting state aid requirements and confirming where there is market failure to finalise the intervention area for the project.
- **Completing BDUK audits on readiness to procure** – Kent County Council has already passed two BDUK audits inspecting our 'readiness to procure'. These have assessed our Invitation to

Tender documentation, the quality of our demand registration data, open market review processes and pre-application state aid work. BDUK are currently reviewing their Checkpoint process and may undertake further audit work before the ITT launch.

- **Working with BDUK on the Kent and Medway State Aid Notification** – the national BDUK rural programme constitutes State Aid under EU law. The Government is currently working with the European Commission on a UK State Aid Notification which will agree the parameters for all local authority schemes. Kent County Council has been working on the supporting information that will be required to accompany our state aid application to the Department of Culture, Media and Support following the completion of the procurement process.
- **Ensuring that all the procurement documentation and supporting information is in place** – KCC has been working closely with BDUK on the development of the Kent and Medway Invitation to Tender. This has also involved ‘supplier warming’, meeting with the suppliers on the BDUK procurement framework – BT and Fujitsu.
- **Supporting District Councils and communities submitting bids to the Defra Rural Community Broadband Fund.** This scheme has made an additional £20 million available nationally to provide superfast broadband solutions to those ‘final 10%’ areas that would only benefit from a basic 2mb service under the BDUK programmes. Kent has performed well to date with four ‘Expressions of Interest’ being approved in the first round.

3. Issues

Although good progress has been made at a Kent level, a number of issues have arisen at a BDUK level which has delayed the national programme. These are:

- **Delays in approving the UK state aid notification with the EU**, which was originally intended to be in place by April 2012. BDUK are confident that the outstanding issues have now been resolved and that agreement will now quickly be reached with the EU.
- **Delays in finalising the BDUK procurement framework** – BDUK have established a procurement framework for local authorities to use which will prevent them having to undertake a more extensive and costly competitive dialogue process (which could take up to 12 months to complete). Delays in approving the UK State Aid notification have meant that the framework, which was due to be ready by April 2012, was not finalised until July 2012.
- **Delays in undertaking the Open Market Review process (OMR)** - due to the above delays, some suppliers have been reluctant to engage in the OMR

process before the finalisation of the UK State Aid Notification. Fortunately in Kent, this work has now been completed.

4. Timescales

Subject to no further, externally-generated delays, we intend to launch the Kent and Medway Invitation to Tender at the end of October and have a supplier in place by early April. These timescales assume that the UK State Aid notification will be in place to support the Kent State Aid application to DCMS in February.

It should also be noted that it will not be possible to confirm the geographical phasing of the rollout until after the procurement has been completed.

5. Next Steps

The key tasks for the project team over the next seven months are:

- Finalisation of the State Aid Maps for the project to set the intervention area for the project – including evaluating the extent of coverage by wireless operators across Kent and Medway.
- Submission of State Aid Part 1 application to DCMS (early October 2012)
- Launch of the Invitation to Tender Documents (end of October 2012)
- Evaluation and clarification of Tender Submissions (January 2013)
- Submission of StateAid Part 2 application to DCMS (February 2013)
- Completion of DCMS Checkpoint C 'readiness to contract' (February 2013)
- Contract award – and completion of local and national governance processes around this (early April 2013).
- Supporting Defra Rural Community Broadband Fund Applicants in the development of their full applications to secure further funding to address 'final 10% areas'.
- Achieving further registrations on the 'Make Kent Quicker' campaign and developing new demand stimulation workstreams with partners.

6. Conclusions

6.1 Whilst the national BDUK programme has slipped due to delays in approving the UK state aid notification and finalising the national procurement framework, a considerable amount of work has been undertaken at a local level to prepare the ground and ensure that the Kent BDUK project is ready to go.

6.2 This preparatory work has meant that Kent has been given an early slot on the Government's procurement pipeline – compared to other areas. Under current timescales issued by BDUK, we anticipate that we will launch our procurement at the end of October and the project will commence in early April.

7. Recommendation

7.1 The Committee is asked to note the contents of this report.

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Background Documents:

None

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Roger Gough – Cabinet Member for business Strategy,
Performance & Health Reform
Rebecca Spore – Director of Property & Infrastructure Support.

To: Policy and Resources Committee – 27 September 2012

Subject: FACILITIES MANAGEMENT REVIEW – PHASE 1 UPDATE

Classification: *Unrestricted*

Summary. As part of the MTP £10 million of savings have been identified against Property and Infrastructure Support. Part of the strategy to deliver the saving was the implementation of the corporate landlord model and the central management of properties. One work stream being progressed is a review of Facilities Management (FM) delivery. Current delivery across the KCC estate is fragmented, with no clear strategy in place to ensure each location is provided with consistent, satisfactory and value for money FM services

This report is an update on the present position following the receipt of the FM Consultant's strategy options and recommendations.

