

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 18th January, 2019

10.00 am

Darent Room - Sessions House





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 18 January 2019, at 10.00 am
Darent Room - Sessions House

Ask for: **Emma West**
Telephone: **03000 412421**

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

Membership (16)

Conservative (13): Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr P V Barrington-King, Mr T Bond, Mr N J D Chard, Mr G Cooke, Mrs P T Cole, Mrs M E Crabtree, Mr P W A Lake, Mr D Murphy, Mr M D Payne, Mr H Rayner and Mr I Thomas

Liberal Democrat (2): Mr R H Bird and Mrs T Dean, MBE

Labour (1) Mr D Farrell

Webcasting Notice

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By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately

UNRESTRICTED ITEMS

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes
To receive apologies for absence and notification of any substitutes present

- 3 **Declarations of Interest by Members in items on the Agenda**
To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared.

- 4 **Minutes of the Policy and Resources Cabinet Committee meeting held on 20 November 2018 (Pages 7 - 14)**
To consider and approve the minutes as a correct record.

- 5 **Capital Programme 2019-22, Revenue Budget 2019-20 and Medium Term Financial Plan 2019-22 (Pages 15 - 26)**
To receive a report which provides Members with an opportunity to comment on the draft budget proposals and make recommendations to Cabinet Members as part of this process.

- 6 **Asset Management - Oakwood House (Pages 27 - 64)**
To receive a report which outlines the asset review that has been undertaken in respect of Oakwood House, the preferred option and the next steps.

- 7 **Corporate Risk update - arrangements for update and review in relation to Brexit (Pages 65 - 68)**
To receive a report which outlines how the risk register will be reviewed, updated and reported as the Brexit situation evolves in the coming weeks.

- 8 **Strategic and Corporate Service Directorate Performance Dashboard (Pages 69 - 82)**
To receive a report which shows the progress made against targets set for Key Performance Indicators for Strategic and Corporate Services.

- 9 **Work Programme 2019/20 (Pages 83 - 86)**
To consider and agree a work programme for 2019/20.

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 paragraph 3 of Part 1 of Schedule 12A of the Act.

- 10 **Invicta Law - Update (Pages 87 - 90)**
To receive a report which provides Members with a further update in relation to

the commissioning arrangements for Invicta Law and the service delivery back to the council by the company.

11 19/00010 - Agilisys Contract (Pages 91 - 98)

To receive a report which provides Members with an update on the proposed extension of the contract with Agilisys.

Benjamin Watts
General Counsel
03000 416814

Thursday, 10 January 2019

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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 Council Chamber - Sessions House on Tuesday, 20 November 2018

PRESENT: Mr B J Sweetland (Chairman), Mr P V Barrington-King, Mr T Bond, Mr D L Brazier (Substitute for Mr R A Marsh), Mr N J D Chard, Mr I S Chittenden (Substitute for Mr R H Bird), Mr G Cooke (Substitute for Mrs P T Cole), Mrs M E Crabtree, Mr D Farrell, Mr A J Hook (Substitute for Mrs T Dean, MBE), Mr P W A Lake, Mr D Murphy, Mr M D Payne, Mr H Rayner and Mr I Thomas

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

IN ATTENDANCE: Mr G Abi-Aad (Head of Health Intelligence), Mr Garbett (Portfolio Assurance Manager), Mr M Hyland (Project Co-ordinator – Kings Hill), Ms K Ripley (Head of Property Strategy and Commissioning), Mrs R Spore (Director of Infrastructure), Mr F Walker (Head of Health and Safety (KCC)), Mr B Watts (General Counsel), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr T Woolmer (Policy & Partnerships Adviser - Kent Public Services) and Miss E West (Democratic Services Officer)

UNRESTRICTED ITEMS

110. Apologies and Substitutes

(Item 2)

Apologies for absence had been received from Mr R Bird, Mrs P Cole, Mrs T Dean, Mr A Marsh and Mr P Oakford.

Mr D Brazier, Mr I Chittenden, Mr G Cooke and Mr A Hook attended as substitutes.

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

(Item 3)

1. Mr Rayner declared an interest in relation to Item 8, as he was a Director and shareholder of a company that provided residential accommodation to people that were being relocated from London to Kent.
2. Mr Thomas declared an interest in relation to Item 8, as the landlord of tenants that were in receipt benefits. He was also a Member of the Planning Committee for Canterbury City Council.
3. Mrs Crabtree declared an interest in relation to Item 8, as she was a landlord.

112. Minutes of the meeting held on 13 September 2018

(Item 4)

RESOLVED that the minutes of the meeting held on 13 September 2018 are correctly recorded and that they be signed by the Chairman.

113. Minutes of the meeting of the Property Sub-Committee held on 17 July 2018

(Item 5)

RESOLVED that the minutes of the Property Sub-Committee meeting held on 17 July 2018 be noted.

114. Policy & Resources Cabinet Committee Meeting Dates for 2019/20 - For Information Only

(Item 6)

1. The Chairman introduced the report which set out the 2019/20 meeting dates for the Policy and Resources Cabinet Committee.
2. RESOLVED that the Policy and Resources Cabinet Committee meeting dates for 2019/20 be noted.

115. Legal Update

(Item 7)

Mr Watts (General Counsel) and Mr Walker (Head of Health and Safety) were in attendance for this item.

1. Mr Watts introduced the report which provided the details of a recently concluded Health and Safety Executive prosecution.

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

- a) Mr Watts said that a range of officers were undertaking work in relation to the Council's response to the Grenfell tragedy and the consequential issues for management of estates for organisations such as Kent County Council. It was confirmed that the learning from the case was being fed into the ongoing Grenfell work. He said that Kent County Council were reviewing the strategies that were currently in place in relation to how information was managed and how best to address health and safety related concerns.
- b) Mr Watts said that officers within Kent County Council's Education department were working closely with Health and Safety officers and in due course, with schools, in relation to the learning from this case. He said that officers would be reflecting on how the school's annual monitoring returns process could be improved to obtain an updated return on a variety of issues within schools.
- c) Mr Watts referred to the adoption of leases and said that work would be undertaken by officers to consider further Kent County Council's responsibilities and circumstances.
- d) Mr Walker referred to the court hearing in relation to the Asbestos exposure case and said that the Judge's decision stated that the management system in Kent for Asbestos management was strong and

robust. Mr Walker said that the linkage between Kent County Council as the legal duty holder and the school management as the designated responsible persons, could be improved. Mr Walker advised Members of the Committee of the positive steps that would be undertaken to mitigate future risks and cause for concern in relation to Asbestos. This included seeking legal advice across the property portfolio, and working in collaboration with colleagues in infrastructure and in the education sector.

- e) Mr Walker said that within the last 18 months, all of Kent's community schools had been audited in relation to health and safety, and any issues or failings noted within the audits would be corrected. He said that up-to-date training and induction programmes were in place to ensure that responsibilities were clear.
 - f) Mr Walker said that Kent County Council were working closely with the Education and Skill Funding Agency to address safeguarding in non-community schools. He said that the Health and Safety Executive had launched a new programme in relation to managing health and safety in the school sector, and therefore, Kent County Council expected the Health and Safety Executive to visit Kent's schools.
 - g) Mr Watts said that where Kent County Council were the landlord for academies in Kent, provisions were limited in relation to the lease. Mr Walker added to Mr Watts' comments and said that governor training was offered to academies to address potential health and safety gaps and concerns.
 - h) Mr Watts said that the legal advice that Kent County Council had sought covered many areas in relation to Health and Safety. He suggested organising an informal, confidential briefing for Members of the Committee on the legal advice that Kent County Council had sought.
 - i) Mr Walker confirmed that the Asbestos breach had been discovered by a Swale Environmental Health officer and reported to the Health and Safety Executive. Within 24 hours of Kent County Council being informed of the Asbestos breach, corrective measures had been taken and the Asbestos rope had been removed.
 - j) Mr Watts reassured Members of the Committee that a briefing note would be circulated outside of the meeting which would contain information relating to Kent County Council's defence costs.
 - k) Mr Walker said that the prosecution was the first Health and Safety prosecution that Kent County Council had had in relation to Asbestos.
 - l) Mr Watts confirmed that an in-depth report could be brought to a future meeting of the Committee which would provide detail on the responsibilities of the Council in relation to leases and the Council's policy in relation to the ongoing management of Asbestos.
2. Mr Hotson (Cabinet Member for Corporate and Democratic Services) thanked Members for their comments and undertook to ensure that a further report on the

Council's approach to Asbestos management would be brought back to a future meeting of the Committee.

3. RESOLVED that the report be noted.

116. Placements of Homeless Households into Kent
(Item 8)

Mr Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr Woolmer (Policy & Partnerships Adviser - Kent Public Services) and Mr Abi-Aad (Head of Health Intelligence) were in attendance for this item.

1. Mr Whittle introduced the report which set out the current position in relation to placements of homeless families from London into large single sites in Kent.
2. Mr Woolmer presented a series of slides to the Committee which set out the analysis of separate communities in Maidstone Borough Council (two sites) and Canterbury City Council (Howe Barracks) which collectively encompassed the work to date on London Placements in Kent and the impact that these types of placements had on local public services.

