Summons to and Agenda for a

Meeting on

Thursday, 28th March, 2024

at **10.15 am or on the rising of the earlier Special Honorary Aldermen meeting, whichever is the later.**

DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 20 March 2024

To: All Members of the County Council

A meeting of the County Council will be held in the Council Chamber, County Hall, Maidstone, Kent, ME14 1XQ on Thursday, 28th March, 2024 at **10.15 am** to deal with the following business. **The meeting is scheduled to end by 4.30pm.**

A G E N D A

1.	Apologies for Absence	
2.	Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda	
3.	Minutes of the meeting held on 19 February 2024	**(Pages 1 - 18)**
4.	Corporate Parenting Panel - Minutes for noting	**(Pages 19 - 26)**
5.	Chairman's Announcements	
6.	Questions	
7.	Report by Leader of the Council (Oral)	
8.	Integrated Care Strategy - Update	**(Pages 27 - 96)**
9.	Pay Policy Statement - 2024/25	**(Pages 97 - 102)**
10.	Treasury Management - 6 Month Review - 2023/24	**(Pages 103 - 124)**
11.	Financial Regulations Update	**(Pages 125 - 156)**
12.	Health Overview and Scrutiny Committee (HOSC) Terms of Reference	**(Pages 157 - 170)**
13.	Governance & Audit Committee Terms of Reference	**(Pages 171 - 176)**

Benjamin Watts
General Counsel
03000 416814

KENT COUNTY COUNCIL

COUNTY COUNCIL

MINUTES of a meeting of the County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Monday, 19 February 2024.

PRESENT: Mr G Cooke (Chairman), Mr B J Sweetland (Vice-Chairman), Mr N Baker, Mr M Baldock, Mr P V Barrington-King, Mr P Bartlett, Mrs C Bell, Mrs R Binks, Mr T Bond, Mr A Brady, Mr D L Brazier, Mrs B Bruneau, Mr S R Campkin, Mr T Cannon, Miss S J Carey, Sir Paul Carter, CBE, Mrs S Chandler, Mr N J D Chard, Mrs P T Cole, Ms K Constantine, Mr D Crow-Brown, Mr M C Dance, Ms M Dawkins, Mr M Dendor, Mrs L Game, Mr R W Gough, Ms K Grehan, Ms S Hamilton, Peter Harman, Jenni Hawkins, Mr P M Hill, OBE, Mr A R Hills, Mrs S V Hohler, Mr S Holden, Mr M A J Hood, Mr A J Hook, Mr D Jeffrey, Mr A Kennedy, Mr J A Kite, MBE, Rich Lehmann, Mr B H Lewis, Mr R C Love, OBE, Mr S C Manion, Mr R A Marsh, Mr J P McInroy, Ms J Meade, Mr J Meade, Mr D Murphy, Mr P J Oakford, Mr J M Ozog, Mrs L Parfitt-Reid, Mr C Passmore, Mrs S Prendergast, Mr H Rayner, Mr O Richardson, Mr A M Ridgers, Mr D Robey, Mr D Ross, Mr A Sandhu, MBE, Mr T L Shonk, Mr C Simkins, Mr M J Sole, Mr P Stepto, Mr R G Streatfeild, MBE, Dr L Sullivan, Mr R J Thomas, Mr D Watkins, Mr S Webb, Mr M Whiting, Mr J Wright and Ms L Wright

IN ATTENDANCE: Mr J Cook (Democratic Services Manager)

UNRESTRICTED ITEMS

197. Apologies for Absence
(Item 1)

The Democratic Services Manager reported apologies from Mr Beaney, Mr Booth, Mr Broadley, Mr Chittenden, Mr Cole, Mr Collor, Mrs Dean, Mrs Hudson and Mrs McArthur.

The Democratic Services Manager advised that Mr Cannon would be joining the meeting slightly late and the General Counsel, Mr Watts, was joining the meeting online.

198. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
(Item 2)

The following interests were declared by Members:

- Mr Campkin was Deputy Leader and portfolio holder for Climate, Environment and Transport at Ashford Borough Council.
- Dr Sullivan's husband was employed by the Council, and she was a Cabinet Member at Gravesham Borough Council.
- Mr Baldock was Deputy Leader of Swale Borough Council.
- Mrs Parfitt-Reid was Cabinet Member for Housing and Health at Maidstone Borough Council.
- Sir Paul Carter and Mr Kite were Directors of Leigh Academies Trust.
- Mr Gough was a Member of Leigh Academies Trust.
- Mr Hill was a Director of Tenterden Schools Trust.
- Rich Lehmann was the portfolio holder for Environment at Swale Borough Council.

199. Minutes of the meeting held on 14 December 2023
(Item 3)

RESOLVED that the minutes of the meeting held on 14 December 2023 be approved as a correct record.

200. Chairman's Announcements
(Item 4)

The Chairman had written to His Majesty the King on behalf of the County Council to wish him well following his operation and recent diagnosis.

201. Section 25 Assurance Statement
(Item 5)

Mr John Betts, Interim Corporate Director Finance, was in attendance for this item.

(1) The Chairman advised that Members would be invited to ask technical questions for clarification during this item, but debate of budget policy would be reserved for Item 6.

(2) Mr Oakford proposed, and Mr Gough seconded the motion that:

"Pursuant to section 25 of the Local Government Act, County Council is asked to consider and note this report and agree to have due regard to the contents when making decisions about the proposed budget."

(3) The Interim Corporate Director Finance, as the Section 151 Officer, provided an overview of the Section 25 Assurance Statement. Mr Betts said, as outlined in the report, that the uncertainties of the economic environment meant there were significant risks in the authority delivering a balanced budget. He explained that, provided all the measures set out in the draft budget and medium-term plan were implemented, the Council would

continue to demonstrate financial sustainability over the short term, and a positive opinion could be given under Section 25 on the robustness of the estimate and the level of reserves.

(4) Following a technical question from a Member Mr Betts confirmed that the Section 25 Assurance Statement covered all the budget proposals, including amendments, that were under consideration at the meeting.

(5) The Chairman put the motion set out in paragraph 2 to the vote and the voting was as follows:

For (66)

Mr Baldock, Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brady, Mr Brazier, Mr Campkin, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Ms Constantine, Mr Crow-Brown, Mr Dance, Ms Dawkins, Mr Dendor, Mrs Game, Mr Gough, Ms Grehan, Ms Hamilton, Mr Harman, Ms Hawkins, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Hood, Mr Hook, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Lehmann, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Ms Meade, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Passmore, Mrs Prendergast, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sole, Mr Stepto, Mr Streatfeild, Dr Sullivan, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Against (0)

Abstain (0)

Motion carried.

(6) RESOLVED that pursuant to section 25 of the Local Government Act, County Council noted the report and agreed to have due regard to the contents when making decisions about the proposed budget.

202. Capital Programme 2024-34 and Revenue Budget 2024-25 (including Council Tax Setting 2024/25)
(Item 6)

(1) The Chairman reminded Members that any Member of a Local Authority who was liable to pay Council Tax, and who had any unpaid Council Tax amount overdue for at least two months, even if there was an arrangement to pay off the arrears, must declare the fact that they are in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

(2) The Chairman drew Members' attention to the Section 25 Assurance Statement, as considered under the previous item, reminding them of the agreement by Council to give it due regard while considering the Budget.

(3) The Chairman explained that proposed amendments to the draft budget were circulated to Members prior to the meeting.

(4) Mr Oakford proposed and Mr Gough Seconded the following motion:

"County Council, having given due regard to the s25 Report (published for consideration as agenda item 5 of this meeting), is asked to agree the following:

2024-34 Capital Programme

(a) The 10-year Capital programme and investment proposals of £1,665.3m over the years from 2024-25 to 2033-34 together with the necessary funding and subject to approval to spend arrangements.

(b) The directorate capital programmes as set out in appendices A & B of the final draft budget report published on 9th February 2024.

2024-25 Revenue Budget and Medium Term Financial Plan

(c) The net revenue budget requirement of £1,423.6m for 2024-25.

(d) The directorate revenue budget proposals for 2024-25 and the medium term financial plan as set out in appendices D (high level county 3 year plan) E (high level 2024-25 plan by directorate), F (2024-25 key services), appendix G (individual spending, savings, income and reserves variations for 2024-25) of the final draft budget report published on 9th February 2024.

2024-25 Council Tax

(e) To increase Council Tax band rates up to the maximum permitted without a referendum as set out in section 6.4 (tables 6.1 and 6.2) in the final draft report published on 9th February 2024.

(f) To levy the additional 2% social care precept (raising an additional £17.774m and taking the total social care precept to £135,347,128 out of the total precept set out in recommendation (g) below).

(g) The total Council Tax requirement of £935,667,397 to be raised through precepts on districts as set out in section 6.6 (table 6.3) in the final draft report published on 9th February 2024.

Kent Pay Scheme 2024-25

(h) The recommendations from Personnel Committee on the changes to Kent Pay Scheme as set out in sections 7.8 and 7.9 of the final draft budget published on 9th February 2024

(i) The uprating of member allowances linked to pay awards as set out in section 7.10 of the final draft budget published on 9th February 2024

Key Policies and Strategies

(j) Fees and charges to continue to be reviewed in line with the policy agreed in the 2023-24 budget approval

(k) The Capital Strategy as set out in appendix O of the final draft report published on 9th February 2024 including the Prudential Indicators.
(l) The Treasury Management Strategy as set out in appendix M of the final draft report published on 9th February 2024
(m) The Minimum Revenue Provision (MRP) Statement as set out in appendix P of the final draft report published on 9th February 2024
(n) The Flexible Use of Capital Receipts Strategy as set out in appendix Q of the final draft report published on 9th February 2024.
(o) The Reserves Policy as set out in appendix H of the final draft budget report published on 9th February 2024.

In addition:
(p) To note that the Cabinet Member for Finance Corporate and Traded Services, in consultation with the Leader and Cabinet, will determine the final TCP reward thresholds for staff assessed as successful, excellent, and outstanding, and the uplift to the Kent Ranges consistent with Personnel Committee recommendation to County Council, and agree any other changes to the Kent Scheme through the conclusion of pay bargaining (after consultation with the Leader and the political Group Leaders)
(q) To delegate authority to the Corporate Director of Finance (after consultation with the Leader, the Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services and the political Group Leaders) to resolve any minor technical issues for the final budget publication which do not materially alter the approved budget or change the net budget requirement and for any changes made to be reflected in the final version of the Budget Book (blue combed) due to be published in March 2024.
(r) To note the information on the impact of the County Council's share of retained business rates, business rate pool and business rate collection fund balances on the revenue budget will be reported to Cabinet once it has all been received.
(s) To note the ongoing and escalating cost pressures on the Council's budget alongside insufficient funding in the local government finance settlement and knock on requirement for savings and income in the final draft 2024-25 budget and medium term financial plan.
(t) To note further potential economic volatility and the uncertain financial outlook for later years in the absence of a multi-year settlement from government from 2025-26 onwards as well as uncertain impact of the delayed social care reforms and reforms to local government funding arrangements.
(u) To note that the planned use of reserves still ensures sufficient reserves are available in the short term with no immediate concerns triggering a S114 notice provided the use of these reserves is replaced with sustainable savings over the medium term.
(v) To note the rate of recent drawdown from reserves and increase in risk is cause for serious concern and reserves need to be strengthened, particularly general reserve and the draft budget

includes a strategy to restore the general reserve to 5% by 2025-26. Further unplanned drawdowns would weaken resilience and should only be considered as a last resort with an agreed strategy to replenish reserves at earliest opportunity.

(5) Dr Sullivan (Leader of the Opposition), Mr Hook (Leader of the Liberal Democrat Group) and Mr Lehmann (Leader of the Green & Independent Group) gave their responses to the recommendations.

(6) Following a general debate, the Chairman called for cross-directorate amendments.

(7) Dr Sullivan proposed, and Mr Brady seconded the following amendment:

Proposed Purpose:

"To amend the budget proposed by the Administration in line with the Labour Group's Alternative Budget in accordance with sections 8.10 – 14 of the Constitution."

Proposed Amount:

"See revised budget appendices D and G. Please also refer to the Labour Group's alternative budget covering report, which includes the revised recommendation as proposed by the Labour Group."

Proposed Funding Source:

"See revised budget appendices D and G. Please also refer to the Labour Group's alternative budget covering report, which includes the revised recommendation as proposed by the Labour Group."

Post meeting note – A covering report along with the revised budget appendices D and G can be accessed here.

(8) Following the debate, the Chairman put to the vote the amendment set out in paragraph 7 above and the voting was as follows:

For (14)

Mr Baldock, Mr Brady, Mr Campkin, Ms Constantine, Ms Dawkins, Ms Grehan, Mr Harman, Ms Hawkins, Mr Hood, Mr Lehmann, Mr Lewis, Ms Meade, Mr Stepto, Dr Sullivan

Against (53)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mr Carter, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr

Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mr Ozog, Mrs Parfitt-Reid, Mrs Prendergast, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (4)

Mr Hook, Mr Passmore, Mr Sole, Mr Streatfeild

Amendment lost.

(9) Mr Baldock proposed, and Mr Lehmann seconded the following amendment:

Proposed Purpose:

"To implement a shift in working patterns by reducing the working hours to 34 per week, whilst maintaining salaries at 2023-24 levels.

We propose that the £11m savings generated by this change are spent on -

- Reversing proposed cuts to Youth Services (£1.2m)
- Reversing proposed cuts to Community Wardens (£1m)
- Investment into Kent Karrier to publicise the service and maintain 2023 service levels (£500k one off investment and £750k pa running costs)
- Additional funding to repair potholes and other safety critical road maintenance (£1m)
- Set aside to cover implementation costs (£1.05m)
- Savings put back into reserves (£5.5m)"

Proposed Amount:

"£11m"

Proposed Funding Source:

"£11m cashable savings available from not making 2024-25 pay award. Decreasing staff hours to 34 hours per week will ensure the minimum hourly rate continues to be above Foundation Living Wage."

(10) Following the debate, the Chairman put to the vote the amendment set out in paragraph 9 above and the voting was as follows:

For (6)

Mr Baldock, Mr Campkin, Ms Hawkins, Mr Hood, Mr Lehmann, Mr Stepto

Against (60)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brady, Mr Brazier, Mrs Bruneau, Miss Carey, Mrs Chandler, Mrs Cole, Ms Constantine, Mr Cooke, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Grehan, Ms Hamilton, Mr Harman, Mr Hill, Mrs Hohler, Mr Holden, Mr Hook, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Lewis, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Ms Meade, Mr Meade, Mr Murphy, Mr Oakford, Mr Ozog, Mrs Parfitt-Reid, Mr Passmore, Mrs Prendergast, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sole, Mr Streatfeild, Dr Sullivan, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (1)

Ms Dawkins

Amendment lost.

Children, Young People and Education Directorate

(11) The Cabinet Member for Integrated Children's Services and the Cabinet Member for Education and Skills introduced the budget for this directorate prior to general debate and the taking of directorate specific amendments.

(12) Following the general debate, the Chairman called for directorate specific amendments.

(13) Mr Streatfeild proposed, and Mr Hood seconded the following amendment:

Proposed Purpose:

"This amendment seeks to protect KCC's provided or commissioned Youth Services. At present, KCC has 12 inhouse youth hubs while other contracted providers run services including music, sports, youth clubs, arts, and drama clubs, as well as street-based activities such as skateboarding.

Investment in youth is critical for the future of Kent, and thousands of young people have benefitted from these services. With crime and anti-social behaviour ever increasing, it is vital that young people are given alternatives that make positive impacts on our communities.

The decision taken in November 2023 to cease commissioned youth contracts has been heavily criticised by residents across Kent, including parents, young people and professionals working with young people. In response to KCC's own public consultation, parents of children attending Ashford Youth Hub, said "there are a lot of people here that will suffer if you stop these activities youths will end up bored and getting into trouble instead". Another parent added: "it's one thing my vulnerable autistic child has been able to do with no financial burden on us and she's made welcome, taught new skills and socialising with a mix of ages. The volunteers and staff are so great and supportive of us and her".

Whilst Kent has a thriving voluntary youth sector, many of these organisations such as the Scouts and Guides, are consistently over-subscribed. KCC providing youth services reduces pressure on the voluntary sector and provides a breath of opportunities for young people.

The proposed budget change would reduce the required saving from the review of Youth Services, with the preserved funding to be used for provision of additional Youth Services to offset the reduction arising from the previous decision, either through further investment in KCC Open Access operations or through new commissioned contracts with external providers."

Proposed Amount:

"£401.3k to be added to Youth Services budget (reducing the Commissioned Youth Services saving from £913k to £511.7k)"

Proposed Funding Source:

"Cease contribution to Civil Society Strategy (£401.3k)"

(14) Following the debate, the Chairman put to the vote the amendment set out in paragraph 13 above and the voting was as follows:

For (16)

Mr Brady, Mr Campkin, Ms Constantine, Ms Dawkins, Ms Grehan, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Lewis, Ms Meade, Mr Passmore, Mr Sole, Mr Stepto, Mr Streatfeild, Dr Sullivan

Against (52)

Mr Baker, Mr Baldock, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Harman, Mr Hill, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mr Ozog, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (0)

Amendment lost.

Growth, Environment and Transport Directorate

(15) The Cabinet Member for Highways and Transport, the Cabinet Member for Environment, the Cabinet Member for Community and Regulatory Services and the Cabinet Member for Economic Development introduced the budget

for this Directorate prior to general debate and the taking of directorate specific amendments.

(16) Following the general debate, the Chairman called for directorate specific amendments.

(17) Ms Hawkins proposed, and Mr Campkin seconded the following amendment:

Proposed Purpose:

"We propose that the savings created by removing deputy cabinet members are redirected. Firstly towards increasing active travel interventions for schools to enable more children and young people to walk to school safely. This includes School Streets, assistance for schools with School Travel Plans. This is important to enable enough schools to sign up for these initiatives in order to promote children's health, increase safety, to reduce traffic, and to save money on home to school transport. And secondly towards halving the proposed cuts to Road Safety Campaigns."

Proposed Amount:

"£103,000 – Additional staff and resources to deliver School Active Travel Interventions/School Streets. £100,000 – Half the proposed cut to Road Safety campaigns"

Proposed Funding Source:

"Remove eleven deputy cabinet members for a saving of £203,000 per year"

(18) Following the debate, the Chairman put to the vote the amendment set out in paragraph 17 above and the voting was as follows:

For (17)

Mr Baldock, Mr Brady, Mr Campkin, Ms Dawkins, Ms Grehan, Mr Harman, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Lewis, Ms Meade, Mr Passmore, Mr Sole, Mr Stepto, Mr Streatfeild, Dr Sullivan

Against (49)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (1)

Mr Shonk

Amendment lost.

(19) Mr Lehmann proposed, and Mr Hood seconded the following amendment:

Proposed Purpose:

"To reverse the recent change in the final draft budget and make the agreed 'enabling' payments to Maidstone, Gravesham, Ashford and Swale Borough Councils in recognition of the millions they save KCC each year by separating out food waste and recycling."

Proposed Amount:

"£1.3m"

Proposed Funding Source:

"Reverse changes set out in table 7.2 of the final draft budget report – i.e.

- £0.5m Reverse contingency for impact on waste collection/disposal
- £0.8m increase use of one-off reserves"

(20) Following the debate, the Chairman put to the vote the amendment set out in paragraph 19 above and the voting was as follows:

For (19)

Mr Brady, Mr Campkin, Ms Constantine, Ms Dawkins, Ms Grehan, Mr Harman, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Lewis, Ms Meade, Mr Passmore, Mrs Parfitt-Reid, Mr Shonk, Mr Sole, Mr Stepto, Mr Streatfeild, Dr Sullivan

Against (45)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mrs Chandler, Mr Chard, Mrs Cole, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (1)

Mr Cannon

Amendment lost.