Phase 1 of the project is now close to completion, and further baseline costs are being sought from KCC Finance to ensure KCC's data is as accurate as possible before we proceed to procurement within Phase 2 (implementation). Following a review of the FM Consultant's options by the steering group, at the procurement board it is recommended that the most appropriate strategy for Phase 2 (implementation) is to implement a total facilities management, with the county split into three geographical areas. A 5 year contract with a 2 year option to extend for each region with a start date of April 2013. Mobilisation of the three contracts is expected to take 6 months from this date.

The Policy and Resources Cabinet Committee are asked to support a decision by the Cabinet Member for Business Strategy, Performance and Health Reform to progress to Phase 2 (implementation).

1 Background to the Facilities Management Review

KCC has adopted the corporate landlord model in respect of the delivery of property services and this role is managed by the Property & Infrastructure Support team (P&IS). P&IS has full responsibility for the management of KCC's land and property portfolio including budget responsibility. This involves strategic asset management across the estate and is supported by the provision of property services delivered in-house and via external consultants.

There are approximately six hundred buildings spread across three geographical areas, West, Mid & East Kent. A small proportion of these buildings are serviced directly by seventy eight FM staff, providing reception facilities, porter service, post room, caretaker, cleaning, car parking, meeting room management and basic maintenance.

The remainder of the buildings are serviced via the following elements.

- Kent Facilities Management (part of Commercial Services)
- Third Party Contracts
- TFM (Total Facilities Management) through external suppliers
- Bundled Services through external suppliers
- Single services through specialist external suppliers

2 Need for Change of Use

The delivery of FM services to KCC is currently fragmented and includes internal employees, Kent Facilities Management, PFI, various contracts and single services through specialist external suppliers. The value of spend in this category is approximately £15m but under further review.

The key objective is to deliver high quality, consistent and cost effective FM services across the portfolio.

The current fragmented delivery model is inefficient, with the Council not benefiting from economies of scale across its portfolio. It is anticipated that through adopting a different delivery model significant savings can be achieved. These are expected to be in the order of 10-15% along with the establishment of clear, consistent specifications across the County and appropriate performance management processes.

The current position suggests there is a strong case for a new sourcing strategy for FM that targets rationalisation and competitive market testing which will achieve savings and value-add benefits. The scope of services considered as part of the review are:

Managed Services:-

- Health and Safety Management
- Authorised Persons and Permits to Work
- Special Needs Services

- Risk Management
- Environmental Management
- Business Continuity Management

Hard Services

- Planned Preventative and Reactive Maintenance
- Fabric Maintenance
- Re-Lamping
- Fire Detection Systems
- Lifts, Hoists and Conveyance Systems
- Security, Access and Intruder Systems and Safety Film
- Standby Power Systems
- AV Equipment Maintenance
- Television Cabling
- Hard Landscaping Maintenance
- Soft Landscaping Maintenance
- Control of Asbestos
- Water Hygiene
- Statutory Inspections
- Portable Appliance Testing
- Building Management Systems
- Locksmith Services
- Clocks
- Furniture Management System

- Signage

Soft Services

- Catering
- Room Bookings
- Cleaning
- Pest Control
- Waste Management
- Reception Services
- Security Services
- Mail Services
- Reprographic Services

Additional Services

- Space Management
- Statutory/Compliance Surveys
- Change Management
- Best Practice Guidance
- Move Management

3 Current status

The FM review (Phase1) is close to completion and strategy options and recommendations have been received from KCC's FM Consultants, and reviewed by the KCC Steering Group.

The FM services review is divided into two parts, Phase 1, which is to review the current situation and then develop a FM Strategy in line with best practice and value for money, and Phase 2 that involves the implementation of the final strategy.

To help support the review, KCC ran a small competition to source a suitably experienced FM consultant, and Mace Macro was selected. The consultant has been appointed to provide the below Phase 1 support works, and KCC has the option to employ the consultant for Phase 2 depending on the agreed FM Strategy and support requirements:

Phase 1 (Consultant's requirements)

1. A report that details the current position and confirms what opportunities there are to improve the way KCC deliver FM.
2. Produce a Project Definition Document for approval by the Steering Group.
3. Produce a report that includes intelligence on the current market for our requirement and benchmarking against other local authorities and private sector organisations.
4. Develop a target-operating model, implementation plan (with timeline), change strategy and procurement plan options (with savings targets) for approval by Steering Group.
5. Produce specifications for use in the procurement process.