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

- a) Mr Whittle emphasised the importance of gathering evidence relating to the impacts that additional placements in Kent had on local public services to be able to lobby to government successfully. He reassured Members of the Committee that the presentation slides would be circulated to Members outside of the meeting.
 - b) Mr Whittle said that Kent County Council were lobbying the lack of section 106 contributions of permitted development conversions with government regularly.
 - c) Mr Whittle referred to the additional purchasing power of London boroughs and how it impacted on the market. He referred to large-scale placements and said that Kent County Council were working closely with London boroughs to manage the pressures mitigated and evidence the impact that the large-scale placements into Kent had on public services.
 - d) Mr Whittle confirmed that families that were placed in temporary accommodation in Kent from London boroughs would become permanent Kent residents after two years.
 - e) Mr Whittle clarified the Article 4 planning provision within a district's area or the unitary area relating to the availability of commercial office space.
3. RESOLVED that the report be noted.

(Members of the Committee that had declared an interest in the item (see minute 111) remained in the meeting and took part in the discussion but did not vote.)

117. Freedom of Information update

(Item 9)

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

1. Miss Carey (Cabinet Member for Customers, Communications and Performance) introduced the report which set out an update regarding the challenges faced by Kent County Council in relation to obligations to comply with the Freedom of Information Act 2000.
2. Mr Watts presented a series of slides to the Committee which included a range of information and data about the types of Freedom of Information requests that Kent County Council had received in recent times and the process that Kent County Council had adopted to respond to the requests. Mr Watts explained the importance of the Council continuing to discharge statutory liabilities in this area.
3. The Chairman registered his thanks to the staff within the Freedom of Information team for handling the vast number of Freedom of Information requests that were received so efficiently.

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

- a) Mr Watts said that accommodating the large amount of Freedom of Information requests that Kent County Council received proved challenging under a constrained budget.
 - b) Mr Watts reassured Members of the Committee that a briefing note would be circulated outside of the meeting which would contain information relating to the costs that were associated with Freedom of Information requests.
4. RESOLVED that the report be noted.

118. 18/00065 - SAN Replacement Programme

(Item 10)

Mrs Spore (Director of Infrastructure) and Mr Garbett (Portfolio Assurance Manager) were in attendance for this item.

1. Mrs Spore introduced the report which set out the requirement to deliver a new data storage infrastructure which would allow Kent County Council to replace the existing end of life hardware.

Mrs Spore and Mr Garbett then responded to comments and questions from Members, including the following: -

- a) Mr Garbett confirmed that all of the data that Kent County Council held would be accessible after the hardware had been replaced.
- b) Mrs Spore explained that although the Storage Area Network (SAN) Replacement Programme decision and the Data Centre Exit Strategy

decision were interlinked in terms of timing of implementation, the decisions were separate.

- c) Mrs Spore referred to the cost of the SAN Replacement Programme and said that it would not add to the cost of the Data Centre Exit Strategy.
 - d) Mr Garbett said that the SAN replacement programme would accommodate the services systematic requirements for approximately ten years.
2. RESOLVED that the decision proposed to be taken by the Cabinet Member for Corporate and Democratic Services to:
- (i) delegate the award of contracts with a provider for the purchase of new primary and secondary hardware, including the necessary contractual negotiations and enter into any subsequent necessary legal agreements, be endorsed.

119. Strategic and Corporate Services Performance Dashboard

(Item 11)

Mr Fitzgerald (Business Intelligence Manager - Performance) was in attendance for this item.

1. Mr Fitzgerald introduced the report which set out the progress made against targets set for Key Performance Indicators.
2. In response to a question, Mr Fitzgerald said that more information would be provided to Members of the Committee by a Finance officer outside of the meeting in relation to the 'invoices received by accounts payable' delays. He said that although the indicator was red for the latest month, the indicator was green on a year-to-date basis.
3. A Member of the Committee thanked Kent County Council's ICT Service Desk for their speedy responses to queries and for providing constant support to Members. Members of the Committee generally supported this. Mr Hotson (Cabinet Member for Corporate and Democratic Services) advised that the Committee's thanks would be fed back to the ICT Service Desk.
4. In response to a question, Mr Hotson (Cabinet Member for Corporate and Democratic Services) referred to the annual net capital receipts target and explained the reason behind the red indicator.
5. RESOLVED that the report be noted.

120. Asset Management - Sessions House

(Item 12)

Mrs Spore (Director of Infrastructure) was in attendance for this item.

1. Mrs Spore introduced the report which set out the current position of Sessions House within the context of the current office review.

2. Members of the Committee indicated that they would be referring to information contained with the exempt report and therefore consideration of this item was deferred to the exempt part of the meeting (Minute no 125 below refers).

121. Total Facilities Management - Bi-annual Review

(Item 13)

Mrs Spore (Director of Infrastructure) was in attendance for this item.

1. Mrs Spore introduced the report which set out performance levels of the Total Facilities Management Contracts - Mid Kent with Amey, West Kent with Skanska, and East Kent with Kier.
2. RESOLVED that the report be noted.

122. 18/00063 - Kings Hill: Phase 3 (Areas 10, 11 & 15) Freehold Disposal

(Item 14)

Mr Hyland (Project Co-ordinator – Kings Hill) and Ms Ripley (Head of Property Strategy and Commissioning) were in attendance for this item.

1. Mr Hyland introduced the report which set out the proposal to draw-down and sell Phase 3 Land areas 10, 11 and 15.

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

- a) Mr Hyland explained the restrictive covenants of the contractual arrangements, sale and purchase agreement for the land transaction.
 - b) Mr Hyland confirmed that the plans would be implemented almost immediately upon legal completion.
 - c) Mr Hyland referred to the figures within the report and said that Phase 3 provided a total of 635 houses.
2. RESOLVED that the decision proposed to be taken by the Cabinet Member for Corporate and Democratic Services, to:
 - a) note the terms of the disposal proposed by the partnership;
 - b) agree to the draw-down of land areas 10, 11 and 15 in accordance with the Kings Hill Partnership 1989 and subsequent agreements; and
 - c) delegate to the Director of Infrastructure, in consultation with the Head of Paid Service and General Counsel, the finalisation of the process for draw-down in accordance with the provisions set out in the Kings Hill provisions within the Constitution's Property Management Protocol and the Kings Hill Partnership Agreement,

be endorsed.

123. Work Programme 2019/20
(Item 15)

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

124. Exclusion of the Press and Public
(Item)

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

Exempt Items
(open access to minutes)

125. Asset Management - Sessions House
(Item 12)

1. Members of the Committee discussed the information contained in the exempt report and exempt appendices.

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

- a) Mrs Spore explained that a further report relating to Asset Management in Sessions House would be submitted to the Committee to ensure that all of the Member's comments were taken on board.
 - b) Mrs Spore said that building developments were taking place in Maidstone.
 - c) Mrs Spore clarified the annual maintenance spend for all of Kent County Council's buildings and confirmed that urgent maintenance jobs were prioritised.
2. Mr Hotson (Cabinet Member for Corporate and Democratic Services) informed the Committee of the current usage of Sessions House.
 3. RESOLVED that the report be noted.

126. Review of KCC Company Ownership and Governance
(Item 16)

1. Mr Long (Cabinet Lead for Traded Services) introduced the report which provided an update in relation to the governance, management and development of the proposed holding company for Kent County Council's wholly-owned trading vehicles.
2. RESOLVED that the report be noted.

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance and Traded Services

Eric Hotson, Cabinet Member for Corporate and Democratic Services

Susan Carey, Cabinet Member for Customers, Communications and Performance

David Cockburn, Head of Paid Service and Corporate Director, Strategic and Corporate Services

To: Policy and Resources Cabinet Committee - 18th January 2019

Subject: Capital Programme 2019-22, Revenue Budget 2019-20 and Medium Term Financial Plan 2019-22

Classification: Unrestricted

Summary:

County Council received a report and presentation on the Autumn Budget Statement on 18th October 2018. That report set out an update to the Medium Term Financial Plan (MTFP) for 2019-20 including progress on proposals to resolve the unidentified gap in the original plan, and high level outline plans for 2020-21 and 2021-22. The report marked the start of a communication and consultation campaign to support decisions on the final budget in February.

The final draft budget proposals were published on 2nd January 2019 to support the scrutiny and democratic process through Cabinet Committees, Cabinet and culminating in the annual County Council budget setting meeting on 14th February. This report provides Policy and Resources Cabinet Committee with an opportunity to comment on the draft budget proposals and make recommendations to Cabinet Members as part of this process.

Members are asked to bring to this meeting the draft (black combed) 2019-20 Budget Book document published on 2nd January 2019 as information from this document is not repeated in this report.

Recommendations:

Members of the Policy and Resources Cabinet Committee are asked to:

- a) NOTE the draft capital and revenue budgets and MTFP, including responses to consultation and government provisional settlement; and
- b) SUGGEST any changes which should be made before the draft is presented to Cabinet on 28th January and full County Council on 14th February.

1. Introduction

- 1.1 The Local Government Finance Act 1992 and KCC Constitution requires the Council to consult on and ultimately set a legal budget and council tax precept for the forthcoming financial year, 2019-20. The accompanying draft Budget Book and MTFP document (hereafter referred to as the Budget Book) sets out the detailed draft proposals. This document is designed as a reference document and includes a number of sections/appendices. This report is produced as a guide to help navigate the document. We have reduced the amount of information included in the draft Budget Book for Cabinet Committees to help focus on the key budget issues.
- 1.2 The democratic process through Cabinet Committees, Cabinet, and ultimately full Council is the culmination of the budget setting process which takes almost a year to evolve beginning almost immediately after the budget is approved in February. This starts with the forecasts for the subsequent year(s) in the MTFP as set out at the same time as the approved budget for the forthcoming year, including the indicative central government settlement. These are based on estimates and subject to regular revision and refinement. It has become common that the MTFP usually has an unidentified savings gap for the future years which needs to be resolved, particularly so when future years are in a new spending review period.
- 1.3 In the last three years we have reported an interim update of the MTFP to County Council through the Autumn Budget Statement report. This includes updates to the forecasts and progress on identifying solutions to the unresolved gap. This also marks the launch of formal consultation as required under the Council's Constitution and is necessary to set a legal budget and council tax. The draft budget published in January for the final democratic process reflects the response to this consultation, further updates to forecasts, and final proposed resolution of any outstanding gap. Even then, this final draft can be subject to further changes leading up to the full Council meeting in February (including any amendments agreed at the meeting).
- 1.4 The final approved budget and MTFP is published in March.