(21) Mr Hood proposed, and Mr Stepto seconded the following amendment:

Proposed Purpose:

"To redirect one off funding earmarked in the January draft budget into capital investment which will provide immediate and ongoing savings by reducing energy costs across KCC's estate as well as bringing us closer to the carbon reduction goals in line with Framing Kent's Future (Environmental Step Change). We propose that £3.2m is set aside to invest in projects outlined in KCC's Net Zero Plan, including:

- Installing Solar PV on the roofs of 16 KCC buildings
- Insulating KCC buildings to reduce heat loss
- Further investment in Solar farms to help meet KCC's energy needs
- LED lighting across KCC buildings where practicable
- Switch oil-fuelled generators to low carbon alternatives
- Installation of heat pumps (on a case by case basis, if financial savings can be demonstrated)"

Proposed Amount:

"£3.2m"

Proposed Funding Source:

"Remove £3.2m planned new investment from additional grant in final settlement and fund £3.2m of the transformation activity in the administration's proposed budget funded from capital receipts from this grant. The capital receipts thus released to be used to fund the proposed investment, which will deliver future financial savings."

(22) A point of clarification was raised in relation to the proposed funding source and Mr Oakford confirmed the £3.2m was allocated to the adult social care budget.

(23) Following the debate, the Chairman put to the vote the amendment set out in paragraph 21 above and the voting was as follows:

For (13)

Mr Brady, Mr Campkin, Ms Constantine, Ms Dawkins, Ms Grehan, Mr Harman, Ms Hawkins, Mr Hood, Mr Lehmann, Mr Lewis, Ms Meade, Mr Stepto, Dr Sullivan

Against (50)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Crow-Brown, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr

Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Ridgers, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright, Ms Wright

Abstain (4)

Mr Hook, Mr Passmore, Mr Sole, Mr Streatfeild

Amendment lost.

Adult Social Care and Health Directorate

(24) The Cabinet Member for Adult Social Care and Public Health introduced the budget for this directorate prior to general debate. No amendments were proposed.

Corporate Functions (Chief Executive's Department and Deputy Chief Executive's Department)

(25) The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services and the Cabinet Member for Communications and Democratic Services introduced the budget for the Chief Executive's Department and Deputy Chief Executive's Department prior to general debate and the taking of directorate specific amendments.

(26) Following the general debate, the Chairman called for directorate specific amendments.

(27) Mr Stepto proposed, and Mr Sole seconded the following amendment:

Proposed Purpose:

"We propose that funding for the Combined Member Grant scheme should be increased to £4,800 per Member. This grant is vital to ensuring Members are able to deliver targeted support within their communities at a time when residents and organisations across Kent are struggling due to the cost-of-living crisis. This is especially vital at a time when the authority is making wide ranging cuts."

Proposed Amount:

"£97,200"

Proposed Funding Source:

"Freeze member allowances for 2024-25."

(28) Following the debate, the Chairman put to the vote the amendment set out in paragraph 27 above and the voting was as follows:

For (12)

Mr Campkin, Ms Constantine, Mr Harman, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Lewis, Mr Passmore, Mr Sole, Mr Stepto, Mr Streatfeild

Against (47)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Robey, Mr D Ross, Mr Sandhu, Mr Shonk, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright

Abstain (5)

Mr Brady, Ms Dawkins, Ms Grehan, Ms Meade, Dr Sullivan

Amendment lost.

(29) The Chairman proposed that, under s14.48 of the Constitution, Council resolve to extend the meeting beyond 5pm with business to conclude no later than 6pm and it was agreed unanimously.

(30) RESOLVED that the County Council agree to continue the meeting beyond 5pm with business to conclude no later than 6pm.

(31) Mr Hook proposed, and Mr Streatfeild seconded the following amendment:

Proposed Purpose:

"This amendment seeks to provide an additional income stream for the 2024/25 budget by hosting wedding ceremonies at County Hall. The unique history and location of County Hall would make it an ideal venue to offer low to medium budget weddings. There are several locations within County Hall where wedding ceremonies could take place with some minor adjustments, such as the main Council Chamber or the Darent Room. One advantage of the use of these rooms is the capacity to seat many people, with equipment in situ to webcast for family and friends unable to attend in person. The restaurant could also be used to cater for wedding breakfasts with customers using external caterers. There are facilities such as toilets and lifts already in place, and these rooms are disability friendly."

Proposed Amount:

"Estimated potential revenue of £100k per annum into the budget."

Proposed Funding Source:

"Initial investment to be funded from temporary use of reserves, which will be repaid from the future income stream."

(32) Mr Streatfeild declared an interest in that he was a director at a wedding venue in West Kent.

(33) Mr Lehmann declared an interest in that he had been a wedding venue photographer for 15 years.

(34) Mr Manion declared an interest in that he was a Church Warden for the Parish of Upper Deal and Great Mongeham.

(35) Following the debate, the Chairman put to the vote the amendment set out in paragraph 31 above and the voting was as follows:

For (9)

Mr Harman, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Passmore, Mr Sole, Mr Stepto, Mr Streatfeild

Against (44)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs Cole, Mr Cooke, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kite, Mr Love, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Robey, Mr D Ross, Mr Shonk, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright

Abstain (8)

Mr Brady, Ms Constantine, Ms Dawkins, Ms Grehan, Mr Kennedy, Mr Lewis, Ms Meade, Dr Sullivan

Amendment lost.

(36) Mr Gough and Mr Oakford summarised the debate. As all the amendments had been determined, the Chairman put to the vote the substantive motion as set out in Item 6, paragraph 4 above and the voting was as follows:

For (46)

Mr Baker, Mr Barrington-King, Mr Bartlett, Mrs Bell, Mrs Binks, Mr Bond, Mr Brazier, Mrs Bruneau, Mr Cannon, Miss Carey, Mrs Chandler, Mr Chard, Mrs

Cole, Mr Cooke, Mr Dance, Mr Dendor, Mrs Game, Mr Gough, Ms Hamilton, Mr Harman, Mr Hill, Mr Hills, Mrs Hohler, Mr Holden, Mr Jeffrey, Mr Kennedy, Mr Kite, Mr Love, Mr Manion, Mr Marsh, Mr McInroy, Mr Meade, Mr Murphy, Mr Oakford, Mrs Parfitt-Reid, Mr Rayner, Mr Richardson, Mr Robey, Mr D Ross, Mr Simkins, Mr Sweetland, Mr Thomas, Mr Watkins, Mr Webb, Mr Whiting, Mr Wright

Against (15)

Mr Brady, Ms Constantine, Ms Dawkins, Ms Grehan, Ms Hawkins, Mr Hood, Mr Hook, Mr Lehmann, Mr Lewis, Ms Meade, Mr Passmore, Mr Sole, Mr Stepto, Mr Streatfeild, Dr Sullivan

Abstain (1)

Mr Shonk

Substantive Motion Carried.

(37) RESOLVED that;

County Council, having given due regard to the s25 Report (published for consideration as agenda item 5 of this meeting), agreed the following:

<u>2024-34 Capital Programme</u>

(a) The 10-year Capital programme and investment proposals of £1,665.3m over the years from 2024-25 to 2033-34 together with the necessary funding and subject to approval to spend arrangements.

(b) The directorate capital programmes as set out in appendices A & B of the final draft budget report published on 9th February 2024.

<u>2024-25 Revenue Budget and Medium Term Financial Plan</u>

(c) The net revenue budget requirement of £1,423.6m for 2024-25.

(d) The directorate revenue budget proposals for 2024-25 and the medium term financial plan as set out in appendices D (high level county 3 year plan) E (high level 2024-25 plan by directorate), F (2024-25 key services), appendix G (individual spending, savings, income and reserves variations for 2024-25) of the final draft budget report published on 9th February 2024.

<u>2024-25 Council Tax</u>

(e) To increase Council Tax band rates up to the maximum permitted without a referendum as set out in section 6.4 (tables 6.1 and 6.2) in the final draft report published on 9th February 2024.

(f) To levy the additional 2% social care precept (raising an additional £17.774m and taking the total social care precept to £135,347,128 out of the total precept set out in recommendation (g) below).

(g) The total Council Tax requirement of £935,667,397 to be raised through precepts on districts as set out in section 6.6 (table 6.3) in the final draft report published on 9th February 2024.

Kent Pay Scheme 2024-25

(h) The recommendations from Personnel Committee on the changes to Kent Pay Scheme as set out in sections 7.8 and 7.9 of the final draft budget published on 9th February 2024

(i) The uprating of member allowances linked to pay awards as set out in section 7.10 of the final draft budget published on 9th February 2024

Key Policies and Strategies

(j) Fees and charges to continue to be reviewed in line with the policy agreed in the 2023-24 budget approval

(k) The Capital Strategy as set out in appendix O of the final draft report published on 9th February 2024 including the Prudential Indicators.

(l) The Treasury Management Strategy as set out in appendix M of the final draft report published on 9th February 2024

(m) The Minimum Revenue Provision (MRP) Statement as set out in appendix P of the final draft report published on 9th February 2024

(n) The Flexible Use of Capital Receipts Strategy as set out in appendix Q of the final draft report published on 9th February 2024.

(o) The Reserves Policy as set out in appendix H of the final draft budget report published on 9th February 2024.

In addition:

(p) To note that the Cabinet Member for Finance Corporate and Traded Services, in consultation with the Leader and Cabinet, will determine the final TCP reward thresholds for staff assessed as successful, excellent, and outstanding, and the uplift to the Kent Ranges consistent with Personnel Committee recommendation to County Council, and agree any other changes to the Kent Scheme through the conclusion of pay bargaining (after consultation with the Leader and the political Group Leaders)

(q) To delegate authority to the Corporate Director of Finance (after consultation with the Leader, the Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services and the political Group Leaders) to resolve any minor technical issues for the final budget publication which do not materially alter the approved budget or change the net budget requirement and for any changes made to be reflected in the final version of the Budget Book (blue combed) due to be published in March 2024.

(r) To note the information on the impact of the County Council's share of retained business rates, business rate pool and business rate collection fund balances on the revenue budget will be reported to Cabinet once it has all been received.

(s) To note the ongoing and escalating cost pressures on the Council's budget alongside insufficient funding in the local government finance settlement and knock on requirement for savings and income in the final draft 2024-25 budget and medium term financial plan.

(t) To note further potential economic volatility and the uncertain financial outlook for later years in the absence of a multi-year settlement from government from 2025-26 onwards as well as uncertain impact of the delayed social care reforms and reforms to local government funding arrangements.

(u) To note that the planned use of reserves still ensures sufficient reserves are available in the short term with no immediate concerns triggering a S114 notice provided the use of these reserves is replaced with sustainable savings over the medium term.

(v) To note the rate of recent drawdown from reserves and increase in risk is cause for serious concern and reserves need to be strengthened, particularly general reserve and the draft budget includes a strategy to restore the general reserve to 5% by 2025-26. Further unplanned drawdowns would weaken resilience and should only be considered as a last resort with an agreed strategy to replenish reserves at earliest opportunity.

CORPORATE PARENTING PANEL – 10 October 2023

MINUTES of the meeting held in the Darent Room, Sessions House, County Hall, Maidstone.

PRESENT: Dirk Ross (Chair), David Beaney, Jason Read, Becki Bruneau, Gary Cooke, Tony Doran, Lesley Game, Stephen Gray, Sarah Hamilton, Dylan Jeffrey, Kayleigh Leonard, Rory Love, Nancy Sayer, Tracy Scott, and Caroline Smith.

IN ATTENDANCE: Joanne Carpenter (Participation and Engagement Manager), James Clapson (Democratic Services Officer), Chris Nunn (Senior Management Information Officer), Mark Vening (Head of Fostering West), Leemya McKeown (Assistant Director, Safeguarding Professional Standards and Quality Assurance), Maria Cordrey (Head of Fostering East) and Carolann James (Interim Director of Operational Integrated Children's Services).

1. Apologies and substitutes

Apologies for absence were received from Tom Byrne, Sarah Hammond, Kelly Greham and Dan Bride who was substituted by Jason Read.

Lesley Game and David Beaney were present virtually.

2. Chair's Announcements

The Chair advised that he had become the Deputy Cabinet Member for Integrated Childrens Services and would be supporting Sue Chandler, the Cabinet Member, in her duties.

The Chair and Becki Bruneau, the Vice Chair, wished to increase the presence of the Corporate Parenting Panel at events in the County. They planned to attend some events individually to make best use of their time.

3. Minutes of the meeting held on 26 July 2023

RESOLVED that the minutes of the meeting held on 26 July 2023 were correctly recorded.

4. Participation Team update

1. Jo Carpenter and Kayleigh Leonard provided an update on the following:
    - It had been a busy Summer. 20 events and activities had been put on for children in care (CIC), care leavers and adopted children. A total of 402 activity day spaces were attended by children and young people.
    - The Corporate Parenting event held in July had been a success. Representatives from the Children's Commissioner for England Office attended and provided positive feedback.

- Seven children undertook an accredited recruitment and selection training course in August. These children completed the course and could now be involved in the recruitment and selection of senor staff, social workers, and foster carers.
- Members of the new Young Person's Council, for children and young people with special educational needs and disabilities (SEND), met for a social trip to get to know each other better.
- The Virtual Schools Kent Awards Celebration would celebrate the contributions made by school age children. 400 nominations had been received and 42 awards would be presented.
- The Young People's Councils would be meeting during the October school holidays, there would also be two Halloween arts and crafts workshops, and a trip to the zoo for asylum seeking young people.

2. Lesly Game asked about the gathering of information from young people about their health habits. Nancy Sayer advised that information about smoking, drugs, and alcohol consumption were gathered during health assessments.

3. There was concern about the use of vapes by young people. Young people needed to be aware of the health risks associated with vaping. The following points were noted during the discussion:
    - Becki Bruneau said that foster carers should not be put under too much pressure to stop young people vaping because it was difficult to monitor what young people got up to when they were out of the house.
    - Kayleigh Leonard added that often when young people are told not to do something it can sometimes make them want to do it more. Some young people used vaping as a way to show off to their peers.
    - Nancy Sayer highlighted that young people needed to be given all the information in order to make their own decisions. Rory Love added that the narrative surrounding vaping needed to be addressed, it was often said that it was the healthy alternative to smoking.
    - The Chair suggested that vaping and young people's health could be topics for discussion at the Young People's Councils in October. He believed it would be good to explore the pressures faced by young people.
    - The shops who sold vapes to young people should be targeted. The Health Reform and Public Health Cabinet Committee planned consider the matter at a future meeting, and Trading Standards representatives would be invited to attend.
    - Gary Cooke noted that Government was considering a ban on disposable vapes.

4. RESOLVED that the update was noted.

5. Performance Scorecard for Children in Care

1. Chris Nunn introduced the report that detailed 27 key performance indicators (KPIs) up to the end of July 2023.

2. Gary Cooke noted that some of the KPI's appeared to suggest a history of underperformance for some time. He would like to get a better understanding of the action plans to address areas of poor performance. Chris Nunn advised that the KPI's often overlapped multiple services and could have several action plans allocated to each of them.

3. Chris Nunn advised that some KPIs spanned a 12 month period and others were a snap shot taken at the end of the month. He added that the report detailed some KPI trends over the last five years, however it could be misleading to draw direct comparisons between historic and present data. The data needed to be considered within the context of the time it was gathered.

4. Becki Bruneau suggested that it might be helpful to look back to 2017, before Covid 19. Chris Nunn suggested that another impact had been the rise in the number of unaccompanied asylum-seeking children (UASC) entering the County. It was also noted that some KPIs were affected by factors outside of the Council's control, such as the impact of court delays on adoption targets.

5. Chis Nunn advised national comparisons were used to benchmark the performance of services and the targets were ambitious. Caroline Smith added that some of the capacity challenges in Kent were not experienced in other parts of the Country.

6. RESOLVED that the performance data in the Corporate Parenting Scorecard be noted.

6. Verbal Update by the Cabinet Member

1. The Chair read out the update on behalf of Sue Chandler as she was unable to attend the meeting. The update focused on the Sufficiency Strategy as follows:

    - Last year the Corporate Parenting Panel endorsed the Council's Sufficiency Strategy for 2022 to 2027. It set out the Council's approach to meet its statutory responsibility to provide secure, safe and appropriate accommodation to children in care, children in need and care leavers.

    - There were two unique factors that impacted the Council's ability to meet sufficiency in Kent; the unknown number of UASC coming through the Reception and Safe Care Service, and the number of children placed in Kent by other councils.

    - Both factors hindered the Council's ability to accurately forecast sufficiency in Kent. This had been further complicated by the recent

High Court judgment regarding UASC, and the Illegal Migration Act that would come into force in March 2024.

- The current Sufficiency Strategy was out of date and time was needed to understand the impact of the Illegal Migration Act. The Council awaited further direction from the High Court on the National Transfer Scheme, and on the management of the increased number of children coming into care.

- The Sufficiency Strategy should be paused, and a new document would be prepared for July 2024.

2. RESOLVED that the update be noted.

7. Virtual School Kent Head Teacher Six Monthly Update.

1. Tony Doran introduced the report that focused predominantly on primary school examination results. The results were unvalidated at this stage but still provided a fairly accurate picture. The following points were noted during the introduction:
    - Key Stage (KS) 2 - Attainment was below the regional and national average. However, these children had shown more improvement on their KS1 SATS scores in Maths and Reading than the regional and national average for CiC.
    - KS4 - Unvalidated tracking evidenced a 2.2% improvement in young people achieving 5 GCSE's, including Maths and English at level 4+; however, there was a decline of 2.1% in the number achieving level 5. English Baccalaureate results had seen a 2.2% improvement.
    - KS5 - The number of young people not in education, employment or training (NEET) had increased by 3% to 13.8%. 18.9% of young people were NEET nationwide. There had been a rise in the number of apprenticeships. Apprenticeships gave young people the opportunity to enter employment with support and training in place.
    - Higher Education (HE) - So far there were five new entrants into HE, this number was expected to rise as the application period was still open. Overall, there were 109 young people currently in HE.
    - Personal Education Plans - The percentage of personal education plans completed had continued to improve year on year. The plans were done three times a year and had a positive impact for young people.
    - Attendance - The average attendance rate for CiC was 92.3%, this compared favourably against the national average for all learners that was 91.9%. Staff worked hard during the year to challenging exclusions and there were no permanently excluded children.

2. Becki Bruneau asked why the percentage of children with Education Health and Care Plans (EHCPs) in Kent was higher than the national average? Tony Doran responded that there had been an increase in EHCPs nationally, however Kent was unique in that it had a selective school system. Some parents had a lack of faith in the education system and mistakenly saw EHCPs

as a golden ticket to get support for their child. EHCPs were relatively rigid in their offer and a more flexible approach could be better suited to some children. Rory Love added that Kent was an outlier and there were a number of reasons why Kent had a hight proportion of children with EHCPs. The Leadership Team were working to implement new processes and practices that were more in-line with the code of best practice, to identify those who were most in need.

3. Sarah Hamilton asked about access to music and art for CiC? Tony Doran responded that Virtual Schools Kent (VSK) could not directly influence the delivery of school curriculums, but Pupil Premium Plus initiatives did allowed children to access music and play therapy to help them engage with the curriculum.

4. Tracy Scott praised the work of VSK, noting that they had been very supportive of foster carers and children. However, foster carers had reported that the SEN service had been less supportive. Some foster children, with a strong need for EHCPs, had not received the support they needed. Tony Doran offered to flag how the SEN service interfaced with foster carers when he next met with them.