Phase 2 (Strategy Implementation)

1. Support the procurement process.
2. Support supplier selection process.
Support mobilisation process.

Key project milestones:

Milestones	Finish
Phase 1, April 2012 – FM site Data collection	June/July 2012
Phase 1, April 2012 – Source and appoint FM consultant	May 2012
Phase 1, May 2012 – Consultant's review data, investigate opportunities for improvement, produce proposed FM Strategy.	July 2012
Phase 1, July 2012 – Steering Group review FM Strategy and propose way forward with Senior Management.	August 2012
Recommendation to Cabinet Member for Business Strategy, Performance and Health Reform	Mid/Late September 2012
Phase 2, August/Sept 2012 Commence and Implement FM Strategy.	March/April 2013
Mobilisation of new service providers	April 2013 to September 2013

The Steering Group:

The Steering Group is led by Rebecca Spore, the Director of Property and Infrastructure Support and meets bi-weekly. The Steering Group supports the Director by progressing and managing the works under Phase 1. This includes reviewing the present services, and producing and agreeing a FM strategy with our FM consultant for implementation during Phase 2.

At this stage of the FM review, the principal members of the Group are:

Name	Organisation/Team	Role
Rebecca Spore	KCC	Director of Property and Infrastructure Support
Terry Whitlock	KCC	Head of Operational Services
Edward Baldwin	KCC	Procurement Manager
Anne Fido	KCC	FM Contracts Manager
Bev Palmer	KCC	FM Contracts Manager
Justin Hills	KCC	FM Contract Manager
Tom Micklewright	KCC	PFI and FM Contracts Team Manager

Vikram Bhatia	Mace Macro	FM Consultant
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Please note – Vikram Bhatia is supporting KCC during this work, but is not a member of the Steering Group.

Following agreement to proceed to Phase 2, the Steering Group will be increased to include such representatives from legal, HR, Communications, and other parties which may be needed to deliver a successful outcome.

FM Consultant’s Strategy Options and Recommendations

The following FM strategy options were considered as part of the review, including their advantages and disadvantages.

- Do nothing and remain with a fragmented service – not considered viable
- In-house FM service delivery
- Blended service delivery
- Managed services
- Total Facilities Management

In-house FM Service Delivery

Advantages

- Organisation retains full control over facilities service provision
- Changes to service delivery are easier to implement
- No profit margin payable by client

Disadvantages

- Increased administrative burden of recruiting, training and management of FM staff
- Total risk of service deficiency / failure if retained in-house
- Risk of non-compliance with statutory requirements if retained in-house
- May cost more than an outsourced service delivery model
- Loss of business continuity when key staff are off sick or on annual leave
- Limited additional service delivery resources in the event of sickness or absence
- Direct delivery of facilities management can be a distraction to the organisation. The organisation is unable to focus on its core activities

Blended Service Delivery

Advantages

- Optimisation of FM services is achieved to suit the individual needs of the organisation
- It presents a gradual change to a total facilities management model for organisations who currently have all FM services managed in-house, which reduces resistance to change

- Change management may be easier to implement than for in-house FM services

Disadvantages

- Full cost benefit of a Total Facilities Management model are not realised
- Lack of integration in service model, management information and reporting
- Increased administrative burden of recruiting, training and management of FM staff for in-house services
- Risk of service deficiency / failure is retained for in-house services
- Risk of non-compliance with statutory requirements is retained for in-house services
- Loss of business continuity when key staff are off sick or on annual leave
- Limited access to replacement staff to cover absence or sick leave

Managed Services

Advantages

- A smaller 'intelligent client' function is required to by the organisation
- Individual contracts can be awarded on a service and / or geographical level depending on the strengths of the supply chain, which provides greater flexibility to drive down costs and deliver a higher quality of service. The administration of multiple contracts becomes the responsibility of the managing agent.
- Service failure and statutory non-compliance risk can be transferred to the supply chain depending on the terms of the agreement
- Costs may be lower than in-house or blended services
- Allows the organisation to focus on its core activities
- Costs for re-training as legislation changes are transferred to the supply chain
- Recruitment costs are transferred to the supply chain
- The provision of replacement staff for periods of sick or annual leave is transferred to the supply chain, helping to maintain business continuity

Disadvantages

- Full cost benefit of a TFM model may not be realised
- Some transfer of control over service delivery for the client organisation
- Management of change may become more complex

Total Facilities Management

Advantages

- A smaller 'intelligent client' function is required by the client organisation
- There are lower costs and effort associated with administration of the contract
- Service failure and statutory non-compliance risk can be transferred to the supply chain depending on the terms of the agreement
- Cost may be lower than in-house, blended services or managed services
- Allows the organisation to focus on its core activities
- Costs for re-training as legislation changes are transferred to the supply chain

- The provision of replacement staff for periods of sick or annual leave is transferred to the supply chain, helping to maintain business continuity

Disadvantages

- There may be variation in the level of service delivery between the various service lines as the single contractor may have strengths some areas and not in other
- Some loss of control over service delivery for the client organisation
- Management of change may become more complex
- May only be suitable for contracts above a certain value threshold

4 Relevant priority outcomes

The key objective is to deliver high quality and cost effective FM services across the portfolio. There is an expectation that this will be delivered through rationalisation and the introduction of cost effective contracts and partnerships taking into consideration current delivery mechanisms through Commercial Services, external providers and in-house services. The objective will also respond to Bold Steps for Kent, environmental targets, operational risk management, diversity and ensuring any outcomes meet the needs of all Kent residents.