2. Fiscal and Economic Context

- 2.1 The national fiscal and economic context is an important consideration for the Council in setting the budget. This context does not just determine the amount we receive through central government grants, but also sets out how local government spending fits in within the totality of public spending. This latter aspect essentially sets the government's expectations of how much local authorities would raise through local taxation.
- 2.2 In previous years we have set out a full analysis of the national economic and fiscal context in section 2 of the draft Budget Book. This analysis has been based on the Chancellor of the Exchequer's Autumn Budget and the

Office for Budget Responsibility's (OBR) economic and fiscal outlook. The Autumn Budget is now the government's main annual tax and spend policy instrument. The March statement is now just an update to economic and fiscal forecasts.

- 2.3 The Autumn Budget 2018 (AB18) was announced on 29th October (nearly a month earlier than previous years) and was made against a highly uncertain economic climate. Consequently, we are not convinced of the value of publishing the full analysis in the draft Budget Book publication in January bearing in mind the risk of further changes by the time of the February Council meeting. Instead we will include a short summary in this report for cabinet committees and provide the fuller analysis closer to the County Council meeting in February.
- 2.4 The Chancellor retained his two main fiscal rules in AB18; the cyclically adjusted budget deficit to be below 2% of Gross Domestic Product (GDP), and total debt as % of GDP to be falling, both by 2020-21. The latest OBR report suggests a stronger fiscal performance with total debt already peaking at 85.2% in 2016-17 and reducing to 83.7% forecast for 2018-19 and 79.7% for 2020-21. The annual deficit is predicted to reduce from 1.9% in 2017-18 to a forecast 1.2% in 2018-19. This improved performance is derived from higher than previously forecast economic growth (despite poor performance in first quarter of 2018 due to adverse weather), lower than planned public spending in 2017-18, and higher forecast tax yields for 2018-19 and beyond.
- 2.5 This improved performance allowed the Chancellor additional headroom to increase public spending plans and reduce some taxes in AB18. Most of the additional spending was allocated to the NHS, although some additional monies were allocated to local government including extra funding for social care in 2018-19 and 2019-20, road maintenance in 2018-19, one-off injection for schools in 2018-19, and removing the borrowing cap on local authority social housebuilding. There was also additional spending to support the implementation of Universal Credit and defence spending.
- 2.6 The tax reductions included increases in personal allowances on income tax, freezing fuel and alcohol duties, increases in business investment allowances and new buildings allowances, and reductions in business rates for medium sized high street premises. Some additional tax is planned to be raised from extending the reforms to off-payroll working (IR35) to larger private sector organisations, and introduction of new digital services tax on the revenues of digital businesses, both from April 2020.
- 2.7 The changes result in the forecast budget deficit initially increasing from £25.5bn in 2018-19 to £31.8bn in 2019-20 (1.2% of GDP to 1.4% of GDP), before then reducing in later years. The Chancellor retained £15.4bn (0.7%) of the headroom to the 2% deficit target to hedge future economic and fiscal uncertainty.
- 2.8 The provisional local government finance settlement was announced on 13th December. This announcement is one of the key elements of the

Council's budget process as it includes several significant grants and council tax referendum principles.

- 2.9 In previous years the settlement has included changes to the distribution of government grants. The 2019-20 settlement had only minor changes to the indicative allocations for 2019-20 in the 2018-19 settlement, notably affecting business rate top-up following the 2017 revaluation and New Homes Bonus (supported by additional money to maintain the 0.4% baseline). The settlement included an additional distribution to all authorities from the excess business rates levies paid to central government and additional Rural Services Grant (the latter does not affect KCC). The settlement confirmed the additional money announced in AB18 for social care.
- The 2019-20 settlement includes further substantial reductions to the Revenue Support Grant (RSG) as per previous indicative allocations, indexation uplift in business rate top-up, the final tranche of the Improved Better Care Fund, and additional compensation for the business rate reliefs announced in AB18. There was good news for the 162 councils (including district councils in Kent) that negative RSG would no longer go ahead. KCC's RSG is reducing from £37.6m to £9.5m in 2019-20.
- 2.10 The settlement also confirmed that the council tax referendum threshold for 2019-20 will be 3% (unchanged from last year's announcement), and the final year of the social care council tax precept is also unchanged (this allowed for a 6% increase over the three years 2017/20, with no more than 3% in each of the first two years). The Autumn Budget Statement report included KCC's proposals for an increase up to but not exceeding the referendum threshold, and final 2% social care council tax precept. The settlement means the council tax proposals in the final draft budget are unchanged from that report. The only changes to council tax from the Autumn Statement are the notification of the estimated council tax base and collection fund balances from districts (the Autumn Statement was based on KCC's own forecasts).
- 2.11 The settlement also confirmed that the Kent business rate pool between KCC, 10 Kent district councils, and Kent and Medway Fire and Rescue Authority, will be re-instated following the 2018-19 100% retention pilot and the unsuccessful bid for a further pilot in 2019-20. The pool announcement increases the County Council's share of retained business rates from the assumption included in the Autumn Statement report.
- 2.12 We have no indicative grants or council tax referendum limits for 2020-21 and beyond. We will not know these until after the outcome of the Spending Review anticipated sometime during 2019. We are also awaiting further details on the proposed 75% business rate retention arrangements, and the reforms following the Fair Funding review. These are likely to have a significant impact on future year's budgets and the Council's MTFP, this uncertainty makes forward financial planning very imprecise. The high-level three-year plan (appendix A(i)) in the final draft Budget Book is based on prudent assumptions about the outcome of the Spending Review, additional business rate retention, Fair Funding review,

and council tax referendum principles consistent with the OBR assumptions in their latest fiscal and economic outlook report.

3. Revenue Budget Strategy and Proposals

3.1 The Council's revenue expenditure is what we spend on the provision of day to day services e.g. care for the elderly and vulnerable adults, supporting children in care, maintain and managing the road network, library services, etc. It includes the cost of salaries for staff employed by the Council, contracts for services commissioned by the Council, the costs of servicing debt incurred to support the capital programmes, and other goods and services consumed by the Council. Revenue spending priorities are determined according to the Council's statutory responsibilities and local priorities as set out in the MTFP, with the ultimate aim of delivering the vision set out in the Strategic Statement.

3.2 The final draft budget book includes the following sections in relation to the revenue budget proposals:

- Section 2 – Revenue Budget Summary by Directorate
- Section 3 – Key Service Analysis by Directorate
- Appendix A(i) – High Level 2019-22 three-year Revenue Plan
- Appendix A(ii) – Detailed 2019-20 Revenue Plan by Directorate
- Appendix B – Budget Risk Register
- Appendix C – Assessment of Levels of Reserves

The revenue budget sections set out the planned spending on services, the revenue plans in the appendices show the main reasons for year on year changes.

3.3 In order to meet the legal requirement to set a balanced budget the Corporate Director of Finance must be satisfied that it is based on robust estimates and includes adequate provision for reserves to cover risks and uncertainties. The 2019-20 draft budget includes provision for £59.5m of additional spending demands (realignment of existing budgets plus forecasts for future demand and cost increases) and £12.9m to replace the use of one-offs on the 2018-19 approved budget. This combined £72.4m of spending demands together with the £28.1m reduction in RSG (referred to in paragraph 2.9) make up the total £100.5m budget challenge for 2019-20.

3.4 The spending demands have only marginally increased from the £52.85m forecast in the Autumn Statement report to County Council on 18th October (after taking account of the additional £6.2m of spending from the extra ring-fenced adult social care winter monies). This reflects the very latest update in order to satisfy the robustness requirement. These spending demands include the need to realign budgets based on current activity/costs, future known unavoidable cost increases (including contractual price increases, legislative changes and financing capital programme), contingent sums for future eventualities (including estimated demand, non-specific price increases and contract retender), and local choices (including investment in services, and Kent pay scheme).

- 3.5 The 2019-20 draft budget includes savings and income proposals of £42.9m. This is less than the £57.5m identified in the Autumn Statement report to County Council and resolves the £16.4m unidentified gap reported at the time. The reduced savings are possible following the additional grant announcements in AB18 (paragraph 2.9 above), as well as a higher than forecast council tax base estimate (paragraph 2.10) and the additional proceeds from the reapproval of the business rate pool (paragraph 2.11).
- 3.6 The revenue budget can be summarised in the updated version of the equation reported to County Council in the Autumn Statement and presentation by the Acting S151 Officer at the meeting (as shown below). This equation assumes the Council agrees the proposed council tax precept increases up to but not exceeding the 3% referendum limit and the 2% social care levy. Section 6 of this report sets out in more detail the main revenue spending demands and savings/income proposals for the whole council budget.