5. RESOLVED to NOTE the work of the Virtual School in supporting its young people.

8. Kent Fostering Service Annual Report 2023

1. Caroline Smith introduced the report that included some additional information about recruitment and retention as requested by the CPP at the last meeting.

2. Maria Cordrey gave an overview of some of the recruitment activities that had taken place, noting that Kent Fostering had increased its reach by 184% across digital platforms such as Facebook, Twitter and Google. Virtual events had been found to generate the most engagement with potential carers, however, the team had also attended some large community events in person.

3. Maria Cordrey advised that the Department for Education (DfE) had provided KCC with £2,400,000 for recruitment and retention. The funding would be used on a national marketing campaign, development of the Enquiry Hub, and to support the Mockingbird programme.

4. Maria Cordrey noted that it was particularly challenging to find carers for disabled children, and for older children who exhibited risk taking behaviours. This was despite the availability of an additional financial package to support the care of these children. Factors such as the cost of living and a shortage of spare rooms also led to less people willing to foster.

5. Mark Vening said that there were a number of reasons why foster carers stepped back from the role, such as a return to work or ill health. The following actions were underway to help retain foster carers:
    - The Mockingbird programme would offer respite support for carers.

- The Allocation Policy would be updated to ensure carers received the information and support they needed.
- Workshops and disruption meetings would be relaunched.
- Placement stability work would help to identify where things were not working at an early stage.

6. Gary Cooke asked about the possibility of retired foster carers returning to provide care. Maria Cordrey responded that they had recently ran the Welcome Back to Kent campaign. It had successfully bought some former carers back to provide care.

7. Caroline Smith said that last year some district and borough councils had included a Kent Fostering leaflet with their annual council tax notification letters. Members could help by encouraging their local councils to allow the inclusion of these flyers, it was a good way to reach a large number of people.

8. Gary Cooke suggested that Members could use their influence at parish and town councils, church magazines, and Facebook pages, to spread the word that Kent Fostering was looking for foster carers.

9. Becki Bruneau suggested that Members could add the Kent Fostering banner to their email signatures. Maria Cordry would share the banner and link with James Clapson who would follow this up after the meeting.

10. RESOLVED to NOTE the information contained within the Kent Fostering Annual Report and Business Plan 2023/2024.

9. Annual Youth Justice Report

1. Jason Read introduced the report and the urgent notification letter, from the Chief Inspector of Prisons, about Cookham Wood Young Offenders Institution. The following points were noted during the introduction:
    - The launch of Outcome 22 provided the opportunity to divert children who had committed a minor offence away from the youth justice system, if they engaged with a package of support.
    - CiC were a priority group and were over represented within the youth justice system.
    - There were currently 176 children within the youth justice system and 32 of them were CiC.
    - The urgent notification letter was issued in April 2023 because the Inspector had significant concerns about how the children were being managed at the Institution. There was an action plan for improvement. The Council had some oversight of action plan because the Institution held CiC.
    - There was a Transition Officer on site for part of the week who could help facilitate visits.

2. The Chair said that he had visited recently and met with the Transition Officer, staff and some of the children. He added that staff shortages had exacerbated the problems, and he believed that the children did not appear to be getting suitable access to education.

4. Jason Read highlighted that Outcome 22 could help children avoid a criminal record that could impact upon their futures. It was possible that some children would go on to reoffend, but the scheme provided an opportunity for intervention that could help children take a different path in their lives.

5. Becki Bruneau said that she had been involved in a youth justice case where a young person became overwhelmed by the number of people telling her what to do. She suggested that support was often more effective when it involved a small number of people.

5. Carolann James said that she was the Chair of the Youth Justice Board. The Youth Justice Board was a multi-agency group that considered matters relating to children subject to the youth justice service, or at risk of entering the youth justice service. She asked those visiting the Institution to let her know of any concerns arising from the visit. In her position as Chair of the Youth Justice Board, she could raise these concerns with the Governor.

6. Dylan Jeffrey asked if the Outcome 22 interventions would appear on Disclosure and Barring Service (DBS) checks later in life? Rory Love added that it was very important that children were made fully aware of any possible future ramifications before they agreed to accept any Outcome 22 interventions.

7. Becki Bruneau asked if there were psychotherapists or counsellors available at the Institution? Nancy Sayer responded that NHS England should have a service on site, she would confirm the arrangements when she visited later in the month.

8. RESOLVED that the report be noted.

This page is intentionally left blank

From: Roger Gough, Leader of the Council

To: County Council - 28 March 2024

Subject: Delivering the Kent and Medway Integrated Care Strategy

Classification: Unrestricted

Summary

This paper brings Members' attention to the Integrated Care Strategy and sets out how the Council plans to work with its strategic partners to move into the delivery phase of the Strategy. It highlights that the upward trend in life expectancy has stalled and that there has been reversal in some health outcomes, making it clear that all partners have a role to play in improving those outcomes. It acknowledges the challenge of setting ambitious targets during a time of limited resources, and growing demand on our wider statutory duties and accountabilities.

The paper provides a number of examples of joint working and integrated approaches that the Council is adopting with NHS Kent and Medway, and indeed the production of the strategy itself is evidence of the strength of our partnership working. There is no doubt that the partnership will be tested as all public sector bodies continue to work within limited resources, but the Council restates its commitment to working alongside NHS Kent and Medway to support our residents. It is only by effectively deploying our joint resources that we can focus on those priority areas that will impact on the health and wellbeing of our residents.

Recommendation:

County Council is asked to NOTE the update on the delivery of the Kent and Medway Integrated Care Strategy.

---

1. Introduction

1.1 The purpose of an Integrated Care Strategy is to set the vision and priorities for improving the health and wellbeing of the population across the Integrated Care System. The strategy presents an opportunity to do things differently, further integrating health and care services to better meet the needs of individuals and communities, support the sustainability of health and care services and go beyond 'traditional' NHS and social care services to enable action on the wider determinants of health with other partners.

1.2 Whilst the refresh of the strategy has been led by the statutory partners, that is Kent County Council, NHS Kent and Medway and Medway Council, it is for all the partners who play a role in supporting health and wellbeing. Crucially its development has included input from Districts and Boroughs, the Police and Crime Commissioner and Voluntary Sector colleagues. Partners across the public, private and voluntary and community sector and people themselves

have a vital role to play, and their views and priorities have shaped the refresh of the strategy through extensive engagement and consultation. (the Strategy can be found at Appendix A or online at **Kent and Medway Integrated Care Strategy (kmhealthandcare.uk)**

1.3 The purpose of this paper is to reflect on the work that the Council is undertaking to support the delivery of the Integrated Care Strategy within the current context of health outcomes that are levelling out, rather than continuing to rise, and unprecedented financial strain for all the partners involved. There is no doubt that this work is vital for our population's long-term health and wellbeing and remains a priority for the Council. The Council acknowledges the current financial challenges it faces in its strategic documents. Framing Kent's Future highlights the benefits of closer partnership working but Securing Kent's Future acknowledges the pressure the Council has in aligning its vision and priorities to available resources in a sustainable way whilst allowing the council to fulfil its statutory obligations. However, we remain ambitious to improve outcomes and to work together to prevent worsening health inequalities that are affecting the lives of our residents. This is underpinning our ambition to find new ways to work together and to harness innovative technology and digital solutions.

2. The Kent and Medway Integrated Care Strategy

2.1 Kent County Council (KCC) is a lead partner in the Kent and Medway Integrated Care System (ICS) along with Medway Council and the NHS Kent and Medway Integrated Care Board. KCC is also a statutory member of the Kent and Medway Integrated Care Partnership (ICP). It is a statutory requirement for Integrated Care Partnerships to prepare an Integrated Care Strategy. (For ease of reference, an explanation of regularly used terminology and diagrams of the structure of the Kent and Medway Integrated Care System can be found at Appendix D).

2.2 There was a national requirement for all ICPs to publish their first Integrated Care Strategy by the end of 2022. Due to the short time allowed for development, with ICSs only becoming formalised in July 2022, an Interim Integrated Care Strategy for Kent and Medway was produced and approved by the ICP and statutory partners in December 2022. All partners committed to refreshing it by the end of 2023 to allow time for consultation with stakeholders and the public, to deepen the Strategy and strengthen the focus on delivery. The Strategy was approved by KCC Cabinet on 4 January 2024, following consideration at the relevant Cabinet Committees. With the Strategy in place, it is now time to focus on the delivery phase.

2.3 Alongside the ICP, Health and Wellbeing Boards continue to have a role as a partnership committee led by upper tier authorities to focus on health outcomes. The work of a Health and Wellbeing Board is shaped by the priorities established through an assessment of health needs (the Joint Strategic Needs Assessment) and reflected in the production of a strategy to drive action (the Joint Local Health and Wellbeing Strategy). Both documents are legal requirements, however recent national guidance has acknowledged that where an ICP and a Health and Wellbeing Board are coterminus it may make sense to

combine the two strategies. This means the Integrated Care Strategy can be adopted as the Joint Local Health and Wellbeing Strategy to streamline planning and avoid duplication. Therefore, it is intended that the Kent and Medway Integrated Care Strategy is adopted as the Kent Joint Local Health and Wellbeing Strategy, providing focus and clarity in a single plan for the health and wellbeing of the population. The Health and Wellbeing Board will be asked to approve it as the Kent Joint Local Health and Wellbeing Strategy at its next meeting in April.

2.4 It should be acknowledged that the activity described in this paper is built on years of joint working, including through the partnership approach of the Health and Wellbeing Board. However, the Health and Care Act 2022 has codified the expectation for statutory partners in a Health and Care System to work more closely together. The Act provides a new framework for this significant strategic partnership to operate in. The formal structures and clear requirements laid down in guidance have encouraged our relationship building at all levels and led to a better understanding of our joint challenges and opportunities, culminating in the shared vision set out in the Integrated Care Strategy and evidenced in the acceleration of joint working.

3. The health and wellbeing of the Kent population and improving outcomes

3.1 The need for new legislation, reorganising the structures of the NHS and strengthening local partnerships, is rooted in the desire to improve the health and wellbeing of our citizens, primarily to improve the quality of their lives but also to stem or delay growing demand on health and care services. Nationally and locally the health of the people we serve is not improving in the way we would wish it to. In Kent we are now performing relatively less well in many areas than the England average. The overarching measure for health inequalities is the gap in life expectancy between the richest and poorest in our society. In Kent, life expectancy for men in the most deprived cohort is 7.3 years shorter than for the least deprived and life expectancy for women is 5.4 years shorter for the most deprived compared to the least deprived. This has increased since 2014-16 when the gap for men was 6.8 years and for women 4.3 years. In Kent worsening outcomes are being driven by a number of complex, interdependent factors known as the wider determinants of health. We have an increasingly ageing population, with higher levels of co-occurring conditions and multi-morbidities. Furthermore the impacts of the cost of living crisis, and increasing numbers of people who are economically inactive contribute to this. With over 350 miles of coastline, and just under a quarter of Kent's population, often the retired and ageing population, living in these areas, our coastal communities experience disproportionate health inequalities and poor health outcomes We need a new approach to tackling health challenges, one that recognises the changing needs and challenges of our population and the role that all partners can play in addressing these wider determinants. The requirement for a System Integrated Care Strategy is a timely opportunity to catalyse a System shift in this direction. (See Appendix B for an overview of the health of the Kent population).

3.2 The ICP has recognised the importance of action to tackle the full range of wider determinants of health. These are summarised in the Strategy using the

Robert Wood Johnson model which recognises that 40% of health is determined through socio-economic factors including employment, education, income, social networks, and community safety, 30% is due to lifestyle factors including healthy weight, physical activity, smoking, alcohol use and sexual health practices, 20% is due to access and quality of health and care services and 10% around the built environment.

3.3 The Integrated Care Strategy will help focus all partners on improving health through action on these drivers. With this recognition, the importance of key players such as employers and businesses, KCC's Growth Environment and Transport Directorate, Districts and Boroughs and those leading on education and skills development, from preschool support to adult education, to deliver health improvement is acknowledged. The strategy further recognises the role of communities themselves in tackling key issues such as loneliness, physical activity and weight loss support that benefit from locally determined delivery. The importance of, and engagement of, partners including the Kent Association of Local Councils, the Office of the Police and Crime Commissioner and the Kent Housing Group to surface and optimise their key roles in improving health and wellbeing has been central to the strategy development and ownership.

3.4 Additionally, the role of the NHS has been redefined beyond the 20% of outcomes explained by access to healthcare. The NHS is a major employer and commissioner of goods and services and has a key role as a local anchor organisation, optimising its impact of health through local employment, skills development and procurement. It also has many contacts with people and families and is well placed to offer support, signposting and interventions around healthy behaviour choices and support around issues such as loneliness and isolation.

4. The Delivery Phase: working with partners and a focus on local communities

4.1 Kent's geography is diverse with complex political and partnership arrangements where the responsibility for the health and wellbeing of our residents is shared. Therefore, it was vital that the Integrated Care Strategy was as broad and inclusive as possible. It is intended to reflect the needs of local communities or particular groups of people, as well as large, cross county initiatives, acting as a golden thread to bind the System together in one enterprise. The Integrated Care Strategy sets out the shared outcomes that the partners will work towards at a very high level and many partners and partnerships across the System will play a role in delivering them.

4.2 In order to ensure that the System is making progress towards improving these outcomes, a Shared Delivery Plan is being developed. Spanning two years (2024-2026) the plan brings together some of the main strategies and initiatives from all partners that will contribute to delivering the outcomes. It will also allow for delivery plans to be developed to meet the needs of a particular place (for example in the case of a District Council or Health and Care Partnership) or a specialist area (for example a new Kent and Medway wide strategic framework for children and young people). Delivery of these activities remains the responsibility of the partner organisation or group that owns them, but bringing

them together in a Shared Delivery Plan allows for greater understanding and visibility across the System and allows the Integrated Care Partnership to assure itself that there is targeted action in priority areas and measurable progress.

4.3 As the new arrangements progress and relationships mature the Council is seeking further opportunities to work in partnership with the NHS. For example the ambition to develop new models of care is embedded in Adult Social Care's strategic vision and aligns to the NHS priority to improve access to services in the community, seeking ways to support people closer to home, rather than in hospital settings. Recently the NHS Kent and Medway People Strategy has set out the aim to create Integrated Neighbourhood Teams. This is a new national approach to bring together previously siloed teams and professionals to do things differently, to manage their whole population and create united shared capacity. Integrated Neighbourhood Teams will build a single approach through one team made up of multiple teams across primary care networks (a local partnership of GP surgeries), secondary care teams, social care teams, domiciliary and care staff working together to share resources and information dedicated to improving the health and wellbeing of a local community and tackling health inequalities. There is strategic support from the National Association of Primary Care (NAPC), for Integrated Neighbourhood Teams (INT) development across Kent and Medway. The Council will be working closely with NHS Kent and Medway to identify our role in INTs and develop joint working arrangements that will benefit people who may draw on care and support, or who are at risk of poorer outcomes.

4.4 The guidance and expertise of the Council's Public Health Team has been crucial in building consensus on the priorities identified in the Strategy and the Team will make a significant contribution to future delivery. Public Health's approach to tackling health inequalities is rooted in place and understanding the needs of local communities. Public Health staff have been assigned to support and provide expert advice at a local footprint, working closely with the four Health and Care Partnerships and the District and Borough Councils. Those working in local systems, as close to the communities they serve as possible best understand local health challenges and are best placed to deliver solutions to tackle their key local health issues. District Councils are in the process of identifying their local health and wellbeing priorities and are developing local alliances and networks. There is increasing recognition of the challenges that the local system faces and the need to tackle the wider determinants of health at all levels, from grass roots to place to County-wide. Public health have also been working with the Kent Association of Local Councils (KALC) to explore the opportunities for very local action through parishes to address their own local challenges.

4.5 There are many examples of joint work that services across KCC are involved in that will support delivery of the strategy. Appendix C provides some examples including describing some of the extensive work that has been undertaken on redesigning the Neuro-developmental Pathway for Children and Young People. Work is also underway to refresh the Strategic Framework for Children and Young People, a joint vision for service delivery that will take account of the views of children and young people following engagement events during

January 2024 and there is new work in development with the Growth, Environment and Transport Directorate linking up the work and skills agenda and economic growth with the NHS to support the partnership ambition to improve socio-and economic wellbeing.

5. Commissioning in Collaboration

5.1 The Strategy sets out the ambition to improve integration or joint working across the System by encouraging further opportunities to commission services together and by supporting the development of the key enablers that will underpin joined up delivery. These include joint workforce planning, the adoption of digital technology, improved data sharing, pooling of financial resources and the alignment of budgets. Development of these enablers will help accelerate the integration of health and social care services across the health and care system and will help build a culture of collaboration and trust between System Partners.

5.2 Commissioners from each organisation are currently working together to plan and procure services in a way which best meets the healthcare needs of the local population. This work is delivered through the Adults Joint Commissioning Management Group, the Kent and Medway Children's Programme Board and the Kent and Medway Learning Disability and Autism Delivery Partnership. Moving forward, these Joint Commissioning Groups will continue to look at different ways we can work together to ensure services are well co-ordinated and joined-up around local people. This strategic, coordinated approach and renewed commitment to joint commissioning shows progress has been made since the founding of the Integrated Care System in 2022 and represents a shift in culture towards a more collaborative stance where opportunities for integration are being shared and explored from the beginning of service review and redesign.

5.3 This can be evidenced through the ongoing work across the Council. For example there has been a particular focus on redesigning/aligning hospital discharge pathways so that discharge from hospital is seamless and length of hospital stays are reduced. The appointment of a joint post for System programme lead for Learning Disability, Autism and ADHD across Kent and Medway has been instrumental in consolidating a new partnership approach, including development of a new learning disability and autism strategy, and a review of out of hospital care arrangements required by law under the Mental Health Act. The value of this joint approach can be evidenced by the fact that this temporary appointment will be made permanent, and that recruitment of a joint programme lead for mental health is also being considered. Similar growth In Public Health relationships with the NHS has led to a number of strategy developments that will shape and drive our partnership approach to improving early years health and wellbeing and population weight management.

5.4 The primary mechanism through which integrated healthcare services are delivered is through joint funding arrangements (known as Section 75 Agreements). One such example is the Better Care Fund, which is a pooled budget between the three Statutory Partners that includes the Disabled Facilities Grant, Additional Discharge Fund and the improved Better Care Fund.

Work is underway to review the use of the Better Care Fund and other Section 75 Agreements across the System to see if the existing arrangements can be strengthened and to streamline the governance processes where possible.

6. Monitoring

6.1 The ICP has a role to monitor the impact that delivery of the shared outcomes in the strategy is having on improving the health and wellbeing of the population and highlight where this needs to go further. To support the ICP to do this, Public Health teams in KCC and Medway Council have worked with health colleagues to develop a set of strategic indicators using a 'logical framework' methodology. Some of these indicators have been included in the outcomes pages of the strategy to illustrate the impact that successful delivery would bring. The final set of indicators is still being finalised to reflect feedback from relevant officers across the lead organisations.

6.2 The ICP will receive annual updates on the indicators. Where the indicators suggest more progress is needed, the Shared Delivery Plan will support the ICP to understand the strategies and activities around a particular issue. The ICP is refreshing its meeting structure to include in-depth themed discussions on different priorities within the strategy, which will reflect on the experiences of people drawing on care and support and people working across the System.

7. Financial Implications

7.1 There are no new costs associated with delivery of the Integrated Care Strategy. By working together and joining up our services with key partners, there are opportunities to make the best use of our resources and better meet the needs of the people we serve.

