

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 15 January 2016

PRESENT: Mr A J King, MBE (Chairman), Mr L Burgess (Substitute for Mr M Heale), Miss S J Carey, Mr N J D Chard, Mrs T Dean, MBE, Mr C P D Hoare, Mr R A Latchford, OBE, Mr S C Manion, Mr L B Ridings, MBE, Mr D Smyth, Mrs P A V Stockell, Mr N S Thandi and Mr J N Wedgbury (Substitute for Mr J A Davies)

ALSO PRESENT: Mr P B Carter, CBE, Mr G Cooke, Mr J D Simmonds, MBE and Mr B J Sweetland

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

UNRESTRICTED ITEMS

183. Apologies and Substitutes

(Item A2)

Apologies for absence were received from Mr Davies, Mr Heale and Mr Long. Mr Wedgbury and Mr Burgess attended as substitutes for Mr Davies and Mr Heale respectively.

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

(Item A3)

There were no declarations of interest.

185. Minutes of the meeting held on 11 December 2015

(Item A4)

Resolved that the minutes of the meeting held on 11 December 2015 be approved as a correct record and that they be signed by the Chairman.

186. Minutes of the meeting of the Property Sub-Committee held on 14 December 2015

(Item A5)

Resolved that the minutes of the Property Sub-Committee held on 14 December 2015 be noted subject to the correction of a typographical error in minute 59 (1) (a).

187. Budget 2016/17 and Medium Term Financial Plan 2016/19

(Item B1)

Andy Wood (Corporate Director Finance and Procurement), Dave Shipton (Head of Financial Strategy) and Jackie Hansen (Finance Business Partner) were in attendance for this item

- (1) Mr Wood gave a presentation setting out the context in which the proposed budget was being developed. A copy of the presentation is available on-line as an appendix to the minutes. He also said that the late announcement of the Local Government Finance Settlement meant there had been insufficient time to interpret and analyse it so that the Medium Term Financial Plan (MTFP) could be published in full. It was anticipated that appendices 1-3 would be published early next week.
- (2) Mr Wood said the Local Government Finance Settlement, announced on 17 December, meant the Council was £18 million worse off than anticipated as a result of the reduction in Revenue Support Grant (RSG). This was on top of the £30 million reduction anticipated and an additional spending demand estimated to be £80 million. This would require savings or additional income of £126 million for 2016/17 in order to balance the budget. Around £33 million of this would come from the proposed council tax leaving a £94 million savings target.
- (3) Mr Wood said the Council would respond to the Government's consultation and, in particular, about: the extra spending demands on local authorities particularly those with social care responsibilities; the distribution formula which was flawed; the absence of floors and ceilings, the more favourable treatment of inner London boroughs; the late announcement of the Settlement and the failure to carry out any consultation prior to the announcement of the provisional settlement; as well as offering to work with Government to develop a new social care needs formula.
- (4) Mr Wood said the council tax base was better than expected and the council tax collection fund might be better than anticipated however some of the reserves that had been drawn down to balance the budget would need to be repaid in future years.
- (5) Mr Carter said the County Councils' Network would respond to the Government's consultation and in particular would develop a coherent response to the Government's view that flat cash was sustainable over the next four years. The County Councils' Network considered that funding for social care needed to increase over the next three years and, as a minimum, the Better Care Fund needed to be brought forward to year 2 of the Settlement.
- (6) Mr Carter also said that the re-distribution formula needed to be reviewed urgently to be effective for 2017/8 and this, in turn, would create a better basis from which to consider Business Rates equalisation.
- (7) In response to questions, officers said that:
 - (i) A decision had not yet been made about whether to take up the offer of a guaranteed four-year settlement particularly as the Council's response to the consultation was that the RSG distribution was unfair and should be changed;

- (ii) External consultants had been engaged to validate responses to the budget consultation. Past experiences had shown that people responded more readily to external consultants and that they were better able to recruit a representative sample of the population. This provided KCC with a genuinely independent view to help set budget priorities and council tax levels;
 - (iii) By 2019/20, based on the existing methodology, it appeared that 10 of the district councils would receive a negative RSG and that Tonbridge and Malling and Maidstone Borough Councils would be among those in that position in 2017/18.
 - (iv) Further analysis and briefing for Members on the impact of the RSG was planned.
 - (v) The key to balancing budgets in 2019/20 was the improved Better Care Fund but it was likely to come with conditions attached.
 - (vi) It was already clear that the proposed changes to the local government funding system with 100% Business Rate retention (when introduced) would not compensate for the reduction in RSG over the next four years. The Government had made it clear that the additional income from Business Rates would be used to fund additional responsibilities, for example, to replace ring-fenced public health grants and costs associated with the full implementation of the Care Act 2014.
- (8) RESOLVED that:
- (a) The draft Budget and MTFP (including responses to consultation and Government announcements) be noted;
 - (b) Officers be thanked for their work in preparing the draft budget.

188. Re-location of KCC services from Maidstone Gateway
(Item B2)

Rebecca Spore (Director of Infrastructure) and Peter Brook (Design Authority) were in attendance for this item

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) introduced the report which asked the Cabinet Committee to endorse or comment on his proposed decision to re-locate KCC services and commissioned services from the Maidstone Gateway to other properties in Maidstone. He said that this decision could result in an annual saving of £162,000.
- (2) Mr Sweetland said that the figures for 2015 showed that the number of transactions for KCC services at the Gateway had declined to 621 and that this reflected the shift in the way people conducted business with the Council.