FINANCIAL CHALLENGE			SOLUTION		
	£'000	£'000		£'000	£'000
• Spending Demands		59,527.5	• Council Tax		40,355.1
- realignment	-9,491.4		• Business Rates		-4,482.4
- unavoidable	31,249.6		• Savings		42,855.3
- contingent sums	28,967.5		- Identified	32,005.3	
- local decisions	8,801.8		- Use of reserves	10,850.0	
• One-offs 2018-19		12,858.6			
• Grant Reductions		28,153.0	• Grant Increases		21,811.1
		100,539.1			100,539.1

- 3.7 The 2020-21 and 2021-22 plans are presented at a high level for the whole council in appendix A(i). As identified in paragraph 2.12 this represents a prudent estimate of future funding following the Spending Review and possible changes to the funding distribution for local government as a whole. The plans also include forecasts for future spending pressures, replacing the use one-offs to balance the previous year's budget, forecast council tax base and council tax referendum limits, and the estimated need for further savings (including full year effect of previous years, future identified options and unidentified gap). There are so many uncertainties that there is little to be gained from setting future plans in any more detail at this stage.

4. Budget Consultation

- 4.1 As described in paragraph 1.3 consultation on the Council's revenue budget and council tax proposals was launched on 11th October to coincide with the publication of the Autumn Budget Report to County Council. The consultation closed on 21st November. This consultation sought views on council tax and KCC's budget strategy. The consultation was web based supported by a social media campaign. This approach achieved the aim of increased engagement at lower cost and received a total of 1,717 responses (compared to 965 responses last year). Furthermore, there were fewer numbers who started a response but did not complete (698 compared to 953 last year).

- 4.2 The campaign also aimed to increase public understanding of the Council's budget and the financial challenge arising from rising demand for/cost of providing Council Services, reductions/changes in central government funding, the need to find cost savings whilst at the same time protecting valued services, and impact on council tax. We will need to undertake further evaluation of the extent to which these aims were achieved.
- 4.3 Overall there were fewer proportion of respondents supporting council tax increases than in previous years although in general the suggestions where the Council could make alternative savings would not balance the budget equation. In relation to the budget strategy a significant majority either agreed or strongly agreed that this should support delivery of the three strategic outcomes outlined in the Council's Strategic Statement. A comprehensive report on consultation activity and responses is published on the Council's website (see link in background documents).

5. Capital Programme

- 5.1 Capital expenditure is spent on the purchase or enhancement of physical assets where the benefit will last longer than the year in which it is incurred e.g. school buildings, roads, economic development schemes, IT systems, etc. It includes the cost of purchasing land, construction costs, professional fees, plant and equipment and grants to third parties. As with revenue, capital spending plans are determined according to the Council's statutory responsibilities and local priorities as set out in the MTFP, with the ultimate aim of delivering the vision set out in the Strategic Statement.
- 5.2 Capital spending has to be affordable as the cost of interest on borrowing and setting aside sufficient provision to cover the initial investment funded by loans over the lifetime of the asset, are borne as revenue spending each year over a very long period. This affordability would also apply to invest to save schemes which need to have a reasonable payback.
- 5.3 Section 1 of the draft Budget Book sets out the proposed 2019-22 programme and associated financing requirements. The summary provides a high level overview for the whole council, and the individual directorate pages provide more detail of rolling programmes and individual projects.
- 5.4 The 2018-21 programme was developed assuming a limit of no more than £100m of additional borrowing for new schemes over the three-year period. All of this capacity was used up in the three-year plan leaving no room for new schemes in subsequent years. Since the original programme was agreed some new projects have been committed e.g. additional capital spending on highways schemes approved by full Council in July 2018. We have also re-evaluated the programme where spending can be reduced or can be fully externally funded.
- 5.5 However, some further additional capital spending is essential to meet statutory responsibilities or will be an invest to save for the future. This

spending would have to be funded from additional borrowing of £64.5m over the three-year programme. We can fully mitigate the revenue impact over this period through refinancing other schemes, but in the longer term beyond 2021-22 this additional borrowing would have an estimated £4.5m additional revenue cost for another 20/30 years.

6. Headline Budget Proposals

- 6.1 The Policy and Resources Cabinet committee has a remit which covers both the budget directly managed by the Strategic and Corporate Services (S&CS) Directorate, and the whole council. Individual cabinet committees have reviewed the budget proposals for other directorates. The proposed capital programme for S&CS is set out on pages 21 to 23 of the draft Budget Book, the proposed revenue budget is set out on pages 45 to 48.
- 6.2 The Council's revenue budget strategy continues to be based on the equation shown in paragraph 3.6. This shows the additional spending needed from demand and cost pressures, annual changes in central government non-ring-fenced grants, council tax and business rates proceeds, and savings/income necessary to balance the equation. This section of the report explores the most significant elements of this equation in more depth. There are some elements which still need to be confirmed including the final proposals on spending demands and savings, council tax base, local share of business rates and collection fund balances. We are not expecting any material changes in the final settlement following a short period of consultation which closes on 10th January.

Spending Pressures

- 6.3 The spending pressures include a combination of known issues and forecasts for the future. We have put a lot of additional effort into categorising these between the sub headings shown in paragraph 3.6 to better aid understanding of the underlying assumptions. The sub headings include:
- Budget Realignment – this encompasses adjustments to right-size for known variances in activity or cost identified through the 2018-19 budget monitoring, a modest provision for further variances which may arise during the remainder of the year, and the removal of one-off spending included in the 2018-19 base budget
 - Unavoidable Spending – this encompasses impact of reductions in ring-fenced grants, contractual price increases, additional spending supported by new ring-fenced grants, new statutory responsibilities, and additional interest and minimum revenue provision (MRP) on new borrowing in the 2018-19 and 2019-20 capital programme
 - Contingent Sums – this encompasses forecast amounts for future demand pressures arising from rising population/ageing/increased complexity/additional households/demand for assessments, forecast additional capacity to deal with legislation changes, potential cost of contract tenders, and non-cashable savings
 - Local Decisions – this encompasses local decisions on Kent pay scheme and service improvements e.g. additional revenue spending for annual pot-hole campaign

A much fuller explanation of the spending pressures in each directorate is set in appendix A(ii) of the draft Budget Book, pages 55 to 60.

Non-ring-fenced Grant Changes

6.4 The £28.1m grant reduction is the RSG as outlined in paragraph 2.10 and published in the provisional local government finance settlement announced on 13th December. This is the same reduction as shown in the indicative 2019-20 allocation published as part of the 2018-19 settlement. RSG reductions have remained unchanged from the original outcome of 2015 Spending Review (SR2015), which showed KCC's RSG reducing from £161m in 2015-16 to £9.5m in by 2019-20 (and in total from £246.7m when the current local government system through business rate retention was introduced in 2013-14).

6.5 The £21.8m grant increases includes the following main elements:

- £7.4m for the final tranche of Improved Better Care Fund in the provisional settlement (including the original amounts announced for 2017-18 to 2019-20 in SR2015 and the additional amounts announced in March 2017 Budget)
- £2.6m increase in business rate top-up in the provisional settlement through the annual indexation of business rates
- £6.7m net increase in social care support between the £3.8m one-off amount originally announced for 2018-19 and the £10.5m announced for 2019-20 in AB18 (and confirmed in the provisional settlement)
- £2.8m share of the surplus business rate levy announced in the 2019-20 provisional settlement
- £1.5m additional compensation in the provisional settlement for the extra reliefs on business rates set out in AB18
- £0.5m additional New Homes Bonus (NHB) grant in the provisional settlement from the annual refresh based on the latest four-year growth and the additional money included in the provisional settlement to maintain the 0.4% baseline in NHB calculation

Council Tax and Business Rates

6.6 The £40.4m additional council tax proceeds include the following assumptions:

- £9.4m extra arising from 1.5% increase in the estimated council tax base due to new dwellings and changes in council tax discounts. This is subject to final notification of the council tax base later in January
- £20.2m extra from the proposed council tax increase up to but not exceeding the 3% referendum threshold (this would increase the annual KCC element for a typical band C property from £1,100.16 in 2018-19 to £1,133.12 in 2019-20). This is subject to County Council approval in February
- £14.0m extra from the proposed final 2% social care levy (resulting in a total levy not exceeding the 6% allowed between 2017-18 to 2019-20). This would further increase the annual KCC element for a typical band C property to a total of £1,155.04 in 2019-20 and is also subject to County Council approval in February
- £3.3m less in the assumed collection fund balance reflecting a lower surplus on in-year collection than the previous year

- 6.7 The £4.5m reduction in KCC's share of retained business rates includes the following assumptions:
- £1.0m extra from the increase in KCC's baseline share of retained business rates from the annual indexation and included in the provisional settlement
 - £1.4m extra from the estimated increase in KCC's locally retained share of growth including estimated proceeds from the local pool as outlined in paragraph 2.11
 - £7.4m less as a result of the 100% retention pilot approved for 2018-19 not being repeated or replaced with new 75% retention pilot in 2019-20

Savings and Income

- 6.8 The £42.9m of savings and income include a total of £10.9m further use of reserves. This includes £8.9m draw down from corporate reserves in accordance with previous Section 151 assurances (and reserves we had originally planned to draw down in 2018-19 but subsequently have been able to leave in reserves this year), and additional contribution from Kings Hill reserve to support the revenue budget. Details the £32m savings from transformation, efficiency, income, new ring-fenced government grants, debt repayment, directorate reserves, and policy changes are set out for each directorate on pages 61 to 63 of the draft Budget Book.

7. Recommendations

Recommendations:

Members of the Policy and Resources Cabinet Committee are asked to:

- a) NOTE the draft capital and revenue budgets and MTFP, including responses to consultation and government provisional settlement; and
- b) SUGGEST any changes which should be made before the draft is presented to Cabinet on 28th January and full County Council on 14th February.