8. Legal Implications

8.1 The Health and Care Act 2022 requires Integrated Care Partnerships to produce an Integrated Care Strategy to set out how the assessed health and care needs of the area can be met through the exercise of the functions of the Integrated Care Board, partner local authorities or NHS England. Integrated Care Systems must draw on the Joint Health and Wellbeing Strategies and Joint Strategic Needs Assessments in producing their Integrated Care Strategies. Commissioners must have regard to the relevant Integrated Care Strategy when exercising any of their functions, so far as relevant.

8.2 Whilst the duties of the Health and Care Act 2022 are specific in regard to the council's responsibilities as a statutory partner in the ICP, it is important to note that those duties sit alongside a wide range of services and organisational statutory duties and specific accountabilities placed on the council by Parliament which must be considered and be carefully balanced with the expectations of the Health and Care Act 2022. Local authorities operate on a separate statutory governance and financial framework to NHS organisations, particularly in regard to the role of elected members in budget setting and decision-making. It is not anticipated that the engagement in the ICP will lead to any significant changes in the budget setting or decision-making arrangements of the council.

9. Equalities Implications

9.1 An Equality, Diversity and Inclusion Impact Assessment has been completed for the Integrated Care Strategy and was presented when the strategy was approved.

9.2 The Integrated Care Strategy aims to improve health and wellbeing outcomes for all people in Kent and Medway, with a particular emphasis on addressing health inequalities and providing more support for those with the greatest need including needs associated with protected characteristics. Subsequently, the assessment identifies that there is potential for positive impact for all protected characteristic groups, to eliminate discrimination, harassment, and victimisation, to advance equality of opportunity and to foster good relations between people who share a protected characteristic, and therefore meets the requirements of the Public Sector Equality Duty.

10. Conclusion

10.1 There is no doubt that being part of an integrated health and care system provides new opportunities to work with our strategic partners, particularly the NHS. This is not new for the Council, joint working has been happening for many years, but it has formalised and strengthened those relationships and provided a framework for joint leadership and strategic planning.

10.2 The Integrated Care Strategy is the underpinning document that sets out the ambitions that we have as partners. There has been significant progress to understand and agree our priorities to improve the health of our residents since the Integrated Care System came into being in July 2022, culminating in the production of the Strategy and now moving into shared delivery planning.

10.3 However, the document itself is not the important thing. KCC has a significant contribution to make to ensure that strategy translates into action. The Council has been clear that there are difficult decisions ahead but will continue to support the delivery of the Strategy as much as it is able to in the context of limited resources, and wider statutory duties and accountabilities. The work described in this paper and in the examples of delivery provide assurance that the Council is embracing those opportunities to find new ways of working, with collaboration at the heart of our ambition to make improvements in health and wellbeing where no one partner can succeed alone.

11. Recommendation:

County Council is asked to NOTE the update on the delivery of the Kent and Medway Integrated Care Strategy.

12 Background Documents

- Statutory guidance on the development of Integrated Care Strategies (Department of Health and Social Care)-

https://www.gov.uk/government/publications/guidance-on-the-preparation-of-integrated-care-strategies/guidance-on-the-preparation-of-integrated-care-strategies

- The Kent and Medway People Strategy
  Kent_and_Medway_People_Strategy_2023_-_2028.pdf (icb.nhs.uk)

- Details of the Decision 23/00091 taken by Cabinet to approve the Kent and Medway Integrated Care Strategy
  https://kcc-app610/ieDecisionDetails.aspx?ID=2793

13. Appendices

A: Kent and Medway Integrated Care Strategy
B: Overview of the Health of Kent's Population
C: Examples of Integrated Delivery
D: System Architecture and Glossary

Directors: Anjan Ghosh - Director of Public Health
David Whittle - Director of Strategy, Policy, Resources and Corporate Assurance

Author: Karen Busby- Corporate Lead, Health and Care System Strategy
03000415281
Karen.busby@kent.gov.uk

This page is intentionally left blank

Kent and Medway
Integrated Care System

INTEGRATED CARE STRATEGY

FOREWORD

We will work together to make health and wellbeing better than any partner can do alone.

‘We will work together to make health and wellbeing better than any partner can do alone.’ This is our vision for Kent and Medway Integrated Care System, which brings together all our system partners to make a significant difference, improving local services and supporting healthier living.

We know the wider determinants of health, for example education, housing, environment, transport, employment and community safety, have the greatest impact on our health. Variation in people’s experiences of health, care and these wider determinants result in health inequalities, which are preventable, unfair and unjust differences.

Our interim integrated care strategy was published last year and set out a shared purpose and common aspiration of partners to tackle the full range of health determinants, working in increasingly joined up ways to improve health and address inequalities. Since then, we have asked people, organisations and local partnerships to engage with us in shaping this final version. It has been refined through reflecting local priorities and work planned across Kent and Medway organisations to agree key system priorities. This strategy, which is also the Joint Local Health and Wellbeing Strategy for Kent, sets our vision for our system and all partners will tailor its delivery to meet local need, making a difference to the lives of the people of Kent and Medway.

Against a backdrop of increasing demand and challenging financial times, we must change how we approach improving health and wellbeing and, as leaders in Kent and Medway Integrated Care System, we remain committed to our pledge.

OUR PLEDGE

Recognising citizens' health, care and wellbeing are impacted by economic, social and environmental factors more than the health and care services they can access, we pledge to bring the full weight of our organisational and individual efforts to collaborate to enable the people of Kent and Medway to lead the most prosperous, healthy, independent and contented lives they can.

Through this collaborative movement, we will work together to reduce economic and health inequalities, support social and economic development, improve public service outcomes and make sure services for citizens are excellent quality and good value for money.

Together, we can.

Cedi Frederick,
NHS Kent and Medway

Cllr Vince Maple,
Medway Council

Cllr Roger Gough,
Kent County Council

NHS
Kent and Medway

Medway Council
Serving You

Kent County Council

INTRODUCTION AND CONTEXT

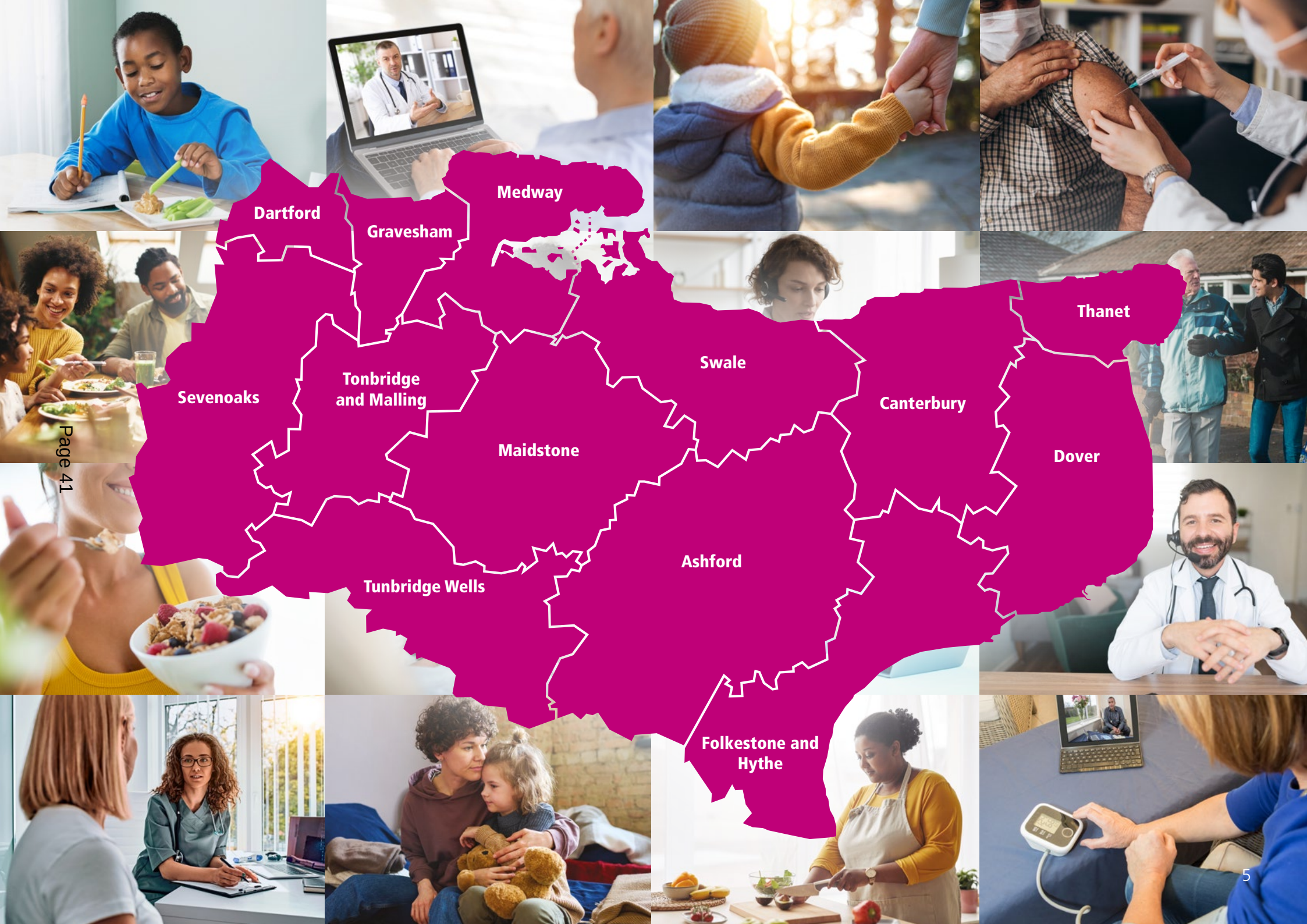
Kent and Medway is an attractive place for so many who choose to make their lives here. With close proximity to London and mainland Europe, and a plethora of green spaces, known as the garden of England, it is home to some of the most affluent areas of England. Nevertheless, it is also home to some of the most (bottom 10 per cent) socially deprived areas in England. This correlates with the health outcomes achieved.
With the current cost of living crisis, these disparities will persist or worsen without our concerted, collective effort.

Kent and Medway Integrated Care Partnership was formed in 2022 with a strong history of partnership working. As a result, we have started to see where this approach is making a difference. In the past year, we have spoken to people, organisations and partnerships to produce this integrated care strategy. It is underpinned by our joint strategic needs assessments, individual subject-specific strategies and Medway's Joint Local Health and Wellbeing Strategy. It also constitutes Kent's Joint Local Health and Wellbeing Strategy.

England's chief medical officer's annual report 2021 highlighted that coastal communities have some of the worst health outcomes in England, with low life expectancy and high rates of many major diseases. Coastal communities – of which there are many in Kent and Medway – often have multiple overlapping, but addressable, health problems.

Here are some of the specific challenges facing Kent and Medway.

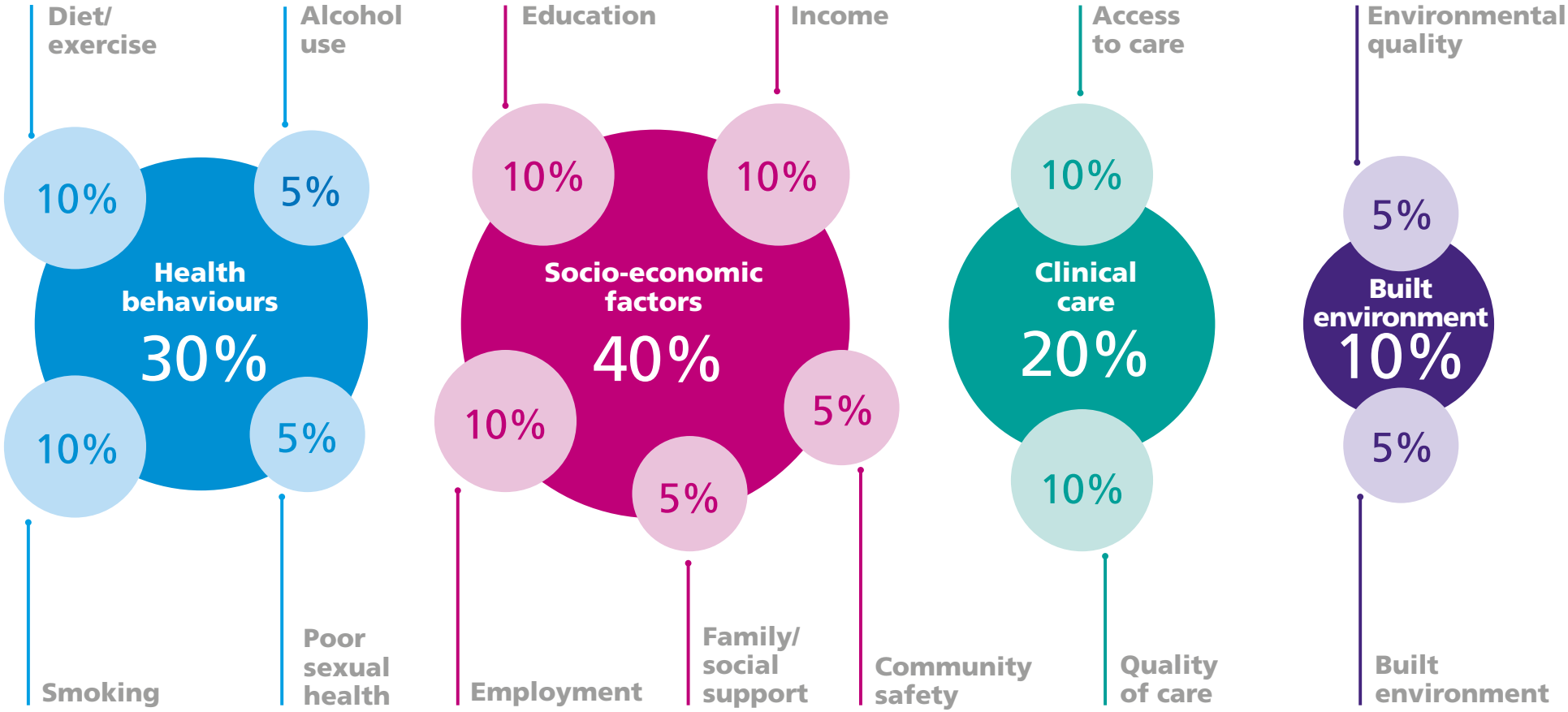
- **Our population is growing faster than the national average – more than 20 per cent growth is predicted between 2011 and 2031.**
- **Life expectancy is no longer increasing. In Medway, Swale and Thanet, it is below the average for England.**
- **In all areas (apart from Thanet), the gap in life expectancy is wider for men than for women.**
- **More than two thirds of adults are overweight or obese.**
- **Physical activity levels for children and young people are not increasing.**
- **Incidents of domestic abuse are increasing.**
- **More people are experiencing depression or severe mental illness.**
- **Kent and Medway lags behind the national average on some indicators of economic success, including productivity and skill levels.**
- **Post-Covid, fewer children are school-ready and there has been a drop in expected levels in phonics screening for Year 1.**
- **Around 170,000 adults (aged 16+) across Kent and Medway are unpaid carers.**
- **Smoking prevalence in Swale is 21 per cent, compared with only 12 per cent in areas of west Kent.**


Dartford
Gravesham
Medway
Sevenoaks
Tonbridge and Malling
Maidstone
Swale
Canterbury
Thanet
Dover
Ashford
Tunbridge Wells
Folkestone and Hythe

WHY WE NEED AN INTEGRATED CARE STRATEGY NOW

- Key measures of health and wellbeing are getting worse, or not improving as fast as the national average. We must take a **different approach and all tackle the wider determinants of health** (see figure of Robert Wood Johnson model on page 7).
- We must seize the **enormous opportunity** that working as an integrated system presents to bring real improvements to the health and wellbeing of our population and put our services on a sustainable footing, within the context of the resource and demand pressures and constraints we all face.
- This strategy uses a consensus to agree and focus on the **priorities we must deliver together as a system**, so all partners can target our limited resources and assets where we can make the biggest improvements and deliver value for money together.
- This strategy should not provide the 'how'. We recognise that **local partners** are best placed to **understand local needs** and the actions required to tackle them. The strategy will be supported by delivery plans which are organisation or subject matter specific.
- The strategy will enable a balance between universal preventative services and bespoke additional support for those with greatest needs, also known as **proportionate universalism**.
- A logical framework (logframe) matrix is being used to develop system indicators so partners can **track progress towards** each outcome. Examples of these indictors are included for each outcome.

There are a wide range of things that determine someone's health and wellbeing, with clinical care only accounting for 20 per cent of the impact. We call the factors that affect health, the wider determinants of health.



Based on: Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute, US County health rankings model 2014
www.countyhealthrankings.org/sites/default/files/media/document/CHRR_2014_Key_Findings.paf

DELIVERING TOGETHER AS AN INTEGRATED CARE SYSTEM

Kent and Medway Integrated Care System is made up of many organisations, which play a role in supporting the health, care and wellbeing of people in our area.

To improve health and wellbeing, we must tackle the wider determinants of health and address increasing health inequalities. We can only do this if we all play our role and work together to maximise our collective impact. We can all contribute using the assets and opportunities we already have to promote health and wellbeing and prevent ill-health. This includes acting as anchor institutions to support the social and economic development of our local communities, enabling individuals to achieve their potential, promoting health and wellbeing in every contact so people are able to make healthy choices and through initiatives, such as the daily mile to build physical activity into the school day.

We also know that local communities, supported by the vital role of the local voluntary and community sector, are best placed to know their needs and to play a full role in improving health and wellbeing by involving and empowering them.

1.9 million people

Two health watch organisations

Approx **4,000** registered charities

90,000 staff working across health and care

13 housing authorities

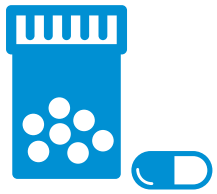
More than **74,000** businesses and enterprises

14 councils – one county, one unitary, 12 districts

182 GP practices in **42** primary care networks

684 schools and **1,713** nurseries/early yars settings

Four health and care partnerships



325 pharmacies

one medical school and **three** universities

Seven NHS provider trusts and **one** integrated care board

642 care homes

321 parish and town councils

One police force and one fire and rescue service

HOW WE LISTENED TO DEVELOP THE STRATEGY

WHAT WE HEARD

The strategy needs to set a vision and enable local delivery.

Local partners, people and communities are best placed to lead development, delivery and evaluation.

Need to recognise the financial challenges and difficulties of partnership working.

Focus on the wider determinants of health and health inequalities strongly supported.

Communication between services needs to improve.

Digital services are good but not accessible for everyone, there should be alternatives.

Access to GPs, social care and mental health services needs to improve.

More support for carers.

OVERVIEW OF THE INTEGRATED CARE SYSTEM

Our vision
We will work together to make health and wellbeing better than any partner can do alone.

Together, we will...

Give children and young people the best start in life	Tackle the wider determinants to prevent ill health	Support happy and healthy living for all	Empower patients and carers	Improve health and care services	Support and grow our workforce

What we need to achieve

Give children and young people the best start in life	Tackle the wider determinants to prevent ill health	Support happy and healthy living for all	Empower patients and carers	Improve health and care services	Support and grow our workforce
• Support families and communities so children thrive. • Strive for children and young people to be physically and emotionally healthy. • Help pre-school and school-age children and young people achieve their potential.	• Address the social, economic and environmental determinants that enable people to choose to live mentally and physically healthy lives. • Address inequalities.	• Support people to adopt positive mental and physical health. • Deliver personalised care and support centred on individuals providing them with choice and control. • Support people to live and age well, be resilient and independent.	• Empower those with multiple or long-term conditions through multi-disciplinary teams. • Provide high quality primary care. • Support carers.	• Improve equity of access to services. • Communicate better between our partners when changing care settings. • Tackle mental health issues with the same priority as physical illness. • Provide high-quality care to all.	• Grow our skills and workforce. • Build 'one' workforce. • Look after our people. • Champion inclusive teams.