5 Consultation and Communication

At this stage of the FM review, limited consultation has been made, but once Phase 1 is complete and the consultant's proposed FM strategy is available this will be shared with senior management and principle members and a full communication strategy agreed and implemented.

6 Financial Implications

Delivery of a proportion of the £10 million savings is dependant on this review. It is likely that TUPE will apply to any option that is progressed other than maintaining the status quo.

7 Risk

The following Risks have been identified.

Strategy Risks

1. Not clearly defining goals and objectives before starting the outsourcing process.
2. Not establishing an effective internal baseline against which providers are measured, including costs, service and value adds.
3. Inadequate business case development for the outsourcing decision.
4. Making the decision to outsource without complete information on internal costs and processes.
5. Not considering the impact of outsourcing on other functions and ignoring areas of risk such as environmental and regulatory factors.
6. Failure to understand human relations and employment law requirements for an outsourcing initiative.
7. Announcing outsourcing before sufficient details has been finalised, creating morale issues.
8. Lack of risk analysis and risk assessment planning.

Implementation Risks

1. Initiating an agreement with a service provider that limits flexibility in the future.
2. Having an unrealistic timeline for any of the steps of implementation.
3. Not fully defining an employee transition plan.
4. Not getting the operational issues resolved in the service agreement before moving into the legal aspects of the agreement.
5. Inadequate planning concerning information systems and interfacing with the service provider.
6. Insufficient technology development.

8 Equality Impact Assessments

The Steering Group and potential future KCC contracts management team will ensure the needs of stakeholders who use FM services across the estate are considered as and when future service providers implement a new policy, or when they make a change to a current policy or service. An equality impact assessment will be undertaken as part of the final procurement decision report within Phase 2 (implementation).

9 Sustainability Implications

The final FM Strategy will include a strong commitment to sustainability, inline with KCC's policies.

10 Conclusion and Recommendation

KCC has now received the FM Consultant's report with its proposed strategy options and recommendations.

The Steering Group has reviewed the report and the proposed options, and believe a Total Facilities Management (TFM) strategy is the most suitable for KCC. KCC's proposal is to procure three TFM Contracts across the three areas of West, Mid and East. Where KCC buildings are managed by KFM, our internal teams for the District Offices, or new buildings such as the Bridge or the Kent History Centre, then TFM will be provided. Where offices are partly managed by internal KCC staff from other Directorates (such as some small libraries) the services to be provided will be for the remaining areas of FM requirements at that location. For areas where existing external FM contracts are provided only, these services will be included within the TFM contracts.

A 5 year contractual term is proposed for the three areas, with an option to extend for 2 years commencing April 2013 and then mobilisation until September 2013.

The total value of the three contracts is still to be fully determined, and will be better understood during Phase 2 (implementation).

The benefits to KCC of three TFM contracts is -

- a) **Lower risk of supplier failure:** Having more than 1 contract builds redundancy into the FM service delivery supply chain. Thus if one FM

suppliers fails for reasons such as supplier bankruptcy, it may be easier to piggy back on other regional FM contractors, ensuring continuity of services, until permanent arrangements can be made

- b) **Enhanced choice of supplier:** By splitting the portfolio into 3 regions, FM suppliers who are better placed to deliver in a particular region may be selected. This is particularly relevant to KCC due to its relatively large geographical spread. For example it is unlikely that a mobile maintenance team which is based in one particular location will be able to serve the whole of the county efficiently.
- c) **Supports 'Bold Steps for Kent' initiative:** Splitting the county into regions and procuring regional TFM contracts encourages local business participation as smaller FM service delivery organisations may be able to tender for a regional TFM contract

A decision report will be prepared for the Cabinet Member for Business Strategy, Performance and Health Reform to proceed to Phase 2 (implementation) upon approval by the P&R Committee.

11 Direction Required: Agreement to proceed to Phase 2 (implementation)

The P&R Committee is asked to note current progress of the FM review and provide agreement to proceed to Member's approval for Phase 2 (implementation) based on a TFM strategy.

The Director of Property & Infrastructure Support will provide further updates on progress to the committee once Phase 2 (implementation) commences.

13 Background Documents

None.

Contact details –

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Agenda Item E1

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