8. Background Documents

- 8.1 KCC's Budget webpage
<https://www.kent.gov.uk/about-the-council/finance-and-budget>
- 8.2 KCC's approved 2018-19 Budget and 2018-20 Medium Term Financial Plan
https://www.kent.gov.uk/data/assets/pdf_file/0010/79714/medium-term-financial-plan-and-budget-information.pdf
- 8.3 Autumn Budget Report to County Council 18th October 2018
<https://democracy.kent.gov.uk/documents/s86875/Autumn%20Budget%20Statement%20Final%20version.pdf>

- 8.4 KCC Budget Consultation launched 11th October 2018
<https://www.kent.gov.uk/about-the-council/finance-and-budget/our-budget>
- 8.5 Chancellor's Autumn Budget 2018 29th October 2018
<https://www.gov.uk/government/topical-events/budget-2018>
- 8.6 Office for Budget Responsibility fiscal and economic outlook 29th October 2018
<https://obr.uk/efo/economic-fiscal-outlook-october-2018/>
- 8.7 Provisional Local Government Finance Settlement 13th December 2018
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2019-to-2020>
- 8.8 KCC report on 2018 Budget Consultation
https://www.kent.gov.uk/_data/assets/pdf_file/0008/89891/Budget-campaign-and-consultation-report-2019-20.pdf
- 8.9 KCC Draft Budget Book 2nd January 2019
https://www.kent.gov.uk/_data/assets/pdf_file/0006/89889/Draft-budget-book-2019-20.pdf

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From: Eric Hotson, Cabinet Member for Strategic and Corporate Services
Rebecca Spore, Director of Infrastructure

To: Policy & Resources Cabinet Committee – 18th January 2019

Subject: Oakwood House Asset Review

Classification: Unrestricted (Exempt Appendix – appendix 2 and 3)

Exempt appendix under schedule 12a of the Local Government Act 1972. Matters contained in the report are commercially sensitive.

Past Pathway of Paper: This is the first formal committee to consider this report

Future Pathway of Paper: Policy and Resources Cabinet Committee

Electoral Division: Maidstone Central

Summary: In line with Asset Management best practice, the Council regularly reviews its asset base to ensure that it is effectively utilising its assets to deliver against the County Council's strategic objectives. This report outlines the asset review that has been undertaken in respect of Oakwood House, the preferred option and the next steps.

Recommendation(s):

The Policy and Resources Cabinet Committee are asked to note the asset review for Oakwood House, the preferred option and the next steps.

1. Introduction

- 1.1. Oakwood House is a Victorian mansion of brick construction, set over five floors with gardens at the rear of the building. It has been a KCC freehold for many years and has been extended on various occasions over the years, with a large residential/hotel block added in 1992.
- 1.2. Oakwood House is located between the A26 and the A20 and is a short walk from Maidstone West mainline rail station, with good connections to bus routes on the Tonbridge Road and Queens Road within walking distance.
- 1.3. It is sited on a through road connecting Oakwood Road to Queens Road in Maidstone. The building is adjacent to St Simon Stock Catholic School and Mid Kent College, Maidstone. The site is surrounded primarily by educational buildings and green spaces associated with them.

- 1.4. Oakwood House is currently used for conferences, functions and is a commercially licensed wedding venue, with accommodation. The facility is operated on a day to day basis by Genuine Dining who run the hotel business, with GEN2 managing this relationship in their capacity as managing agent.
- 1.5. The ground floor 'Main Block' comprises conference rooms and meeting spaces; the central core of the building comprises function spaces and dining services; the 'Stable Block' comprises offices and family meeting rooms for the Adoption Service; and the 'Residential Block' comprises the hotel element of the building, housing 21 Bedrooms with en-suites. The first floor mirrors the layout of the ground floor on a smaller scale: the Main Block providing meeting rooms (which have previously provided short term office accommodation based on a temporary planning application), with a further 19 bedrooms in the Residential Block and offices in the Stable Block. The basement level is used mainly for storage and plant. The small second and third floor areas are plant rooms. The building also has a large commercial kitchen, toilets and other ancillary rooms. Outside there is an extensive car park to the front and side with disabled bays.
- 1.6. The building is not listed and there are no restrictive covenants on the assets title.

2. Financial Implications

- 2.1. The 2017/18 outturn costs on the Oakwood trading account were a net cost of £296,717. The Oakwood trading account makes a £200k rental payment into the Corporate Landlord budget leaving a net pressure of £96,717 once the rent is taken into account. This is consistent with the forecast for 2018/19.

3. History & Context

- 3.1. Oakwood House was built in the 1860s by the Wigan family and the grounds were used as a golf course in the years leading up to the war. It was sold by the Wigan family to KCC in 1949. Between 2005 and 2010 the Council undertook a series of works in the building to provide:

- Refurbished Bar/ Café area
- The John Wigan suite and overflow car park
- Refurbishment of the 40-bedroom accommodation area
- Toilet refurbishment on the ground floor

- 3.2. See attached Site Plan in Appendix 1.

4. Oakwood Review

- 4.1. A procurement process was undertaken by KCC with a preferred bidder appointed in 2012 to appoint an operator to run the facility as a hotel and

conferencing facility. Unfortunately, the procurement process failed and KCC were unable to award the contract. Following the failed procurement process the facility was utilised to support the new way of working with the first floor being used as short-term office space which came to an end in 2016. The previous provider has continued to operate the facility following the failed procurement process under the terms of the original contract. During this period building work on properties adjacent to Oakwood has impacted on trade and its appeal as a wedding venue. The wedding bookings to date are 38 in 18/19 and 19 in 19/20. The wedding market and hotel market have become increasingly competitive with local budget hotel groups opening nearby. The in-year figure compares to 141 in 2008/9 when the business was at its peak.

- 4.2. The building condition has deteriorated since the last significant works in 2005 and 2010 and is now due a significant refresh if KCC were to continue to operate it as a commercially licensed wedding venue. To support the business in its current form would require remedial refreshment over coming years. Capital funding would need to be prioritised as part of the Council's future capital programme.
- 4.3. Additional measures have been taken in the short term to increase utilisation which include reviewing package prices and rates, closer contract management and ensuring that the tactical procurement team use Oakwood when possible for sourcing external meeting facilities.

5. Options Considered

- 5.1. As part of the asset review several high-level options have been explored from a property perspective. These included:
 - Option 1 – DO NOTHING / RETAIN. Under this option the Council would continue to operate the facility, undertake the minimum works in the short term pending a procurement process to appoint a new provider to operate the facility.
 - Option 2 – SELL/ DISPOSE of the site
 - Option 3 – RECONFIGURE/ REPURPOSE the building for other KCC services. The Council has an identified need for accommodation in the Maidstone area to support the Coroner Services, Registrars Services, Adult Education and the Adoption Service.
- 5.2. The summary option appraisals along with the financial assessment are set out in the exempt appendix 2

6. Financial summary

6.1 The detailed financial summary is contained within the exempt appendix 2. The financial assessment of the options was considered against option 1 which created the baseline option for financial assessment purposes. As each option has a variety of income flows and costs a Net Present Value assessment was also undertaken. The financial appraisal concludes that Option 3 presents the best overall financial option for the Council and enables once in steady state the Council to derive a revenue benefit. Whilst this option requires investment it also enables the Council to release several other assets.

7. Preferred Option and Next Steps

7.1 A review of the Oakwood House operation suggests that continuing as is doesn't present a viable option for the Council, in the current financial climate the Council cannot continue to support a revenue pressure for a non-core business. The market has become increasingly challenging and given the previously failed procurement exercise there is no indication that a procurement would have a greater level of success at this stage and the Council successfully engaging an operator on terms which would be acceptable. It is unlikely that a capital bid for investment in the facility would be supported given the limited capital available.

7.2 The disposal of the asset would reduce the current revenue pressure however the Council would have to absorb the loss of rent and find alternative options for its service requirements. This is likely to require the Council to acquire other assets either on a leasehold or freehold basis. Site searches have been underway for some time and it has proved challenging to identify alternative premises which are affordable and meet the service requirements.

7.3 The reuse of the building by KCC services has been identified as the preferred option as it creates a better value for money proposition than outright sale or the continued operation as a hotel/conferencing venue in addition to providing suitable long-term accommodation which meets KCC service requirements in the locality. This option allows the Council to exit other leased accommodation and release assets for disposal. Initial feasibility work has confirmed that with the necessary adaptations the facility can accommodate the following KCC services:

- Adult Education Services
- Coroners Services
- The Kent Register Office
- Adoption Service

7.4 The services have been consulted and are supportive in principle of the proposals, although this will be subject to service consultations as appropriate as the detailed design work continues. The proposed blend of uses allows for spaces within the building to be used throughout the day and during the evening 7 days a week and the potential opportunity to gain some efficiencies through bringing some of these services together.