Enablers
We will drive research, innovation and improvement across the system.
We will provide system leadership and make the most of our collective resources, including our estate.
We will engage our communities on our strategy and in co-designing services.

Shared outcome one

GIVE CHILDREN AND YOUNG PEOPLE THE BEST START IN LIFE

We will make sure the conditions and support are in place for all children and young people to be healthy, resilient and ambitious for their future.

What we heard

- Improve support for those with special educational needs and disabilities (SEND) and their families.
- Support families with all aspects of the wider determinants of health, including mental wellbeing, finance and childcare.
- Safeguarding, particularly the most at risk children.
- Accessible evidence-based parenting support.
- Make sure of local access to support families.

Everyone plays a role in keeping children safe. Across the system, we bring together our collective information, skills and resources to strengthen our early help and safeguarding arrangements and work together to identify and tackle safeguarding priorities in our communities.

Shared outcome one

Priorities to deliver this outcome:
Together, we will…

Support families and communities so children thrive

We will take a whole-family approach, co-producing with children, young people and families, and looking at all elements families need so their children can thrive, with support in safe, strong communities that addresses poverty, housing, education, health and social care. We will use our family hub model, bringing together universal children's services to include midwifery, health visiting, mental health, infant feeding, early help and safeguarding support for children and their families, including children with special educational needs and disabilities (SEND). We will transform how we help families access the right support, in the right place at the right time, and make sure the support they receive is joined up across organisations. We will improve the transition to adult services.

Strive for children and young people to be physically and emotionally healthy

We will set high aspirations for the health of children and young people and make this everyone's responsibility. This will include a preventative approach to keep children physically healthy, promoting healthy eating, high levels of physical activity and improving air quality. We will address health inequalities, including smoking in pregnancy, breastfeeding, immunisation and childhood obesity. Children who are more likely to experience poorer outcomes, including children in care and care leavers, refugees and those who have offended, will receive more support. We will work together to help individuals, families, communities and schools build emotional resilience, tackle bullying and loneliness and provide opportunities for children, young people and families to form supportive networks and take part in social and leisure opportunities. Children and young people at most risk of significant and enduring mental health needs will receive timely and effective interventions. We will protect young people from criminal harm and exploitation, tackle the challenges caused by domestic abuse and support victims.

Help pre-school and school-age children and young people achieve their potential

We will support families so children are ready for school through co-produced, evidence-based support, including parenting support and high-quality early years and childcare. With families, we will tackle low school attendance, provide equal access to educational opportunities and make sure young people are skilled and ready for adult life. We are committed to working with families on our collective responsibility to support children with SEND. We will strengthen the capability of mainstream early years and education settings and universal services to make sure children with SEND are included, their needs are met and they can thrive. Where specialist help is needed, this will be identified early and seamlessly co-ordinated.

Indicators for this outcome include:

- By 2028/29, the proportion of mothers smoking at time of delivery will have reduced from 10.2 per cent to no more than six per cent.
- By 2028, the percentage of children in Year 6 who are a healthy weight will be maintained at the current level of 63 per cent and severe obesity will have reduced from five per cent.
- By 2028, pupil absence rates will have fallen from 7.9 per cent to below five per cent.
- By 2028, pupils achieving a good level of development at the end of the early years foundation stage will have improved from 65.8 per cent to at least 70 per cent.
- By 2028/29, the average attainment eight scores for both SEND and non-SEND pupils will have increased, and the gap between the two groups will be five points lower than the national average.

Shared outcome two

TACKLE THE WIDER DETERMINANTS TO PREVENT ILL HEALTH

Address the wider determinants of health (social, economic and environmental), to improve the physical and mental health of all residents, tackle inequalities, and focus on those who are most vulnerable.

What we heard

- Target prevention activities for each community group, making the most of VCSE expertise and community assets.
- Longer duration for prevention programmes.
- Support for cost of living – housing, transport, food.
- Extend use of social prescribing.
- Improve transport access to services, jobs and social opportunities.

Shared outcome two

Priorities to deliver this outcome:
Together, we will…

Address the economic determinants that enable healthy lives including stable employment

We will attract and support new businesses and encourage all large employers to develop as anchor organisations within their communities, including all public sector organisations, procuring and employing locally in a way that optimises social value. We will support people and small businesses with the cost of living crisis. We will help individuals fulfil their potential by achieving secure employment through education and skills development and by supporting businesses.

Address the social determinants that enable healthy lives, including community networks and safety

We will build communities where everyone belongs. We will work with communities, building on their assets to empower people to address key health and social issues, including loneliness, community safety and the economic burdens from misuse of drugs and alcohol. We will further develop social prescribing and local voluntary and community capacity to meet these challenges. The importance of active travel, access to services, work and leisure and best use of local libraries, community hubs, music, arts and heritage opportunities are recognised. In partnership, we will promote community safety, tackling crime and preventing and reducing serious violence, anti-social behaviour and discrimination that can make people feel unsafe or unwelcome.

Address the environmental determinants that enable healthy lives including housing, transport and the natural and built environment

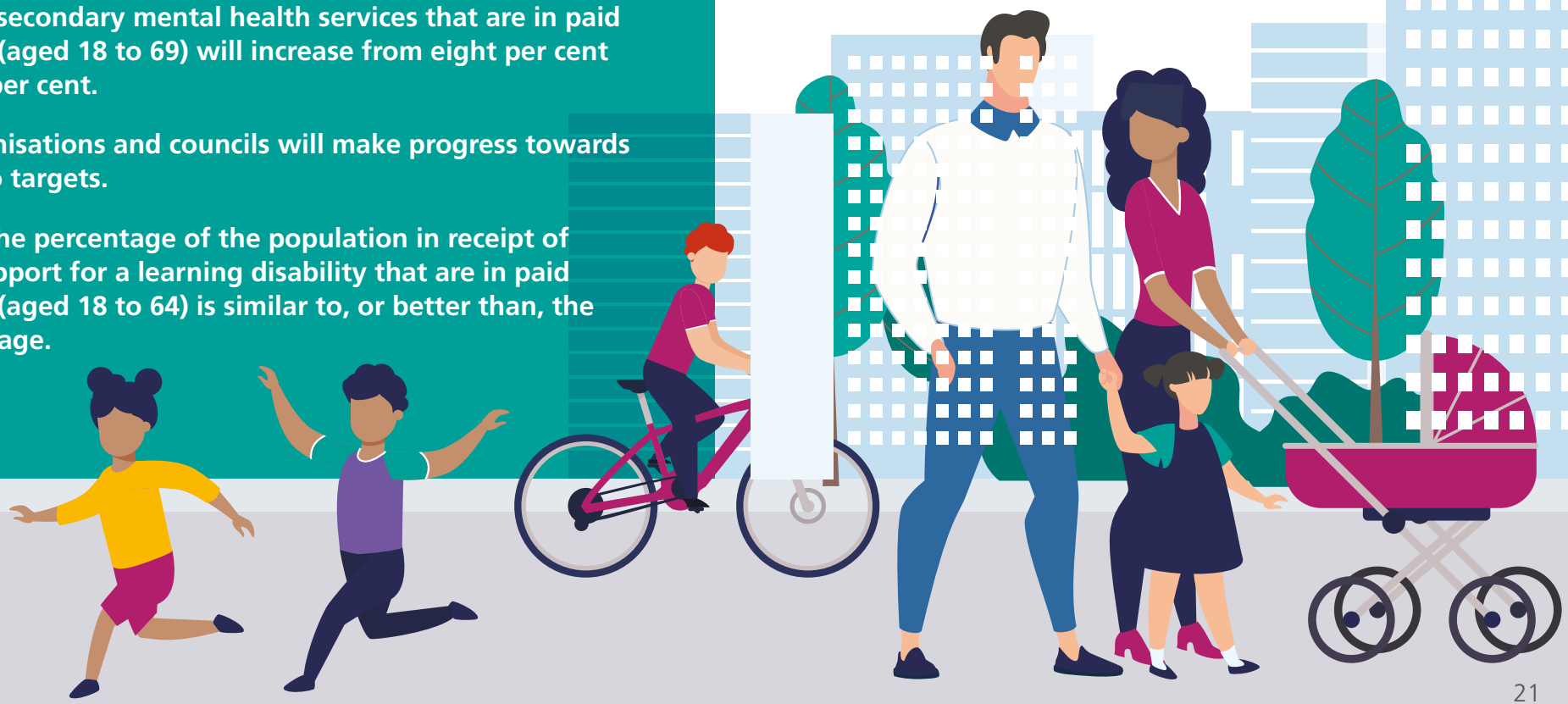
We will plan, develop and regenerate in a way that improves quality of life for new and existing communities – across built and natural infrastructures, including housing, transport and the local environment. We will incorporate the impact of climate change in all planning. We will explore how we can help people adopt sustainable ways of living and working and make best use of all our resources. We will work to provide accessible homes for life and services for all, through planning and with housing providers. We will plan to improve safety, air quality and promote physical activity.

Address inequalities

We will make sure people who need them will have access to benefits, housing, services and support through identification, signposting and a directory of local support, as well as opportunities to access work through skills development and local transport. We will focus on prevention and help people, including those with mental health issues, learning disabilities and neurodiversity, to enter, re-enter and be retained in the workplace, to have secure homes, benefits and social networks and opportunities, maximising their independence.

Indicators for this outcome include:

- By 2028/29, the proportion of people who feel lonely often or always will have reduced from 7.3 per cent to no more than five per cent across Kent and Medway.
- By 2028/29, the percentage of the population who are in contact with secondary mental health services that are in paid employment (aged 18 to 69) will increase from eight per cent to above 10 per cent.
- All NHS organisations and councils will make progress towards their net-zero targets.
- By 2028/29, the percentage of the population in receipt of long-term support for a learning disability that are in paid employment (aged 18 to 64) is similar to, or better than, the national average.



Shared outcome three

SUPPORTING HAPPY AND HEALTHY LIVING

Help people to manage their own health and wellbeing and be proactive partners in their care so they can live happy, independent and fulfilling lives; adding years to life and life to years.

What we heard

- Improve the transition between services – communication, user experience, timeliness.
- Engage with communities to tailor communications and support for each community.
- Joined up services to support people who are at risk, including survivors of domestic abuse and people who are homeless.
- Support veterans.
- Focus on adult safeguarding.

Shared outcome three

Priorities to deliver this outcome:
Together, we will…

Support people to adopt positive mental and physical health behaviours

We will deliver evidenced-based support to individuals at an appropriate scale to enable them to choose healthy weight, healthy diet choices, physical activity, good sexual health and minimise alcohol and substance misuse and tobacco use to prevent ill health. We will work with communities to develop community-led approaches and local active and sustainable travel to support this. We will increase use of 'making every contact count' and social prescribing to signpost and offer bespoke support where needed to help tackle inequalities using a proportionate universal approach. Additionally, by addressing socio-economic determinants and aiding mental wellbeing, we will help people adopt healthy lifestyles. We will improve health through a system-wide approach to crime reduction with victim and offender support; tackling drugs, domestic abuse, exploitation and harm and violence against women and girls.

Deliver personalised care and support centred on individuals, providing them with choice and control

We will use data to identify those most at risk and make sure all care is focussed on the individual with seamless transition between services, good communication, timely care and understanding of user needs and experience so they remain in control of their health and wellbeing.

People living with dementia will be supported to live as well and as independently as possible with high quality, compassionate care from diagnosis through to end of life. We will improve the support we offer for women's health issues, such as menopause. We will develop joined up holistic support for at risk groups, including survivors of domestic abuse, people who are homeless, who misuse substances, who have mental health issues, who are veterans or who have offended.

Support people to live and age well, be resilient and independent

We will promote people's wellbeing to prevent, reduce or delay the need for care, focussing on the strengths of people, their families, their carers and their communities, enabling people to live independently and safely within their local community, including by using technology. We will make sure accessible joined up multi-agency working between services across health, social care, housing, criminal justice, the voluntary sector and others. With clear pathways and continuing support for those with complex needs and overcoming barriers to data sharing. We will make sure people receive the care they need to preserve their dignity and wellbeing, to keep them independent for as long as possible and to be comfortable, dying in a place of their choosing. Further, we will as a system, work to make sure people, especially those who are most at risk are safe in their homes and communities.

Indicators for this outcome include:

- By 2028, the percentage of adults in Kent and Medway who are physically inactive will have fallen from 22.3 per cent to 20 per cent.
- By 2028, the percentage of adults in Kent and Medway who are overweight or obese will have fallen from 64.1 per cent to 62 per cent.
- By 2028, hospital admissions in Kent and Medway due to alcohol will have fallen from 418.7 to 395 per 100,000.
- By 2028, the rate of emergency admissions for those who are frail will be similar to 2024, despite significant population growth.
- By 2028, diabetes complications such as stroke, heart attacks, amputations, etc., will be below the rate for 2024.
- By 2028, we will increase the proportion of people who receive long-term support who live in their home or with family.

I have care and support that enables me to live as I want to.

I lost weight with peer support from a local group. I learned about this when I visited hospital for something else.

Shared outcome four

EMPOWER PEOPLE TO BEST MANAGE THEIR HEALTH CONDITIONS

Support people with multiple health conditions to be part of a team with health and social care professionals working compassionately to improve their health and wellbeing.

What we heard

- Increase involvement of patients and carers in care plans.
- Improve access to and consistency of primary care, including general practice, dentistry and pharmacy provision.
- Increase offer of support and provide flexibility for carers.

> **"We are not always superhuman. Someone to support us to support our child."**

Shared outcome four

Priorities to deliver this outcome: Together, we will…

Empower those with multiple or long-term conditions through multi-disciplinary teams

We will support individuals to holistically understand and manage their conditions, such as cancer, cardiovascular disease, diabetes, dementia, respiratory disease and frailty by using complex care teams and multi-disciplinary teams. This will help reduce or delay escalation of their needs. We will use a model of shared information and decision-making to empower individuals to only tell their story once and make informed choices about how, when and where they receive care, which will support individuals to achieve their goals. We will use developing technologies, including telecare and telehealth, direct payments, personal health budgets, care packages and social prescribing, where appropriate, to support people to achieve their goals and live the life they want in a place called home.

Provide high-quality primary care

We will work towards a system focused on prevention, health protection and early intervention to reduce the need for hospitalisation through making sure people can readily access the services they need to manage their health. We will make sure all pharmacies are supporting people with healthcare, self-care, signposting and healthy living advice. We will improve and increase access to dentist and eye health services. We want general practice to offer a consistently high-quality service to everyone in Kent and Medway. This means improving timely access to a healthcare professional with the skills and expertise to provide the right support and guidance; this could be a physiotherapist, doctor, nurse, podiatrist or other primary care health and care professional. We will work across the system to support the provision of primary care, responding to the needs of new, and growing, communities and making the most of community assets.

Support carers

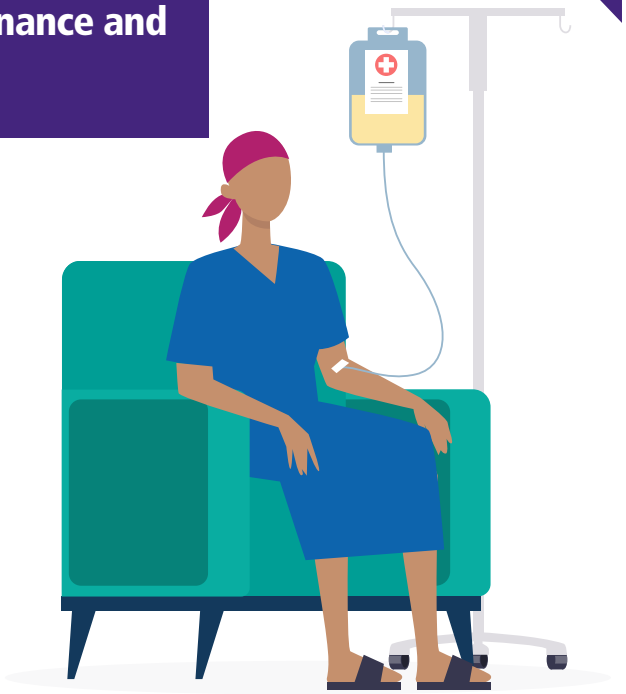
We will value the important role of informal carers, involve them in all decisions, care planning and provide support for their needs. We will make a difference every day by supporting and empowering carers with ready access to support and advice. We recognise the potential impact of their responsibilities on young carers and commit to reducing these challenges.

Indicators for this outcome

- By 2028, the number of people describing their overall experience of making a GP appointment as 'good' will have increased from 49 per cent to at least 71 per cent.
- There will be an increasing number of patients with high or very high needs being supported through integrated teams by 2028.
- By 2027, we will have implemented our organisational carers' strategies.
- By 2028, the proportion of carers who report that they are very satisfied with social services will have improved from 32.3 per cent to at least 45 per cent.

I know what my rights are as a carer and can get timely information. I can access carer training, education and advice on all the possible options for my health and wellbeing, support needs and finance and housing.

I can access the healthcare I need and know what options are available to me.



Shared outcome five

IMPROVE HEALTH AND CARE SERVICES

Improve access for all to health and care services, providing services as locally as possible and creating centres of excellence for specialist care that improves quality, safety and sustainability.

What we heard

- Broaden to incorporate all aspects of healthcare not just hospital services.
- Timely access to all parts of healthcare, particularly primary care services.
- Improve communication and transition between all parts of health and care services.
- Increase the services offered in the community and by social care.

Shared outcome five

Priorities to deliver this outcome:
Together, we will…

Improve equity of access to health and care services

We will seek to improve the accessibility of all our services. We will make sure the right care in the right place, providing care closer to home and services from a broader range of locations by making better use of our collective buildings and community assets. By taking services to individuals and continuing to offer digital help and advice, we hope to mitigate some of the social and economic reasons individuals do not seek, or attend, health and care services. These can include travel costs or time off work or out of education.

Communicate better between our partners especially when individuals are transferring between health and care settings

We will improve flow through the system by using end-to-end care and support planning and making sure discharges are safe by better supporting individuals leaving acute care settings when transferring to another location, make sure all partners, including individuals, carers and families, are aware of the care plan and by working as a team to minimise delays. We aim to make sure people are discharged to their home as a priority and linked to timely appropriate reablement, recovery and rehab services. Our ambition is system partners jointly plan, commission and deliver discharge services that maintain flow and are affordable pooling resources, where appropriate and responding to seasonal pressures.

Tackle mental health issues with the same energy and priority as physical illness

We will support people of all ages with their emotional and mental wellbeing. We will improve how we support those with mental health conditions with their overall health and wellbeing, providing the integrated support they need from the right partner, such as housing, financial, education, employment, clinical care and police, when they need it and in a way that is right for them. We will work with VCSE partners to creatively support those at risk of suicide.

Provide high-quality care

We will continually seek to provide high-quality care by working in a more integrated way; expanding the skills and training of our staff; reducing the time waiting to be seen and treated and supported; streamlining our ways of working; improving the outcomes achieved; safeguarding advocacy and enriching the overall experience of individuals, their carers and their families.

Indicators for this outcome include:

- By 2028, waits for diagnostics will meet national ambitions.
- By 2028/29, the percentage of people aged 65 and over who were still at home 91 days after discharge from hospital into reablement services will have increased in Kent to at least 85 per cent and in Medway to be in line with the national average.
- By 2025, we will meet national expectations for patients with length of stay of 21+ days who no longer meet with criteria to reside.
- Inappropriate out-of-area mental health placements will be at or close to zero.