Transactions conducted on-line cost 15p each compared with £56 for each transaction with KCC conducted at the Gateway in 2014.

- (3) Mr Sweetland said that discussions were taking place with the Citizens Advice Bureau as they had expressed an interest in being commissioned to deliver KCC services at the Maidstone Gateway.
- (4) In response to questions, Mr Sweetland and Mrs Spore said that:
 - (i) Over the last 12 months the Council's property portfolio, including Gateways, had been reviewed. It had become clear that customer volumes were low and costs high in Gateways without an anchor service such as a library;
 - (ii) Gateways needed to be considered in the context of the Customer Services' Strategy as well as the Property Strategy;
 - (iii) If KCC services continued to be provided from the Gateway, and savings were not realised, it would be necessary to identify savings elsewhere in the Property portfolio;
 - (iv) Face to face customer services could be provided from other buildings in Maidstone;
 - (v) A decision was required in the next 4-6 weeks so the break clause in the contract could be exercised;
- (5) During the discussion, Members commented that:
 - (i) Customer satisfaction was lower for the Gateway than for the Contact Centre;
 - (ii) It was premature to ask the Cabinet Committee to endorse the proposed decision without having information about the costs of alternative provision;
 - (iii) The public preferred to access services on-line or over the phone;
 - (iv) There was no call for Gateways from residents who lived in areas without them.
- (6) Resolved that the proposed decision to be taken by the Cabinet Member for Commercial and Traded Services for KCC to re-locate its services from the Maidstone Gateway to other properties in Maidstone be endorsed.

189. Work Programme
(Item C1)

Resolved that the report be noted.

190. Strategic Statement outcome measures baseline report
(Item D1)

David Whittle (Director Strategy, Policy, Relationships and Corporate Assurance) and Graham Harlow (Performance Officer) were in attendance for this item

- (1) Mr Whittle introduced the report which provided a baseline position of the measures to be used to track progress against the outcomes in the Strategic Statements through an annual report to County Council.
- (2) Mr Whittle said it was important that there was clarity about the indicators to be used to measure outcomes and drew attention to the summary of the direction of travel set out in pages 114-117 of the report as well as pages 144-145 which set out information about revisions to the measures since the strategic statement was approved by County Council in March 2015.
- (3) Mr Whittle thanked his own team and colleagues in the Growth Environment and Transport Directorate for their input to the report.
- (4) In response to questions, Mr Harlow confirmed that the direction of travel for indicator 2.36 (increase in gross median wage levels) should be shown as achieving. He also said that the indicator 2.53 (improve house affordability index) was a ratio of house prices to wages and an increase meant that housing was becoming less affordable.
- (5) In response to comments about the desirability of including information about the general trend of indicators, particularly where performance was not as expected, Mr Whittle said that consideration was being given to including a technical appendix within the annual report.
- (6) Mr Whittle also said the data relating to arts activity, which might be included as a measure of residents' satisfaction with social, cultural and sporting opportunities within the county, was very limited but the matter would be considered further before the annual report was prepared.
- (7) Mr Whittle said it was not always easy to assess the relationship between activity and outcomes. However, in relation to improving the educational attainment of disadvantaged children, the authority worked with schools to ensure the pupil premium was spent appropriately.
- (8) Resolved that the baseline report for the Strategic Outcome measures be noted.

191. Cabinet Members' priorities for business plans 2016/17

(Item D2)

David Whittle (Director Strategy, Policy, Relationships and Corporate Assurance) was in attendance for this item

- (1) Mr Whittle introduced the report which set out the priorities Cabinet Members wished to see reflected in directorates' business plans for 2016/17. A review of the 2015/16 business planning process had found that, although the plans reflected cabinet members' priorities, in some instances they had been captured midway through the business planning process resulting in the need for the plans to be re-drafted. A commitment had been given to ensure priorities were reflected in early drafts of the business plans for 2016/17.
- (2) Members suggested that:

- (i) Outcomes might be divided into those within the power of the authority to deliver and those the authority could influence;
 - (ii) Most of the priorities within the remit of this Cabinet Committee were within the power of the authority;
 - (iii) The priority about a devolution deal should relate to an analysis of what was best for Kent rather than a commitment to pursue such a deal;
 - (iv) The priorities for Economic Development should include reference to the Brighton Mainline Service as well as to the prospect of a Lower River Crossing at Rochester which might have an impact on the viability of Manston Airport.
- (3) The cross cutting priority of continuing to build KCC's relationship with the voluntary and community sector was welcomed.
- (4) Resolved that the report be noted.

192. Establishment of the Council's new Strategic Business Development and Intelligence Division
(Item D3)

Emma Mitchell (Director of Strategic Business Development and Intelligence) was in attendance for this item

- (1) Ms Mitchell introduced the report which provided a summary of the remit of the new Strategic Business Development and Intelligence Division.
- (2) Resolved that:
- (a) The report be noted;
 - (b) The Director of Strategic Business Development and Intelligence be asked to report back to the cabinet committee in March 2016 with further details regarding the proposed operating model, key deliverables and proposals for how the Division might most effectively support the outcomes achieved by KCC.