- 7.5 The timelines to meet the Council's service accommodation requirements are constrained and work is therefore underway to undertake the necessary due diligence to confirm the initial option appraisal assumptions. It is anticipated that building work would be required to commence in September 2019 to meet the service requirements, planning permission and obtaining a change of use has been identified as a key potential risk to the delivery timetable. In order to de-risk this aspect a change of use application will be made at the earliest opportunity in 2019.
- 7.6 The existing supplier is aware of the proposals and is committed to working with the Council to manage any change. Given the nature of the building works the venue will not be able to remain operational during this period. Whilst every opportunity is being taken to maximise bookings in the short term until the end of August 2019, no bookings are currently being taken beyond that point. Any pre-existing bookings after August 2019 are currently being contacted to discuss what options exist and to give the customer as much notice as possible of the proposed building works.
- 7.7 A full business case and a key decision to enter into building contracts is proposed to be taken later in April/ May 2019 for the Council to proceed and commit capital expenditure to undertake the building works. Any service consultations will be completed alongside this as appropriate along with a full equality impact assessment.
- 7.8 The next steps and indicative timetable are set out below

Table showing key milestones:

Milestone	Target Date
Detailed design on preferred option and service design/ consultation	January - May 2019
Agree procurement route	February 2019
Policy and Resources Cabinet Committee	April/May 2019
Cabinet Member Decision	April/May 2019
Decision to Award Contracts	May 2019
Start on Site	September 2019
Completion on Site	Late Summer/ Early Autumn 2020
Occupation by Services	2020

8. Recommendation

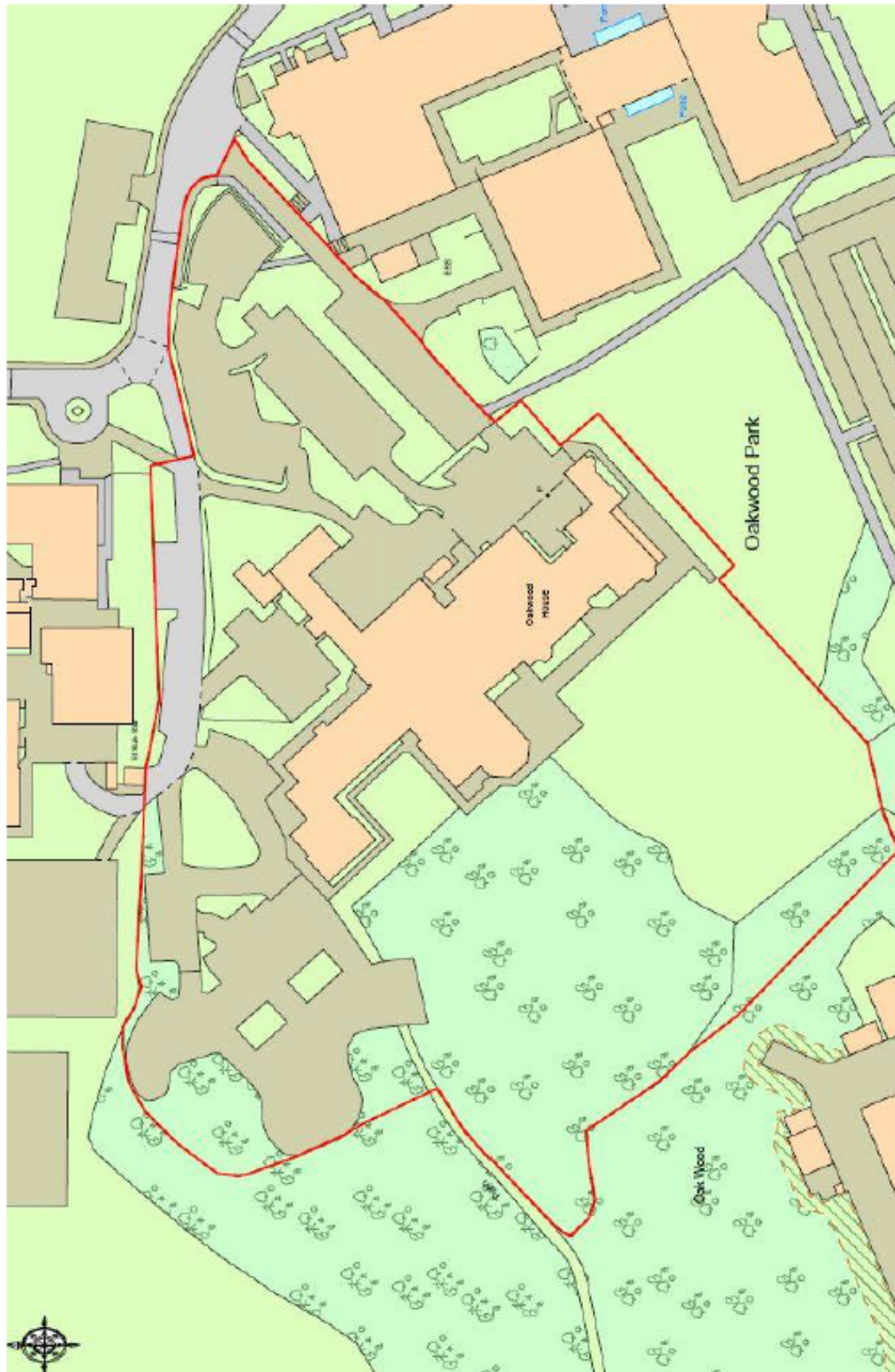
The Policy and Resources Cabinet Committee are asked to note the asset review for Oakwood House, the preferred option and the next steps.

9. Contact Details

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APPENDIX 1



Source: Pro Map (2018)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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of the Local Government Act 1972.

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From: Susan Carey, Cabinet Member for Customers, Communications and Performance
David Cockburn, Head of Paid Service and Corporate Director, Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 18th January 2019

Subject: Corporate Risk update – arrangements for update and review in relation to Brexit

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper outlines how the risk register will be reviewed, updated and reported as the Brexit situation evolves in the coming weeks.

Recommendation(s):

The Cabinet Committee is asked to NOTE the report.

1. Introduction

- 1.1 The Corporate Risk Register is reported regularly to elected Members throughout the year to Cabinet, Cabinet Committees, Governance and Audit Committee and County Council, as set out in the Council's Risk Management Policy. The register is a 'living' document, updated throughout the year as and when changes occur.
- 1.2 The Corporate Risk Register was reported to Cabinet on 3rd December 2018. Due to the strategic, often medium-term nature of the risks, there have not been major changes over the past six weeks.

2. Arrangements for review and reporting of risk CRR0042

- 2.1 As mentioned in section 1, the corporate risk register is updated throughout the year as and when changes occur and is reported regularly. Risks are reviewed on a quarterly basis as a minimum throughout the year, with KCC's Risk Management Policy making clear that the frequency will be dependent on the circumstances and environment around the risks.
- 2.2 One risk that has close proximity and is rapidly evolving is CRR0042 – post-Brexit border systems, infrastructure and regulatory arrangements. The detailed paper presented to County Council on 13th December updated Members on the work the

County Council is undertaking to prepare in the event of a no-deal Brexit, including through the Kent Resilience Forum and with service-level business continuity planning. It documented further actions to be taken and requirements of Government to address the unique risks to Kent and to ensure that, as far as possible, Kent communities are kept moving and Kent remains open for business. There have also been papers presented to the Environment & Transport Cabinet Committee on 28th November 2018 and the Growth, Economic Development and Communities Cabinet Committee on 10th January 2019.

2.3 KCC services have been conducting intensive work to review service business continuity plans, steered by the cross-directorate resilience group, with progress being overseen by the Resilience and Emergency Planning Service and Corporate Management Team.

2.4 The table below contains some key events between now and the end of March that may potentially impact on KCC's risk profile.

Key Event (Local / National / International)	Date	Who any changes to risk register would be reported to.
House of Commons debate on the 'Meaningful' vote on the Withdrawal Agreement	Five-day debate, starting on Wednesday, 9 January 2019	Corporate Management Team, Cabinet Members, relevant Cabinet Committee(s)
House of Commons 'Meaningful' vote on the Withdrawal Agreement	Tuesday, 15 January 2019	
Government must make no-deal statement if no political agreement has been reached considering the process of exiting the European Union under Article 50 within 3 days of a defeat.	18 January 2019	
Default expiry date of Article 50	29 March 2019	
Local Government Finance settlement	We expect the final 2019/20 settlement to be laid before the House of Commons, for its approval, in late January or early February 2019	
Key EU Council meeting	21-22 March 2019	
Kent Resilience Forum	e.g. Thursday, 10	

activity including testing and training	January: Exercise Lundy table-top test of the Operation Fennel plans.	
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2.5 These dates are based on working assumptions only due to the continued uncertainty and fluid situation.

2.6 The Corporate Risk Manager will remain in close contact with relevant risk and control owners during the coming weeks in order to ensure that any changes to the risk profile are captured and the risk(s) updated.

3. Recommendation

Recommendation:

The Policy & Resources Cabinet Committee is asked to NOTE the report.

4. Contact details

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From: Susan Carey, Cabinet Member for Customers, Communications and Performance
Eric Hotson, Cabinet Member for Corporate and Democratic Services
Peter Oakford, Deputy Leader and Cabinet Member for Finance and Traded Services
David Cockburn, Head of Paid Service and Corporate Director, Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 18th January 2019

Subject: Strategic and Corporate Services Performance Dashboard

Classification: Unrestricted

Summary:

The Strategic and Corporate Services Performance Dashboard shows progress made against targets set for Key Performance Indicators.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to NOTE the report.

1. Introduction

- 1.1. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee.
- 1.2. To support this role Performance Dashboards are regularly reported to each Cabinet Committee throughout the year.

2. Performance Dashboard

- 2.1. The Strategic and Corporate Services Performance Dashboard is attached in Appendix 1.
- 2.2. This is the third Dashboard report for the current financial year and includes performance results up to the end of November 2018.
- 2.3. The Dashboard includes twenty-five (25) Key Performance Indicators (KPIs) detailed in the Strategic and Corporate Services Directorate Business Plan 2018/19.
- 2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.
- 2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

- 2.6. Latest performance is reported as Green for 19 indicators, Amber for two indicators, with four indicators Red.
- 2.7. Direction of Travel shows 11 KPIs improving, eight stable (including six at 100%) and six indicators showing worse results when compared to the previous reporting period.