Shared outcome six

SUPPORT AND GROW OUR WORKFORCE

Make Kent and Medway a great place for our colleagues to live, learn and work.

What we heard

- Improve volunteering opportunities for staff.
- Benefits for staff:
  - financial support.
  - offers with local businesses.
  - health and wellbeing support for example leisure facility membership offers.
- Strengthen links and opportunities with education – schools, colleges and universities.

Shared outcome six

Priorities to deliver this outcome:
Together, we will…

Grow our skills and workforce

We will work as a system to plan and put in place a workforce with the right skills, values and behaviours to keep our services sustainable. We will attract people to live, study and work in Kent and Medway, promoting all our area has to offer. We will work with education and training providers to develop and promote exciting and diverse career and training opportunities, provide talented and capable leadership and offer flexible and interesting careers to reduce long-term unemployment and support people to return in work.

Build 'one' workforce

We will implement a long-term workforce plan, which supports integration across health and care services, enabled by digital technology, flexible working and cross sector workforce mobility. We will work in true partnership with our vital and valued volunteer workforce by seeking its input to shape, improve and deliver services.

Look after our people

We will be a great place to work and learn, with a positive shared culture where people feel things work well and they can make a real difference. We will make sure staff feel valued, supported and listened to. We will support our workforce, including helping them, as their employer, to proactively manage their health and wellbeing.

Champion inclusive teams

We will foster an open, fair, positive, inclusive and supportive workplace culture that promotes respect. We will grow and celebrate diversity to be more representative of our communities, empower and develop colleagues from underrepresented groups.

Indicators for this outcome

Shared workforce indicators will be developed by partners working across the system and are likely to include measures around:

- vacancies
- staff wellbeing
- sickness absence
- VCSE workforce
- supporting employment in under-represented groups.

ENABLERS AND APPROACH TO DELIVERING THE STRATEGY

Enablers

We will drive research, innovation and improvement across the system

We will empower our workforce to use research evidence and develop and test innovative approaches to its work, both to improve services and to develop new knowledge. We will establish better ways to collaborate between all partner organisations and with academia for service improvement, research and innovation. This will include safely sharing data and embracing digital innovation.

We will provide system leadership and make the most of our collective resources

We will embed sustainability in everything we do through our green plan by making sure our strategies and decision-making support social, economic and environmental prosperity now and for future generations. We will make the most of our collective resource, including our estate and play our role as anchor institutions. The principle of subsidiarity will make sure our places and neighbourhoods lead the development and implementation of delivery plans for this strategy.

We will engage our communities on our strategy and in co-designing services

In developing this strategy, we sought to engage with our residents and as partners and we will continue to do this as we implement plans to meet these aims and improve health and wellbeing.

Delivering the strategy

The priorities set out have been agreed by the partners in Kent and Medway's Integrated Care System. We recognise each place and neighbourhood is different and delivery of the priorities will need to respond to specific needs and circumstances.

Local partners, including districts have developed local alliances and networks that will deliver actions to tackle their key local health issues and which increasingly both recognise the challenges the local system faces and the need to tackle the wider determinants of health. Medway's Joint Local Health and Wellbeing Strategy outlines a similar approach for Medway.

This integrated care strategy will help align system objectives and actions to support these endeavours.

Monitoring delivery of the strategy

Each health and care partnership and the organisations that comprise these will monitor their progress in supporting delivery of the strategy. NHS Kent and Medway, Kent County Council and Medway Council will each monitor delivery of their actions to deliver this strategy.

The integrated care partnership will receive quantitative updates on progress in achieving the outcomes through the logframe matrix. Themed meetings will also provide qualitative information on progress.

NHS Creative CS56370. Published March 2024

Appendix B - Overview of the Health of Kent's Population

1. Life expectancy is falling:

While historically the people of Kent have enjoyed increasing life expectancy year on year as well as well as a significantly higher life expectancy than the England average, this is no longer the case. Life expectancy has indeed fallen slightly over the last ten years or so and in recent years, the England average has been catching up to the level in Kent such that Kent life expectancy is no longer significantly higher than the England average.

The biggest killers in Kent remain cancer and cardiovascular diseases.

Please note that the low life expectancy observed over recent years is due to the COVID-19 pandemic. Considered as individual years (rather than three-year averages) there has been a marginal improvement for both males and females in 2021 and 2022 which is not reflected in the graphs below.

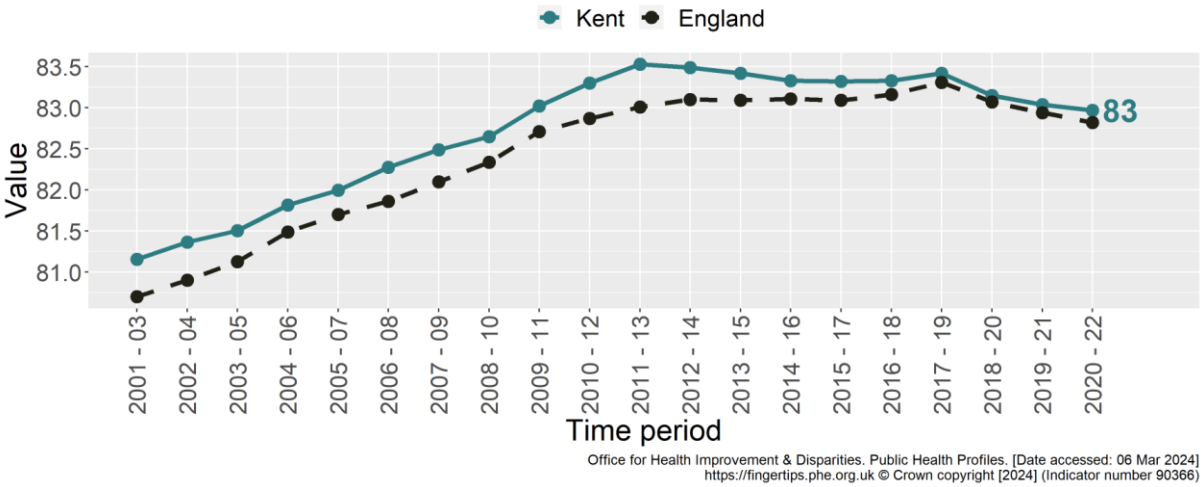


Figure 1: Life expectancy at birth among females in years

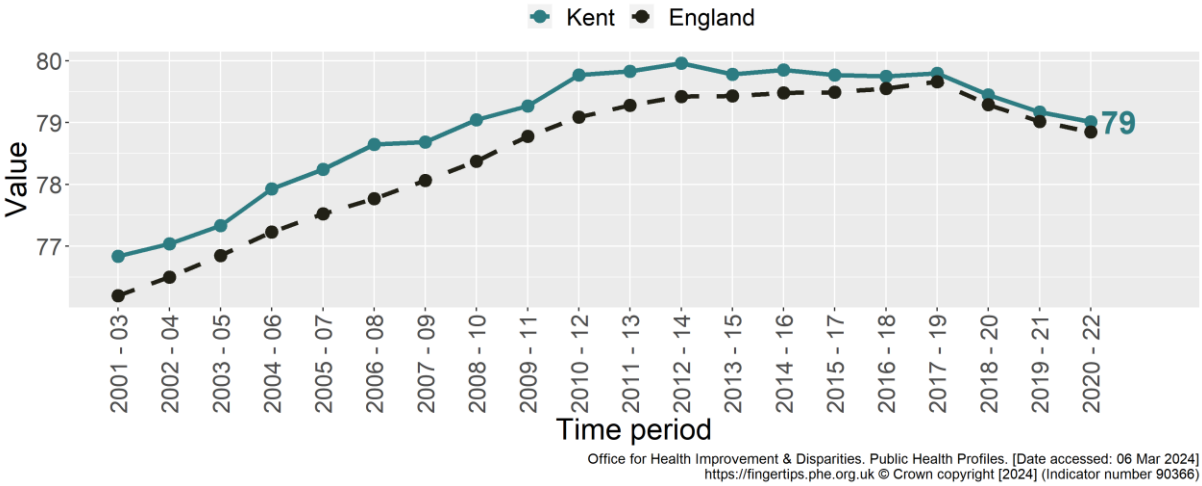


Figure 2: Life expectancy at birth among males in years

2. Mental health and wellbeing is worsening

Additionally, people in Kent are suffering from poorer mental health, with a decline at a rate exceeding that seen nationally. This can be evidenced both in an increase in levels of depression recorded by GPs in Kent compared with nationally and an increase in the rate of suicide in Kent and nationally.

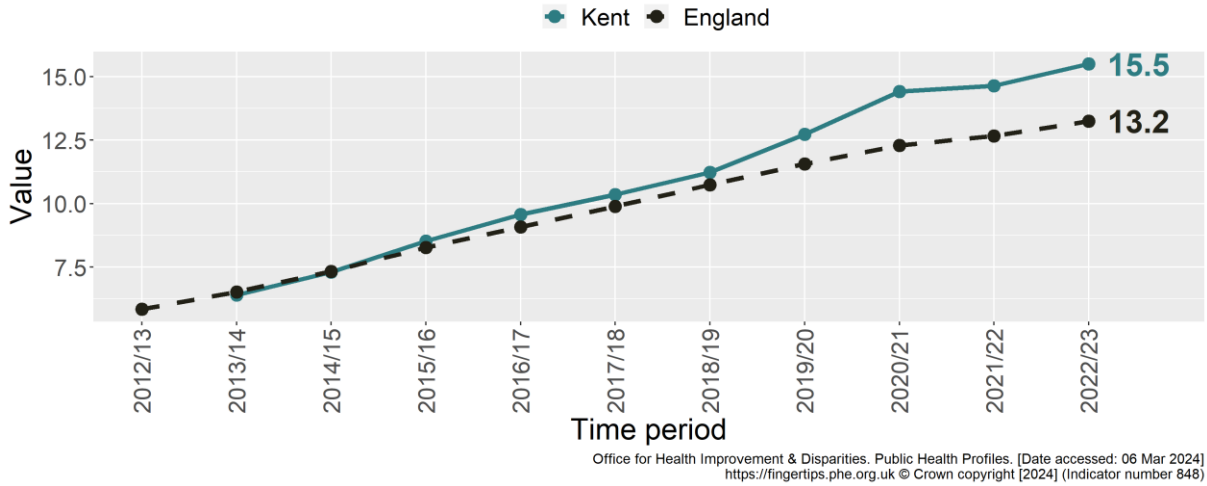


Figure 3: Prevalence of GP-recorded depression in people aged 18 years and over. (higher is worse)

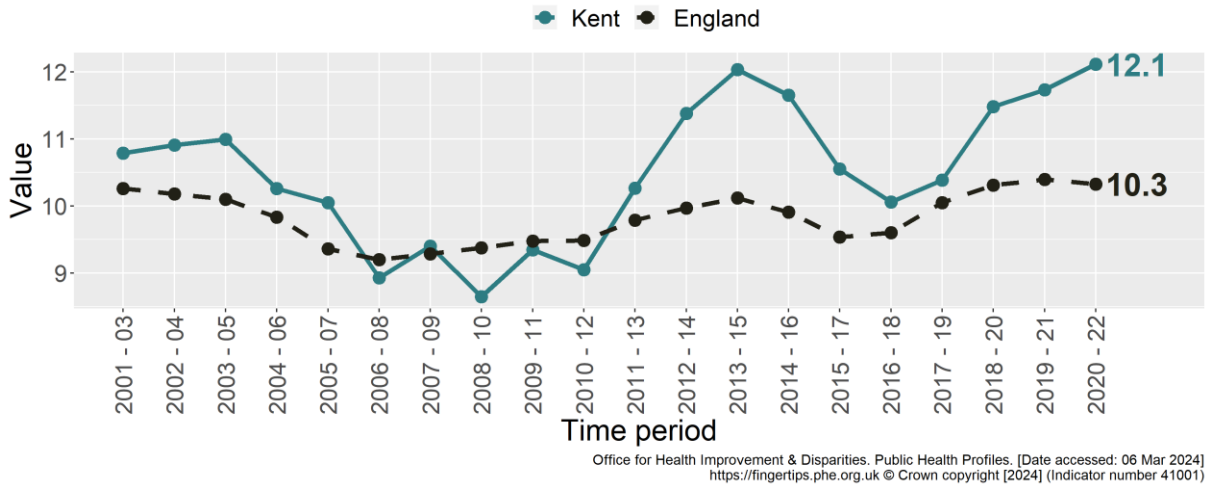


Figure 4: Suicide rate among persons (age-standardised per 100,000).

3. Lifestyle choices are increasing the likelihood of poor health outcomes

Declines in health are likely driven in the main by a range of socio-economic and lifestyle risk factors that are declining. These would include determinants such as the level of overweight or obese adults in Kent, which is increasing faster than the national rates (figure 5).

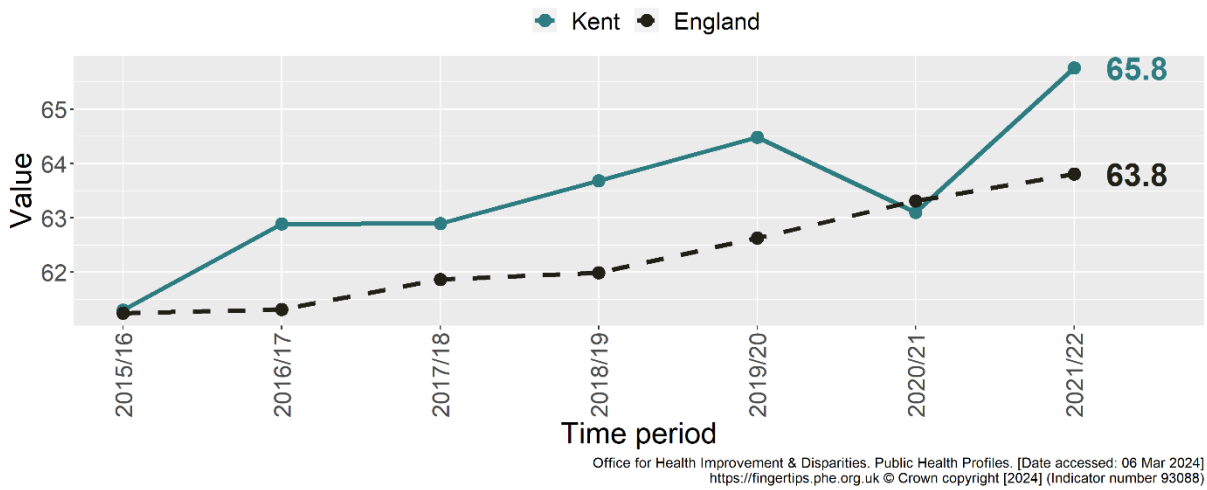


Figure 5: Percentage of adults classified as overweight or obese

4. Health Inequality will continue to drive poorer outcomes

We are also seeing increase in measures that relate to inequality within the people of Kent. These factors directly influence health and health outcomes. As an example, while historically the gap in employment rates between people who have a physical or mental health long term condition and the wider population in Kent has been significantly less than that seen nationally, the local situation has worsened such that in the most recent data Kent has a higher gap than that seen nationally.

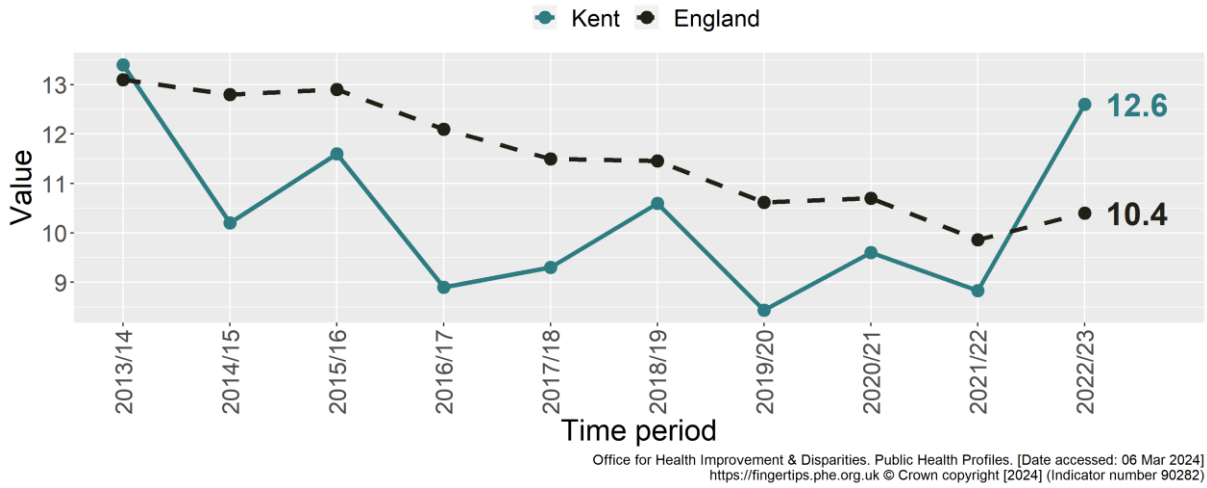


Figure 6: Gap in the employment rate between those with a physical or mental long term health condition (aged 16 to 64) and the overall employment rate (higher is worse)

Authors: Mark Chambers - Head of Health Intelligence
Mike Gogarty - Strategic Lead, Public Health Consultant

This page is intentionally left blank

Appendix C - Examples of Integrated Delivery

Home First

Home First is transforming patient care in Kent by facilitating hundreds of patients to receive treatment at home who would normally have needed to stay in hospital. This initiative promotes collaboration between Kent NHS hospital trusts, KCC, and voluntary and community sector partners. Hospital staff coordinate closely with community and care colleagues to plan for patients return home ensuring personalised care plans are in place. Patients are seen at home within hours and receive an assessment by a Home First Team. Patients with complex needs undergo robust assessments, before coming to a decision with them and their families, to determine appropriate care. Where possible, the teams also assess patients in the community and provide appropriate care to avoid people going into hospitals at all.

Development of Integrated Neighbourhood Teams

As described in the main body of the report, Integrated Neighbourhood Teams are in development and progress varies across the County as models are explored.

In East Kent the Health and Care Partnership is currently working with 4 Primary Care Networks and the Voluntary and Community sector, as Integrated Neighbourhood Teams (INTs) early adopter sites. They are looking at tools to identify those most at risk of needing social care or who are likely to experience worsening health outcomes. This is known as risk stratification and will help identify those people who will benefit from remote monitoring and early identification of deterioration to provide additional support. This is a formal program working alongside John Hopkins University and will be invaluable in informing how INTS develop across the County.

There are many examples of how pockets of this integrated approach are emerging across West Kent as we prepare for INTs:

- Core frailty team with shared case management and shared System use working well in Tonbridge PCN area
- Mental Health multi-disciplinary complex mental health needs working well in Weald
- Sevenoaks area established a Health and Well Being huddle approach to link the wider H&WB offer and organisations to the core Primary Care Networks/ Integrated Neighbourhood Teams
- Maidstone PCNs have worked together on a joint service provided by VCS for people with complex mental health related needs across all their PCNs
- Maidstone Central developed an integrated model for children's mental health support (yet to be fully mobilised)
- Wider health and wellbeing targeted support provided for a range of communities/groups experiencing health inequalities in Maidstone
- Joint work on coproduction and engagement with local residents at a neighbourhood level and as part of INT developments
- Developing shared approach to Workforce and Estates as part of the HCP developments in this area
- Active WK digital and data group developing a shared approach to – digital transformation, systems and data access and use

Integrating support to help people with health conditions into work
Kent and Medway ICS have submitted a bid to be a vanguard area for the WorkWell program, integrating local employment and health support for disabled people and those with health conditions to start, remain and succeed in work. Regardless of the bid's outcome, System Leaders have agreed to create a Work and Health Strategy for Kent and Medway, aligning the shared health and economic aims of the ICP and Kent and Medway Economic Framework. This strategy will set out how work and health support will be integrated so people can receive holistic support which might include a consistent work and health coaching offer and a range of specific support such as physiotherapy, mental health support, employability advice and support for employers.

East Kent Hospital Discharge Pathways
This initiative is a partnership between Kent Community Health NHS Foundation Trust (KCHFT), Kent County Council, and East Kent Hospitals University NHS Foundation Trust as part of East Kent's provider collaborative. During winter, two new wards in East Kent provided up to 30 rehabilitation and reablement beds. The first 15-bed ward opened in December at Westbrook House in Margate, followed by an additional 15 beds at West View in Tenterden in January. These beds will operate until April as we transition to a more integrated model of care.

Better Care Fund
Funding from the Better Care Fund (BCF) has facilitated the establishment of 'Transfer of Care Hubs' countywide, enhancing collaborative efforts across acute, community health, social care, and voluntary sectors in discharge planning. The BCF has further supported the implementation of a 'Physio/Occupational Therapy (OT) In-Reach and Drop and Stop Service', expediting discharges and facilitating more physio/OT assessments in patients' homes.

Commissioning Academy
We have set an ambitious joint plan to develop leadership capability across our commissioning teams, with a true focus on achieving outcomes, developing skills in partnership working at all levels including place, localities, and communities. The Commissioning Academy is designed to give participants the tools, techniques, and confidence to approach the most challenging issues facing communities in a collaborative, creative, and evidence-driven way. The Academy is accredited by the Cabinet Office and was launched in 2012. Our HR/OD Division were given permission to hold two KCC/Kent Commissioning Academies during 2024, with the first cohort commencing in January and the second starting in April. It is a 9-month programme focused on joint working, building better trusted relationships, resulting in improved and greater joint commissioning. Both cohorts have a mixture of KCC Commissioners, ICB, NHS and Medway participants.

Alongside the academy, we have established a Community of Commissioning Professionals, first event will be held at the end of April, with the aim to improve how we all work effectively together as a System, creating a network across directorates, services, partners, and communities. This is critical to achieving long-term efficiencies in public service, and – most critically – to reducing demand for statutory provision through enabling early support. This forum will bring together all commissioners from within Kent County Council and hopefully with partners in the ICB to share best

practice and to embed the disciplines of excellent commissioning. This collaboration hub of innovation will accelerate progress to achieve our ambitions around improved integration and joined up commissioning.

Supporting people with learning disabilities and autism

The Kent and Medway Learning Disability and Autism Delivery Partnership is a joint working arrangement between KCC, Medway Council and NHS Kent and Medway with a fully integrated programme team that brings together support and resources for the benefit of neurodivergent people in Kent and Medway. The Partnership is developing a system-wide strategy for learning disability and autism to improve outcomes and reduce inequalities in this population. This will include progressing joint commissioning of accommodation and jointly re-procuring services.

One of the ways partners are working together is through the Kent and Medway Dynamic Support Arrangements for children and young people with learning disabilities and/or autism who exhibit behaviours of distress and challenge that leave them at risk of current placement breakdown, admission to specialist hospital and detention or prosecution. The arrangements include an electronic record (launching imminently) to track and stratify children with complex needs, the Dynamic Support Service that provides highly expert independent advice to the system on meeting the complex needs of the young people identified so that better outcomes can be achieved for them, and multiagency review sessions to improve outcomes for young people in the most complex or stuck situations. The support includes Peer Associates to work with and advocate for young people and their families, which is provided in partnership with voluntary sector organisation Involve, Kent.

The impact on reducing Tier 4 (highest need) hospitalisation and length of stay has been dramatic. Typically now there are only one or two young people occupying Tier 4 beds, usually staying for only a few months, compared with the position in 2020 where over 20 young people were typically in Tier 4 beds at any given time, sometimes for many years. This reduction in high need hospitalisation has freed up resources including regional NHS funding that can be used to further support neurodivergent people in Kent and Medway. This has included the provision of a new residential facility for young people with complex needs where they can receive support instead of being admitted to hospital, and more capacity to focus on supporting neurodivergent adults with complex needs to be able to leave acute hospital settings. The Dynamic Support Service is funded by NHS Kent and Medway who have appointed KCC to commission and run it, demonstrating the strength of integrated working that is not always seen in other parts of the country. Building on this success, the service is starting to work with the criminal justice system to prevent young neurodivergent people with complex needs from being detained and will be providing earlier intervention around emotionally-based school avoidance to try to prevent escalation of needs.

Technology Enhanced Lives

In November 2023, KCC launched its co-designed Technology Enhanced Lives service. Devices such as movement sensors, smart watches, wearables, falls prevention devices and other technologies will allow people to remain independent for longer and better manage risk when previously they may have needed additional help, for example home care or moving to a care home. There is an opportunity to use data generated from the Technologies to enable us to move from reactive to preventative

approach. There are system wide benefits, such as working with Health to reduce hospital admissions and improve hospital discharge. Technology Enhanced Lives offers a short-term service, free for up to 10 weeks to support people to return to their previous levels of safety and independence following hospital discharge.

Hospital Technology Facilitators

Funding from NHS England has allowed social care, social prescribing providers and health to test Hospital Technology Facilitators from July 2023 - March 2024. The aim to provide technology assessments to maximise the use of technology to support hospital discharge and relieve pressures on the health and care sector and provide more cost effective and meaningful outcomes. 300 people were supported to return home with technology. Initially there was demand for hydration cups, movement sensors, and dementia clocks, however from December 2023 there was a shift with technologies being more focused on supporting informal carers. This has been independently evaluated and will inform next steps.

Case Study – Derek

Derek is in his eighties and has early on set Dementia. Derek lives with his wife who supports him as his informal carer and has a son who lives close by. Derek has started to frequently wander without purpose in the day and of a night. Derek and his wife sleep in different rooms however his wife is now struggling to sleep due to worrying about Derek wandering and leaving the house. Derek was admitted to hospital from a fall after he was found in the early hours of the morning in the front garden by a neighbour.

Derek was referred to the Hospital Technology Facilitator by the Occupational Therapist in the hospital. Through conversations with Derek and his wife it was apparent that Derek's wife was struggling to manage her caring role for her husband and the lack of sleep was impacting her ability to support him during the day.

The Hospital Technology Facilitator discussed the use of technology to support her to maintain her caring role for Derek.

To help support Derek's wife's caring role a PIR movement sensor was given to support her with getting quality sleep and reduce the risk of carer burnout. The movement sensor was placed downstairs by the front door and would alert Derek's wife in the event of him getting up during the night.

This enabled his wife to get quality sleep and was the least restrictive solution to locking doors. In the event Derek tried to leave the property his wife would be notified through the pager alarm and would be able to assist, reassure and support him accordingly.

Derek was discharged with the equipment with their son agreeing to set this up within his parents' home. At the point of the two week check, Derek's son commented on the difference the technology had made to his parents lives and that his mother is now able to have quality sleep whilst continuing to support Derek. He also commented on how simple the device was to set up.

Integrated Digital Transformation
To oversee a three-year programme funded by Department of Health and Social Care, the ICS has created an Integrated Digital Transformation Board and Plan. Some of the activities that have been funded include:

Feebris
This is a digitally enabled programme for proactive risk assessment and detection of deterioration of people in 30 care homes. The platform is hardware agnostic, connecting to a range of sensors, and uses AI to ensure the quality of information captured and automate the detection of risks, this empowers proactive management of risks such as falls and deterioration therefore reducing hospital admissions. At present the digital tool is monitoring 800 people.

Digital Social Care Records
Care providers are supported to put in place Digital Social Care records which will improve work process for the provider by moving from paper based to digital and improving the quality of information.

Digital Front Door
Working with people who draw on care and support and partners we co-developed an information, advice and guidance platform and a range of digital self-help tools. This will help with prevent, reduce and delay by improving information and connecting people with the right support and services at the right time. During the autumn and winter 2023 there was a digital roadshow in partnership with Digital Kent across communities to raise the profile of these digital tools to communities and partners and help address digital inclusion. Work continues with health to further develop opportunities that will help with prevent, reduce and delay.

Infant Feeding and Perinatal Mental Health
Two strategies are in development relating to the best start in life and led by Public Health.

The co-development of a 5-Year Infant Feeding Strategy, will set out ways to support families, by reducing barriers to breastfeeding, including in public spaces, and helping mums and their family learn about infant feeding choices before their new baby arrives. This already includes the co-creation of animated films on responsive bottle feeding for the workforce and breastfeeding in the first days, weeks and months, and a process to offer the provision of maternity wear and some associated infant feeding resources to those living in the most deprived wards in Kent.

The Perinatal Mental Health Strategy will represent a significant commitment to supporting babies and their families in Kent that need ‘mild-to-moderate’ support, with an estimated 6,663 parents and carers that could benefit every year from this support. Co-produced with colleagues across the health and care sector in Kent, it encourages working together across the professional networks that exist to support babies, parents, and carers, setting out how we can improve perinatal mental health by focusing on early intervention and prevention. An example of good practice includes the Kent Community Health NHS Foundation Trust’s Health Visiting Service which implements an early intervention intensive visiting service for families facing various vulnerabilities, including mental health issues.

Optimising Weight Management Services

A Task and Finish group has been stablished between KCC Public Health and the ICB, with the aim to establish a sustainable weight management strategy across Kent, providing an accessible, equitable, and evidence-based support and standardised approach with a robust referral system. This also aims to empower individuals to take control of their health, achieve and maintain a healthy weight, and improve overall well-being.

Collaboration with the broadest range of partners across the System is crucial, as commissioned services alone may not reach enough people to address the problem of excess weight.

Appendix D – System Architecture and Glossary

Glossary: Explaining the Health and Care System in Kent and Medway

Acute Care		Acute care describes emergency services and general medical and surgical treatment for acute disorders rather than long-term residential care for chronic illness.
Adult Social Care	ASC	Adult social care in England – the provision of support and personal care (as opposed to treatment) to meet needs arising from illness, disability, or old age – is either paid for publicly or privately, or provided voluntarily, typically by family and friends. Local authorities have a legal duty to fund care for those who pass centrally set needs and means tests. Local authorities commission care services for any adults who meet the requirement of the tests. These services are often delivered by the private and charitable sectors, though some local authorities also provide care services directly themselves. Though adult social care is delivered and mainly funded locally, decisions by central government strongly shape how much money local authorities have to do this – as well as what they are obliged to spend it on. This makes adult social care a national as well as a local responsibility (institute for Government).
Anchor Institutions		The term anchor institutions refer to large, typically non-profit, public-sector organisations whose long-term sustainability is tied to the wellbeing of the populations they serve. Anchors get their name because they are unlikely to relocate, given their connection to the local population, and have a significant influence on the health and wellbeing of communities.
Better Care Fund	BCF	The NHS and local government are required by government to create a local single pooled budget to incentivise closer working around people, placing their wellbeing as the focus of health and care services, and shifting resources into social care and community services for the benefit of the people, communities and health and care systems.
Care Pathway		Structured multidisciplinary care plans which outline key steps in the care of patients with a specific clinical problem.

Care Quality Commission	CQC	The Care Quality Commission monitors, inspects and regulates health and social care services. They then publish their findings, including ratings, to help people choose care.
Children's Social Care	CSC	Children's Social Care services support children with the greatest need. In general, children's social care is delivered through demand-led services that local authorities have a legal duty to provide, such as support for disabled children, protecting children from harm and taking responsibility for 'looked-after children', including through foster and residential care placements (Institute for Government).
Commissioning		The process by which health and care services are planned, purchased, and monitored. Most NHS services will be commissioned through the ICB and in the future the H&CP, while publicly funded social care and most public health services are commissioned by local authorities. More joint commissioning between NHS and Local authorities is expected where it provides benefits to residents.
Community Care		Services that are delivered in a wide range of settings such as homes, community clinics, community centres and schools. They commonly include adult community nursing, specialist long-term condition nursing, therapy services, preventive services such as sexual health and smoking cessation clinics, and child health services including health visiting and school nursing. These services aim to keep people well, treat and manage diseases and support people to live independently in their own homes.
Dartford and Gravesham NHS Trust	D&G	One of the largest hospital trusts in North Kent, with services at three sites serving a local population of over 500,000 people.
East Kent Hospitals University NHS Foundation Trust	EKHUFT	One of the largest hospital trusts in England, with five hospitals and community clinics serving a local population of around 695,000 people. Also provides some specialist services for a wider population, including renal services in Medway and Maidstone and a cardiac service for all of Kent based at William Harvey Hospital, Ashford.
Health and Care Partnership	H&CP HCP	Place-based partnerships are collaborative arrangements involving the organisations

		responsible for arranging and delivering health and care services in a locality or community. Led by the NHS they can also include local government and providers of health and care services, including the voluntary, community and social enterprise sector, people, and communities. The ICB will arrange, over time, for some of its functions to be delivered at HCP level across Kent and Medway. The ICB will remain accountable for NHS resources deployed at place level. Our area has 4 HCPs. • Medway and Swale • Dartford, Gravesham and Swanley • East Kent • West Kent
Health and Care System		The World Health Organisation defines a Health and Care System as a System 'consisting of all organisations, people and actions whose primary intent is to promote, restore or maintain health'. This includes efforts to influence wider determinants of health, as well as more direct health-improving activities.
Health and Wellbeing Board	HWB	Health and Wellbeing Boards are a formal committee of the Local Authority charged with promoting greater integration and partnership between bodies from the NHS, public health and local government. They have a statutory duty to produce a joint strategic needs assessment and a joint local health and wellbeing strategy for their local population.
Health Inequalities		The unfair and unacceptable differences in people's health that arise because of where we are born, grow, live, work and age.
Integrated Care		Integrated care is an approach to delivering services which focuses on taking a joined-up, co-ordinated and personalised approach to meeting people's health, care, and support needs. There are different types of integration, including between primary and specialist care, physical and mental health services, and health and social care. This aim is currently being pursued through the development of integrated care systems (ICSs), Integrated Care Partnerships (ICPs) and Primary Care Networks (PCNs).
Integrated Care	ICB	Integrated Care Board (ICBs) is the statutory

Board		organisation that leads the NHS. The Integrated Care Board is responsible for the day-to-day running of the NHS in Kent and Medway, including planning and buying healthcare services. The Kent and Medway ICB has a board and minimum requirements for board membership are set in legislation, which includes a representative from KCC's Corporate Management Team.
Integrated Care Partnership	ICP	The Integrated Care Partnership provides a forum for NHS leaders and local authorities to come together as equal partners, alongside important stakeholders from across Kent and Medway. Together, the ICP will generate an integrated care strategy to improve health and care outcomes and experiences for the people in Kent and Medway, for which all partners will be accountable.
Integrated Care Strategy		Systems are required to develop an integrated care strategy to address the broad health and social care needs of the population within the area, including determinants of health such as employment, environment, and housing issues.
Integrated Care System	ICS	ICSs are partnerships that bring together providers and commissioners of NHS services, across a geographical area with local authorities and other local partners, to collectively plan and integrate care to meet the needs of their population. ICSs typically cover a population of 1–3 million people. Key functions at the system level include setting and leading overall strategy, managing collective resources and performance, identifying, and sharing best practice to reduce unwarranted variations in care, and leading changes that benefit from working at a larger scale such as digital, estates and workforce transformation.
Integrated Neighbourhood Team	INT	Within each 'place' there are several neighbourhoods, which cover a smaller population size of roughly 30,000 to 50,000 people. They often focus on integrating primary, community and social care through multidisciplinary teams and joint working arrangements. Neighbourhoods are therefore key to the NHS's commitment to deliver more care as close to home as possible.
Joint Local	JLHWBS	(Pre-July 2022 was known as the Joint Health and

Health and Wellbeing Strategy		Wellbeing Strategy). The Health and Social Care Act 2012 places a duty on Health and Wellbeing Boards to produce a JLHWBS for their local area. JLHWBSs are strategies for meeting the needs identified in JSNAs. They should explain what priorities the Health and Wellbeing Board has set in order to tackle the identified needs. JLHWBSs should translate JSNA findings into clear outcomes the board wants to achieve, which will inform local commissioning.
Joint Strategic Needs Assessment	JSNA	This is a process by which local authorities and partner organisations assess the current and future health, care and wellbeing needs of the local community to inform local decision-making. JSNAs usually contain information about the health and wellbeing status of the local population, identify inequalities and illustrate trends. They may also outline local community views and highlight suggested areas for focus for collective action to improve the lives of people locally. Health and Wellbeing Boards and clinical commissioning groups are under a statutory duty to produce a JSNA.
Kent and Medway NHS Partnership and Social Care Trust	KMPT	Provides Secondary Mental Health services across Kent and Medway- both within the community and inpatient settings.
Kent Community Health NHS Foundation Trust	KCHFT	Provides wide-ranging NHS care for people in the community, in a range of settings including people's own homes, nursing homes, health clinics, community hospitals, minor injury units, a walk-in centre and in mobile units.
Maidstone and Tunbridge Wells NHS Trust	MTW	Maidstone and Tunbridge Wells NHS Trust provides a full range of general hospital services, and some areas of specialist complex care to around 560,000 people living in the south of West Kent and the north of East Sussex. The Trust provides specialist cancer services to around 1.8 million people across Kent, Hastings, and Rother, via the Kent Oncology Centre at Maidstone Hospital, and at Kent and Canterbury Hospital in Canterbury. The Trust also provides outpatient clinics across a wide range of locations in Kent and East Sussex.