3. Recommendation(s):

The Policy and Resources Cabinet Committee is asked to NOTE the report.

4. Background Documents

The Strategic and Corporate Services Directorate Business Plan

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/business-plans>

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Strategic and Corporate Services Performance Dashboard

Financial Year 2018/19

Results up to November 2018

Page 71

Produced by Strategic Commissioning - Analytics

Publication Date: January 2018



Guidance Notes

Key Performance Indicators

All Key Performance Indicators are provided with RAG (Red/Amber/Green) ratings and Direction of Travel Alerts.

RAG ratings are based on Targets and Floor Standards set out at the start of the year in the Directorate Business Plans.

RAG Ratings

GREEN	Target has been achieved
AMBER	Floor Standard* achieved but Target has not been met
RED	Floor Standard* has not been achieved

DoT (Direction of Travel) Alerts

↑	Performance has improved
↓	Performance has worsened
↔	Performance has remained the same

*Floor Standards are set in Directorate Business Plans and if not achieved must result in management action

Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating or Direction of Travel alert. Instead, where appropriate, they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether results are within the expected range or not. Results can either be in expected range (**Yes**) or they could be **Above** or **Below**. Expected activity Thresholds are based on previous years' trends.

When activity indicators do not have expected levels stated in the Directorate Business Plans, they are shown in the report to provide context for the Key Performance Indicators. In such cases the activity indicators are simply shown with comparison to activity for the previous year.

Key Performance Indicator Summary

Engagement, Organisation Design and Development (EODD)	Month RAG	YTD RAG
CS01 : Callers who rate the advisors in Contact Point as good	GREEN	GREEN
CS04 : Calls to Contact Point answered	GREEN	GREEN
CS05 : Calls to Contact Point answered in 40 seconds	GREEN	AMBER
CS07 : Complaints responded to in timescale	GREEN	GREEN
HR25: Percentage of completed corporate themed Health and Safety audits (NEW)	GREEN	GREEN
HR09 : Training evaluated by participants as having delivered stated learning outcomes	GREEN	GREEN
HR23 : Staff who have completed all 3 mandatory learning events	AMBER	N/a

Finance	Month RAG	YTD RAG
FN01 : Pension correspondence processed within 15 working days	GREEN	GREEN
FN02 : Retirement benefits paid within 20 working days of all paperwork received	GREEN	GREEN
FN07 : Invoices received by Accounts Payable within 30 days of KCC received date	RED	AMBER
FN11 : Financial assessments fully completed within 15 days of referral	GREEN	GREEN
FN05: Sundry debt due to KCC which is under 60 days old	AMBER	N/a
FN06: Sundry debt due to KCC outstanding over 6 months old	GREEN	N/a
FN08 : Invoices received on time by Accounts Payable processed within 30 days	GREEN	GREEN

Governance and Law	Month RAG	YTD RAG
GL01 : Council and Committee papers published at least five days before meetings	GREEN	GREEN
GL02 : Freedom of Information Act requests completed within 20 working days	RED	RED
GL03 : Data Protection Act Subject Access requests completed within 40 calendar days	GREEN	GREEN

Infrastructure	Month RAG	YTD RAG
ICT01 : Calls to ICT Help Desk resolved at the First point of contact	GREEN	GREEN
ICT02 : Positive feedback rating with the ICT help desk	GREEN	GREEN
ICT03 : Working hours where Kent Public Sector Network is available to staff	GREEN	GREEN
ICT04 : Working hours where ICT Service available to staff	GREEN	GREEN
ICT05 : Working hours where Email is available to staff	GREEN	GREEN
PI01 : Rent due to KCC outstanding over 60 days	RED	N/a
PI03 : Annual net capital receipts target achieved	RED	N/a
PI04 : Reactive tasks completed in Service Level Agreement standards	GREEN	GREEN

Service Area	Director	Cabinet Member	Delivery by:
EODD - Customer Services	Amanda Beer	Susan Carey	Agilisys

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
CS01	Percentage of callers who rate the advisors in Contact Point as good	98%	GREEN	↑	98%	GREEN	95%	90%	98%
CS04	Percentage of calls to Contact Point answered	98%	GREEN	↑	96%	GREEN	95%	80%	94%
CS05	Percentage of calls to Contact Point answered in 40 seconds	83%	GREEN	↑	76%	AMBER	80%	70%	70%

Activity Indicators

Ref	Indicator description	Year to Date	In expected range?	Expected Activity		Previous Year YTD
				Upper	Lower	
CS08	Number of calls answered by Contact Point (000s)	400.2	Above	389.8	331.4	407.2
CS12	Number of visits to the KCC website, kent.gov (000s)	3,635	Yes	3,700	3,150	3,575

CS05 – Performance is improving due to the measures put in place by Agilisys. If this progress continues then the target for the year overall may be achieved.

CS08 – There was an increase in calls relating to Concessionary Fares early in the year and also for potholes, Blue Badges, Adult Social Services and the Young Persons Travel. A great deal of work is being undertaken with the contractor in relation to demand management to reduce call volumes over the remainder of the financial year and over the last couple of months, calls answered have been lower than 12 months ago. Unless there is severe weather in the remainder of the year, it is expected that this reduction will continue.

Service Area	Director	Cabinet Member	Delivery by:
EODD	Amanda Beer	Eric Hotson	EODD

Key Performance Indicators – Quarterly

Ref	Indicator description	Latest Qtr	RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
CS07	Percentage of complaints responded to in timescale	86%	GREEN	↑	85%	GREEN	85%	80%	88%
HR25	Percentage of completed corporate themed Health and Safety audits (NEW)	100%	GREEN	↔	100%	GREEN	90%	85%	N/a

Key Performance Indicators – Monthly

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR09	Training evaluated by participants as having delivered stated learning outcomes	100%	GREEN	↔	100%	GREEN	95%	90%	99%
HR23	Percentage of staff who have completed all 3 mandatory learning events	89%	AMBER	↑	N/a		90%	80%	78%

HR23 - The percentage of staff who have completed their mandatory learning events has continued to increase each month since April and is now just under target. Additional reminder messages and the introduction of the mandatory training dashboards within Delta have helped Managers to identify easily when staff are due to complete or are overdue with mandatory training, helping to increase completion rates.

Service Area	Director	Cabinet Member	Delivery by:
EODD	Amanda Beer	Eric Hotson	EODD

Activity Indicators

Ref	Indicator description	Latest Month	In expected range?	Expected Activity		Prev. Yr Same Month
				Upper	Lower	
HR12	Number of current change activities being supported	79	Above	75	60	51
HR13	Total number of e-learning training programmes completed	45,601	Above	30,000	23,330	31,777
HR16	Number of registered users of Kent Rewards	20,437	Below	23,000	22,700	19,681
HR21	Number of current people management cases being supported	92	Above	85	70	82

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HR12 - Change activity is driven by demand from the organisation and will fluctuate from month to month. Change activities can also span over more than one month and require different levels of resource and work to be carried out.

HR13 – There has been an increase in the number of e-learning training programmes completed due to the rise in mandatory learning events undertaken by staff. In addition, the growing e-learning offering on the Delta Learning Platform has enabled courses to become much more accessible to staff, resulting in an increase in the number of course completions.

HR16 – Whilst the number of registered users is below target, the figure has risen significantly since the last quarter due to new initiatives such as 'The Golden Ticket' which encouraged users to engage with the site. This has been an effective way of encouraging new Kent Rewards registrations and reminding staff to utilise the site to access their employee benefits.

HR21 - Case activity is driven by demand from the wider business and will fluctuate from month to month, some cases will also span more than one month. Cases also vary significantly in complexity, requiring different levels of resource and work to be carried out.

Service Area	Director	Cabinet Member	Delivery by:
Finance	Zena Cooke	Peter Oakford	Finance

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
FN01	Pension correspondence processed within 15 working days	100%	GREEN	↔	100%	GREEN	98%	95%	100%
FN02	Retirement benefits paid within 20 working days of all paperwork received	98%	GREEN	↑	94%	GREEN	90%	85%	98%
FN07	Invoices received by Accounts Payable within 30 days of KCC received date	76%	RED	↓	84%	AMBER	85%	80%	83%
FN11	Percentage of financial assessments fully completed within 15 days of referral	92%	GREEN	↓	96%	GREEN	90%	85%	92%

FN07: A further communication will be sent to Budget Managers via the internal electronic channels reminding them about the importance of submitting invoices promptly for payment. In addition a new Budget Manager Payment Performance Dashboard is being developed which will highlight those managers who haven't submitted invoices on a timely basis

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FN01b	Pension correspondence processed	4,116	3,579
FN02b	Retirement benefits paid	1,781	1,398
FN07b	Number of invoices paid by KCC	77,870	79,356
FN11b	Number of financial assessments received	5,159	5,068

Service Area	Director	Cabinet Member	Delivery by:
Finance	Zena Cooke	Peter Oakford	Cantium Business Services

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
FN05	Percentage of sundry debt due to KCC which is under 60 days old	73%	AMBER	↓	N/a		75%	57%	86%
FN06	Percentage of sundry debt due to KCC outstanding over 6 months old	13%	GREEN	↔	N/a		15%	20%	10%
FN08	Percentage of invoices received on time by Accounts Payable processed within 30 days	98%	GREEN	↑	97%	GREEN	97%	94%	98%

Page 78 FN05 - There are seven invoices over £100k that are now over 60 days old and therefore impacting on this KPI. Three of these invoices are the responsibility of Cantium to recover, and of these, one was paid in December and other 2 are now being paid in instalments. The remaining five debts are Gen2 and not recovered by Cantium.

Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
FN09b	Value of debt due to KCC (£000s)	16,691	15,793

Service Area	Director	Cabinet Member	Delivery by:
Governance and Law	Ben Watts	Eric Hotson	Governance and Law

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
GL01	Council and Committee papers published at least five clear days before meetings	100%	GREEN	↔	100%	GREEN	100%	96%	99%
GL02	Freedom of Information Act requests completed within 20 working days	84%	RED	↓	85%	RED	92%	90%	89%
GL03	Data Protection Act Subject Access requests completed within 40 calendar days	91%	GREEN	↔	88%	GREEN	87%	85%	79%

Activity Indicators

Ref	Indicator description	Year to date	In expected range?	Expected Activity		Prev. Yr YTD
				Upper	Lower	
GL01b	Committee meetings	111		N/a		95
GL02b	Freedom of Information requests	1,602	Above	1,515	1,414	1,462
GL03b	Data Protection Act Subject Access requests	312	Above	223	160	200

GL02 – The Committee received a detailed report in September detailing the challenges faced in this area and the work being done by staff in response to challenges. The report explained the resourcing available to manage requests and the considerable increase in the number and complexity of requests over recent years. The Information Resilience & Transparency Team continues to provide advice on the most efficient ways to prepare records to save time and resource. Guidance is also available on KNet and is issued with every referral.

GL02b and 03b - The advent of GDPR may have raised awareness on issues around personal data leading to more requests. There has also been an increase in the use of FOI and Subject Access Requests, as a means to make a complaint. There has also been an increase for requests regarding Brexit and Information Governance. About a quarter of FOI requests concern Highways, Transport and Waste.

Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - ICT	Rebecca Spore	Eric Hotson	Cantium Business Services

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
ICT01	Calls to ICT Help Desk resolved at the First point of contact	72%	GREEN	↑	73%	GREEN	70%	65%	71%
ICT02	Positive feedback rating with the ICT help desk	95%	GREEN	↓	97%	GREEN	95%	90%	98%
ICT03	Working hours where Kent Public Sector Network is available to staff	100%	GREEN	↔	100%	GREEN	99.8%	99.0%	99.8%
ICT04	Working hours where ICT Service available to staff	99.9%	GREEN	↓	99.9%	GREEN	99.0%	98.0%	99.8%
ICT05	Working hours where Email is available to staff	100%	GREEN	↔	100%	GREEN	99%	98%	100%

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Activity Indicators

Ref	Indicator description	Year to date	Prev. yr YTD
ICT01b	Calls to ICT Help Desk	40,635	39,735
ICT02b	Feedback responses provided for ICT Help Desk	3,708	5,182

Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - Property	Rebecca Spore	Eric Hotson	Infrastructure

Key Performance Indicators

Ref	Indicator description	Latest Month	Month RAG	DoT	Target	Floor Standard	Previous Year
PI01	Percentage of rent due to KCC outstanding over 60 days	35%	RED	↓	5%	15%	8%
PI03	Percentage of annual net capital receipts target forecast to be achieved (£30m)	63%	RED	↑	95%	90%	50%

Activity Indicator

Ref	Indicator description	Year to date	Prev. yr YTD
PI01b	Total rent outstanding (£'000s)	174	1,115

PI01 – Total over 60 days debt currently stands at £61,531 against a much-reduced total outstanding rent of £173,594 which meant that the 60 plus debt position stood at 35.4%. This KPI will continue to be unpredictable because of the changing nature of the total amount of debt against the 60-day debt owed. As for the current in month debt, the majority relates to six debts that can be attributed to either the payment not being allocated correctly by cashiers or non-payment of rent or service charge due to a dispute or payment error. In all cases the debts are investigated by Gen2 and appropriate action implemented to obtain a satisfactory outcome whether this is the introduction of payment plans, escalation to the Property Commissioner, or legal action.

PI03 - Property disposals are restricted to council assets that have been declared surplus to requirements by the service that was most recently in occupation and are not required by any other council services. When these assets become available to sell, the disposal team have a responsibility to achieve the best value for them. The team have worked throughout the year to balance the pressures of bringing assets to market in the shortest time to try and meet the annual target as well as achieving the best price for the council. This has meant that a number of properties have had to be re-phased to achieve the best financial outcome for the council. As of the end of November £2.9m worth of assets had been disposed of and £10.95m has been exchanged either unconditionally or conditionally on planning permission. A further £3.9m is under offer, with £900,000 worth of assets currently in negotiation. This gives a total forecast for 2018/19 of £18.6m.

Service Area	Director	Cabinet Member	Delivery by:
Infrastructure - Property	Rebecca Spore	Eric Hotson	Kier, Amey, and Skanska

Key Performance Indicators (October data)

Ref	Indicator description	Latest month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
PI04	Percentage of reactive tasks completed within Service Level Agreement standards	93%	GREEN	↑	91%	GREEN	90%	80%	95%

Activity Indicator

Ref	Indicator description	YTD	Previous Year
PI04b	Number of reactive tasks responded to	10,627	11,466

From: Eric Hotson, Cabinet Member for Corporate and Democratic Services
Ben Watts, General Counsel

To: Policy and Resources Cabinet Committee – 18th January 2019

Subject: Work Programme 2019/20

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

Summary: This report gives details of the proposed work programme for the Policy and Resources Cabinet Committee.

Recommendation: The Policy and Resources Cabinet Committee is asked to consider and agree a work programme for 2019/20.

1. Introduction

- 1.1 The proposed Work Programme has been compiled from items on the Forthcoming Executive Decision List; from actions arising from previous meetings, and from topics identified at agenda setting meetings, held 6 weeks before each Cabinet Committee meeting in accordance with the Constitution and attended by the Chairman, Vice-Chairman and group spokesmen.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the final selection of items for the agenda, this item gives all Members of the Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2. Terms of Reference

- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Policy and Resources Cabinet Committee “To be responsible for those functions that fall within the Strategic and Corporate Services Directorate”.
- 2.2 Further terms of reference can be found in the Constitution at Appendix 2 Part 4 paragraph 21 and these should also inform the suggestions made by Members for appropriate matters for consideration.

3. Work Programme 2018/19

- 3.1 The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered for inclusion on the agenda of future meetings.

3.2 The schedule of commissioning activity that falls within the remit of this Cabinet Committee will be included in the Work Programme and is considered at agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.

3.3 When selecting future items, the Cabinet Committee should consider performance monitoring reports. Any 'for information' or briefing items will be sent to Members of the Cabinet Committee separately to the agenda or separate member briefings will be arranged where appropriate.

4. Conclusion

4.1 It is important for the Cabinet Committee process that the Committee takes ownership of its work programme to help the Cabinet Members to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates on requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

5. Recommendation: The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2019/20.

6. Background Documents

None.

7. Contact details

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Relevant Director
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POLICY & RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2019/20

Friday 8 March 2019		
Items:	Requested by/when:	Has it been Deferred?
• Cantium Business Solutions report	P&R agenda setting mtg on 28.11.2018	
• Gen2 update	P&R agenda setting mtg on 28.11.2018	
• Total Facilities Management (Exempt)		
• Corporate Assurance	Annual report	
• Risk Register		
• Award of the Oracle Maintenance and Support Contract	Rebecca Spore	January 2019 mtg
• Annual Presentation of Risk Reports	Mark Scrivener	
• Directorate Business Plans	David Whittle	
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Thursday 16 May 2019		
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Thursday 13 June 2019		
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Friday 20 September 2019		
• Fair Funding Review	Added at P&R agenda setting on 28 Nov 18	
• Update on Legislative Changes around Business Rate Retention	Added at P&R agenda setting on 28 Nov 18	
• Contract Management update (Exempt)	Standard item	

• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Friday 8 November 2019		
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Tuesday 21 January 2020		
• 2020/21 Budget and Medium-Term Financial Plan		
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Friday 20 March 2020		
• Corporate Assurance	Annual report	
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	
Tuesday 12 May 2020		
• Contract Management update (Exempt)	Standard item	
• Strategic and Corporate Service Directorate Performance Dashboard	Standard item	
• Work Programme 2019/20	Standard item	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 10

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 11

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

**Susan Carey, Cabinet Member for Customers,
Communications and Performance**

DECISION NO:

19/00010

Restricted

Key decision: YES

Extension of the contract with Agilisys until 8 December 2025 on revised terms

Subject: Agilisys Contract

Decision:

As Cabinet Member for Customers, Communications and Performance, I propose to extend the contract with Agilisys until 8 December 2025 on revised terms.

Reason(s) for decision:

The contract with Agilisys started on the 9th December 2015 and ends on the 8th December 2021 with an annual value of £3,431k. It is for the provision of a contact point including a call centre, digital offering, and associated back office processing. The Council will exercise an option to extend the contract until 8th December 2025 which will enable a package of improvements to the quality and resilience of the service to be implemented as well as a cost reduction.

Equality Implications

None

Financial Implications

A package of improvements to the quality and resilience of the service will be implemented as well as a cost reduction to KCC.

Legal Implications

None

Cabinet Committee recommendations and other consultation:

It was considered by the Policy and Resources Cabinet Committee, 18th January 2019.

Any alternatives considered and rejected:

Alternatives considered and rejected are included in the restricted report to Policy and Resources Cabinet Committee (18 January 2019).

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: none

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signed

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date

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