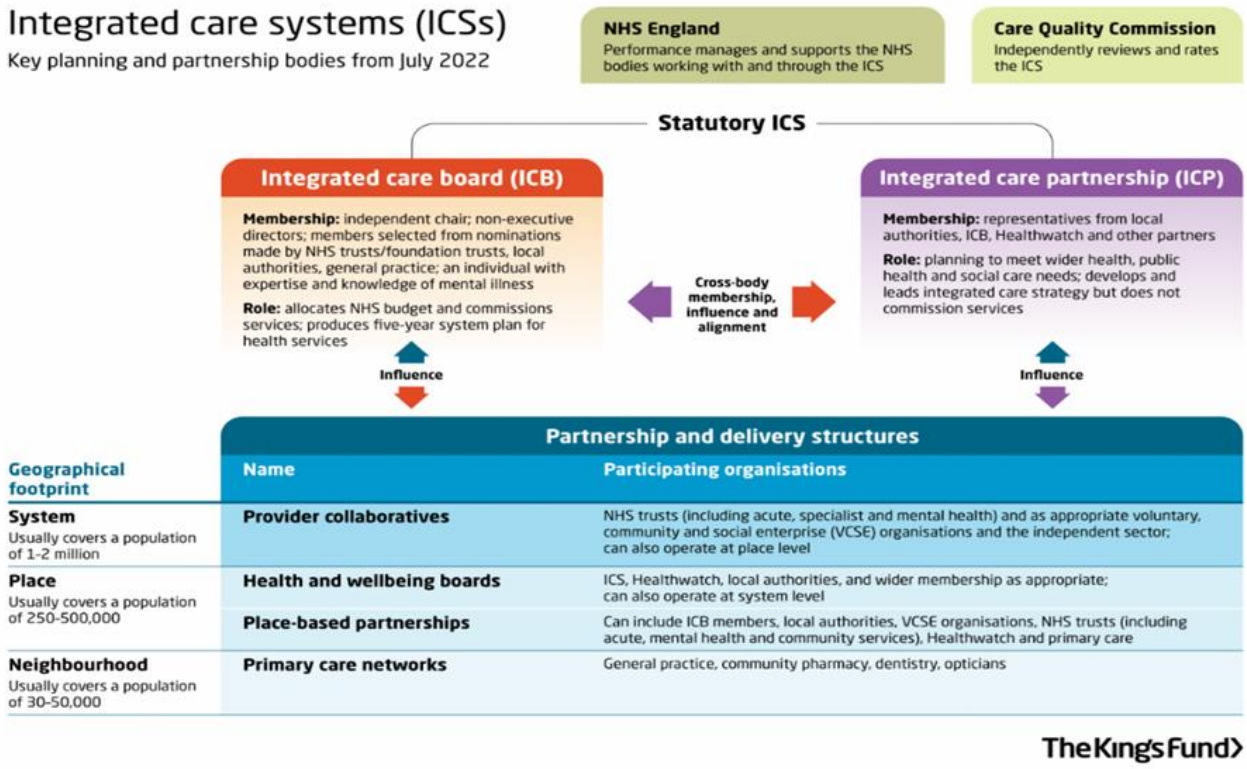
Model of Care		This broadly defines the way health and care services are organised and delivered.
Multi-Disciplinary Teams	MDT	The term ‘multi-disciplinary’ refers to an approach which creates a single team from a range of different disciplines or fields of expertise. A multi-disciplinary approach can tackle complex situations or problems by using the combined skills of different disciplines to develop all-inclusive solutions.
NHS England	NHSE	NHSE is a body in England, responsible for overseeing the NHS' foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. It is responsible for providing national direction on service improvement and transformation, governance and accountability, standards of best practice, and quality of data and information.
Population Health		Population health is an approach aimed at improving the health of an entire population. It is about improving the physical and mental health outcomes and wellbeing of people within and across a defined local, regional, or national population, while reducing health inequalities. It includes action to reduce the occurrence of ill health, action to deliver appropriate health and care services and action on the wider determinants of health. It requires health and care services to work with communities and partner agencies.
Population Health Management	PHM	Population Health Management refers to the ways of bringing together health-related data to identify groups of patients or specific population groups at risk of ill health that health services may then prioritise. For example, data may be used to identify groups of people who are frequent users of accident and emergency departments. This way of using data is also sometimes called population segmentation
Primary Care		Primary care is the first point of contact for healthcare for most people. It is mainly provided by GPs (general practitioners), but community pharmacists, opticians, dentists, and other community services are also primary healthcare providers.
Primary Care Network	PCN	A PCN brings together a group of local GP practices with other primary and community care organisations

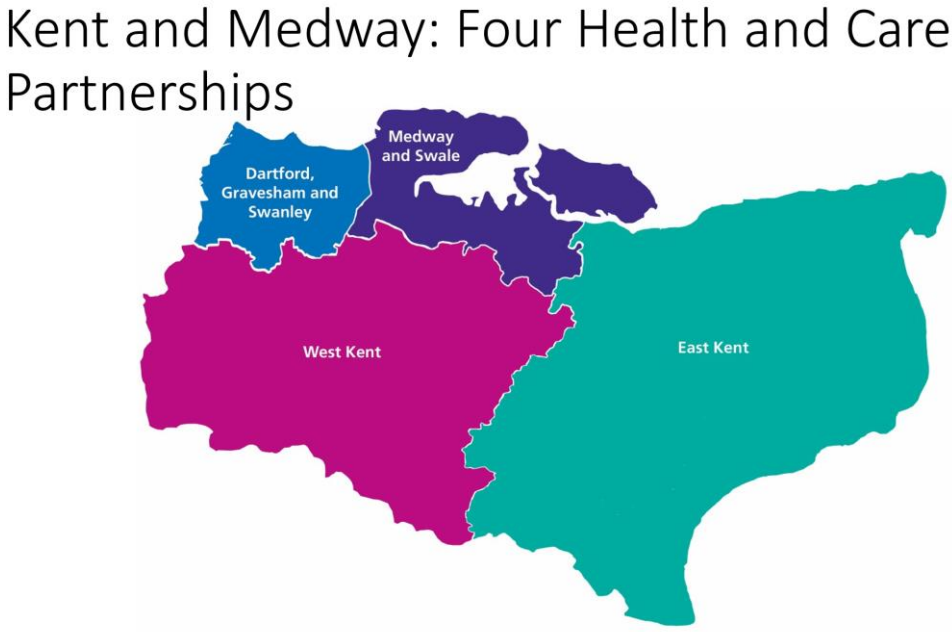
		to join up health and care services at neighbourhood level. They were established in July 2020 to help stabilise general practice by using economies of scale, overcome barriers between primary and community services, and develop population health approach. There are 42 PCNs in Kent and Medway
Provider Collaboratives	PC	Alliances of NHS providers that work together to deliver care by agreeing to collaborate rather than compete with each other. These providers include hospitals, community services, mental health services and GPs. Social care and independent and third sector providers may also be involved.
Public Health	PH	Public Health acts as a strategic service within the council. It actively shapes strategies, provides data and intelligence to tackle the causes of ill health and reduce health inequalities and provides health protection, which involves safeguarding individuals and communities from health threats.
Secondary Care		This means being taken care of by someone who has particular expertise in whatever problem a patient is having. It is where most people go when they have a health problem that can't be dealt with in primary care because it needs more specialised knowledge, skill, or equipment than the GP has. It's often provided in a hospital via a specialist following referral from a GP.
Voluntary, Community, and Social Enterprise Sector	VCSE	There are thousands of voluntary sector organisations working across Kent and Medway. These are valued members of the partnership with a shared ambition to be an equal partner within the Integrated Care Partnership and Health and Care Partnerships.
Wider Determinants of Health		The diverse range of social, economic, and environmental factors which influence people's mental and physical health. These include employment, housing, crime, education, air quality, access to green spaces and access to health and care services, among other things.

Acronyms

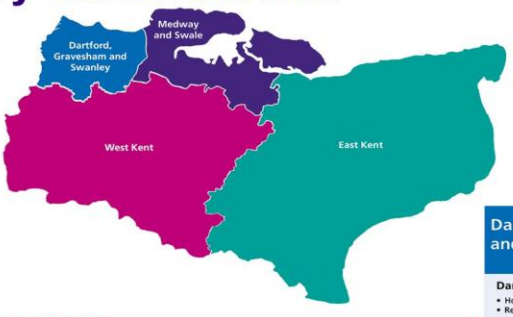
ASCH	Adult Social Care and Health
CYP	Children and Young People
DGS	Dartford and Gravesham NHS Trust
DHSC	Department of Health and Social Care
EKHUFT	East Kent Hospitals University NHS Foundation Trust
H&CP	Health and Care Partnership
HSC	Health and Social Care
HWB	Health and Wellbeing Board
ICB	Integrated Care Board
ICP	Integrated Care Partnership
ICS	Integrated Care System
INT	Integrated Neighbourhood Team
JLHWBS	Joint Local Health and Wellbeing Strategy
JSNA	Joint Strategic Needs Assessment
KCC	Kent County Council
KCHFT	Kent Community Health NHS Foundation Trust
KMPT	Kent and Medway NHS Partnership and Social Care Trust
LGA	Local Government Association
MTW	Maidstone and Tunbridge Wells NHS Trust
MUA	Medway Unitary Authority
PC	Provider Collaborative
PCN	Primary Care Network
PH	Public Health
TOR	Terms of Reference

System Architecture





Kent and Medway's Primary Care Networks



Medway and Swale ICP

Gillingham South
- Glebe Family Practice
- Malvern Road
- Napier Road
- Pump Lane
- Railside Surgery
- Railway Street
- Upper Canterbury Street

Medway Central
- Balmoral Malling (Red)
- Brompton Medical Practice
- Bryant Street
- Kings Family Practice
- St Mary's Island
- The Halfway Surgery
- Coverage for patients registered at Hoo Branch DMC

Medway Peninsula
- High Parks Medical Practice
- Hoo St Werburgh
- The Elms

Medway Rainham
- Church View Practice
- Eastcourt Lane
- Long Catlis Road Surgery
- Maidstone Road
- Matrix Medical Practice
- Malling Health, Parkwood Health Centre
- Orchard Family Practice
- Parkwood Family Practice
- Thames Avenue Surgery
- Waltham Road
- Wigmore Medical Practice

Medway South
- Churchill Clinic
- King George Road
- Maidstone Road
- Princes Park Medical Centre
- Reach
- Stonecross and West Drive Surgeries
- Wayfield Road Surgery

Rochester
- Borstal Village Surgery
- Castle Medical Practice
- City Way
- Thorndike Health Care Centre

Sheppey
- St George's Medical Centre
- Minster Medical Centre
- Sheerness Health Centre (Dr Chandran)
- Sheerness Health Centre (Dr Patel)
- Sheerness Health Centre (Dr Writs)
- Sheppey Healthy Living Centre
- Sheppey NHS Healthcare Centre (DMC)
- The OM Medical Centre

Sittingbourne East
- The Chestnuts
- London Road Surgery
- The Memorial Medical Centre
- The Surgery, Teynham

Sittingbourne West
- Grovehurst Surgery
- Iwade Health Centre
- Lakeside Medical Centre
- Milton Regis Surgery
- The Meads Medical Practice

Strood
- Apex Medical Centre
- Court View Surgery
- Gun Lane
- Riverside Medical Practice
- Interim coverage of registered list for St Mary's Medical Centre
- Coverage for patients registered at Marlowe Park Medical Centre

West Kent ICP

ABC
- Aylesford Medical Centre
- Blackthorn Medical Centre
- College Practice

Maidstone Central
- Bower Mount Medical Practice
- Brewer Street Surgery
- Northumberland Court
- Vine Medical Centre

South Maidstone
- Albion Place Medical Practice
- Greensand Health Centre
- Mote Medical Practice
- Wallis Avenue Surgery

Malling
- Phoenix Medical Practice
- Snodland Medical Practice
- Thornhills Medical Practice
- Wateringbury Surgery
- West Malling Group Practice

Sevenoaks
- Amherst Medical Practice
- Borough Green Medical Practice
- Edenbridge Medical Practice
- Otford Medical Practice
- St Johns Medical Practice
- South Park Medical Centre
- Town Medical Centre
- Westerham Practice

The Ridge
- Bearsted Medical Practice
- Headcorn Surgery
- Len Valley Practice
- Orchard Surgery, Langley
- Sutton Valence Surgery

Tonbridge
- Hadlow Medical Centre
- Hildenborough Medical Group
- Tonbridge Medical Group
- Warders Medical Centre
- Woodlands Health Centre

Tunbridge Wells
- Abbey Court Medical Centre
- Clanricarde Medical Centre
- Grosvenor and St James Medical Centre
- Kingswood Surgery
- Lonsdale Medical Centre
- Rusthall Medical Centre
- St Andrews Medical Centre
- Speldhurst and Greggswood Medical Practice
- Waterfield House Practice

Weald
- Crane Practice
- Howell Surgery
- Lamberhurst Surgery
- Marden Medical Centre
- North Ridge Medical Practice
- Yalding Surgery
- Old Parsonage Surgery
- Old School Surgery
- Orchard End Surgery
- Staplehurst Health Centre

East Kent ICP

Ashford Rural
- Charing Surgery
- Hamstreet Surgery
- Ivy Court Surgery
- Woodchurch Surgery

Ashford Stour
- Ashford Medical Partnership
- Hollington Surgery
- Kingsnorth Medical Practice
- New Hayesbank Surgery
- Sellindge Surgery
- Sydenham House Medical Practice
- Wye Surgery

Canterbury North
- Canterbury Health Centre
- Northgate Medical Practice
- Old School Surgery
- Sturry Surgery

Canterbury South
- Canterbury Medical Practice
- New Dover Road
- University Medical Practice

Faversham
- Faversham Medical Practice
- Newton Place Surgery

Herne Bay
- The Heron Medical Practice
- The Park Surgery

Whitstable
- Whitstable Medical Practice

Coastal and Rural East (CARE) Kent
- Ash Surgery
- Birchington Surgery
- Broadstairs Medical Practice
- Minster Surgery
- St Peter's Surgery
- Westgate Surgery

Deal and Sandwich
- Balmoral Surgery
- Cedars Surgery
- Manor Road Surgery
- St Richard's Road Surgery
- Sandwich Medical Practice

Dover
- Buckland Medical Centre
- High Street Surgery
- Pencester Surgery
- Peter Street Surgery
- St James Surgery

Hythe, Lyminge, Cheriton and Hawkinge
- Central Surgery
- Hawkinge and Elham
- New Lyminge Surgery
- Oaklands Health Centre
- Park Farm Surgery
- Sun Lane Surgery
- The Surgery
- The White House Surgery

Margate
- Bethesda Medical Centre
- Mocketts Wood Surgery
- Northdown Surgery
- The Limes Medical Centre

Ramsgate
- Dashwood Surgery
- East Cliff Practice
- Newington Road Surgery
- Summerhill Surgery
- The Grange Practice

The Marsh
- Church Lane Surgery
- Martello Health Centre
- Oak Hall Surgery
- Orchard House Surgery

Total Health Excellence East
- Aylesham Medical Practice
- Lydden Surgery
- New Surgery
- White Cliffs Medical Centre

Total Health Excellence West
- Guildhall Street
- Manor Clinic
- Sandgate Road Surgery

Dartford, Gravesham and Swanley ICP

Dartford Central
- Horsmans Place Surgery
- Redwood Practice
- Temple Hill Surgery
- Coverage of registered patients at Elmdene Surgery

Dartford MODEL
- Dr Shimmins and partners
- Lowfield Medical Centre
- Maple Practice
- The Orchard Practice

Garden City
- Downs Way Medical Practice
- Pilgrims Way Surgery
- Swanscombe Health Centre

Gravesend Alliance
- Gateway
- The Forge
- Oakfield Health Centre
- The Shrubbery and Riverview Park
- White Horse

Gravesend Central
- Chalk Surgery
- Gravesend Medical Centre
- Parrock Street Surgery
- Pelham Medical Practice
- Rochester Road Surgery

LMN Care
- Jubilee Medical Group
- Meopham Medical Centre

Swanley and Rural
- Braeside Surgery, Farningham
- Devon Road Surgery
- Hextable Surgery
- The Cedars Surgery
- The Oaks Partnership

By: Peter Oakford – Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Paul Royel, Director of HR & OD

To: County Council **Date:** 28 March 2024

Subject: Pay Policy Statement 2024/25

Classification: Unrestricted

Summary: This paper addresses the actions the Authority is required to make on pay as part of delivering its responsibilities under the Localism Act 2011.

1. BACKGROUND

1.1 An objective of the Localism Act is to increase transparency of local pay. This requires councils to publish the salaries of senior officials, enabling local people to better understand how public money is being spent in their area.

1.2 The Act requires a local authority pay policy to be openly approved by democratically elected Members on an annual basis.

1.3 Last year, County Council exceptionally agreed to suspend the normal Total Contribution Pay (TCP) process and instead award an amount of £2,000 for all staff in grades KR3 to KR11, and percentage increases from 4.3% for those on KR12 reducing to 3.8% for Corporate Directors. However, this year we are reverting to the process whereby an individual's pay progression within a grade is subject to a performance assessment through TCP and a percentage awarded for each appraisal level.

1.4 The new minimum salary, as agreed by County Council in February 2024 will result in an hourly rate of £12.10 per hour and is above both the National Living Wage and the Voluntary Living Wage which are £11.44 and £12.00 respectively.

1.5 A new pay and grading structure has recently been proposed to Personnel Committee and is due to be considered by County Council in May 2024 with a view to its implementation from April 2025. This seeks to address challenges associated with pay compression at the lower end of the scale, and to ensure a sustainable structure for all staff in all grades for the future.

1.6 The Council operates a market Premium Policy which is designed to help managers attract and retain high quality employees in a competitive recruitment market. This is done on a business case basis. Payments are reported to Personnel Committee annually.

1.7 The Council continually seeks to ensure that policies, procedures and payments are designed and operate in a way that treats employees in a fair and inclusive manner. In addition, the Gender Pay Gap Report is published each year.

1.8 KCC's approach to pay recognises that there will be a wide variety of factors and issues that employees face. We have a range of support, employee benefits and signposting available through KNet and Kent Rewards, which is intended to offer something of value for everyone independent of grade, lifestyle, or personal commitments.

1.9 The Pay Policy applies consistently to all the County Council's employees at all grades, including the appraisal process and related increases.

2. PAY POLICY STATEMENTS

2.1 The Pay Policy Statement for 2024/25 is attached in Appendix 1. As in previous years, and as agreed by County Council on 29 March 2012, the statement relates to: -

- the level and elements of remuneration for each chief officer which includes recruitment, increases and additions
- the use of performance-related pay (PRP) for chief officers and the use of bonuses, if applicable
- the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority
- the publication of and access to information relating to remuneration of chief officers.

For the purpose of the Localism Act, a Chief Officer in KCC is defined as being at 'Director level'. This includes the County Council's Corporate Directors and Directors.

2.2 The provisions do not apply to the staff of local authority schools.

3. PAY MULTIPLE

3.1 A pay multiple is calculated in order to measure the difference in pay between the norm and highest salary. The definition of pay multiple as defined in the 'Code of Recommended Practice for Local Authorities on Data Transparency' document is the ratio between the highest paid salary and the median average salary of the authority's workforce.

3.2 KCC's current Pay Multiple figure is 8.1:1. This excludes schools.

4. GUIDANCE

4.1 The policy is compliant with expectations and guidance in the Code of Recommended Practice along with supplementary updates which have been received.

5. RECOMMENDATION

5.1 County Council endorses the attached Pay Policy Statement.

Louise Gavin
People Strategy Adviser
03000 416135

Appendix 1.

Kent County Council Pay Policy Statement 2024/2025

The Authority seeks to be able to recruit and retain staff in a way which is externally competitive and internally fair. The Kent Scheme Pay Policy applies in a consistent way from the lowest to the highest grade.

- The Pay Policy is influenced by a number of factors which include local pay bargaining, market information, market forces, economic climate, measures of inflation and budgetary position.
- The policy referred to in this Statement is relevant to Council employees generally. The scope of this Statement does not include all Terms and Conditions as some are set on a national basis. These include Teachers covered by the schoolteachers pay and conditions in (England and Wales) document, Soulbury Committee (pay only), Adult Education, National Joint Council (NJC), Joint National Council (JNC) and the National Health Service (NHS).
- The Kent Scheme pay range consists of grades KR3 – KR20. Details of the pay range are at the bottom of the page.
- The details of the reward package for all Corporate Directors and Directors are published and updated on the County Council's web site.
- KCC will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.
  https://www.kent.gov.uk/about-the-council/finance-and-budget/spending/senior-staff-salaries
- The appropriate grade for a job is established through a job evaluation process which takes into account the required level of knowledge, skills and accountability required for the role.
- The lowest point of KCC's grading structure (Grade KR3) is set such that the hourly rate is above the National Minimum Wage and marginally above the equivalent of the Living Wage Foundations Living Wage.
- Staff who are new to the organisation must be appointed at the minimum of the grade unless there are exceptional reasons to appoint higher. These must be based on a robust business case in relation to the level of knowledge, skills and experience offered by the candidate and consideration is given to the level of salaries of the existing staff to prevent pay inequality. For senior staff, any such business case must be approved by the relevant Corporate Director.
- Council signs off the pay structure. The subsequent appointment of individuals, including those receiving salaries in excess of £100k, is in accordance with the pay structure and the principles outlined in the pay policy.
- Staff who are promoted should be appointed to the minimum of the grade. However, their pay increase should equate to at least 2.5%.

- All progression within a grade is subject to performance as assessed through Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level. This applies to all levels in the Authority and there are no additional bonus schemes for senior managers.
- The award for each appraisal rating is set annually following the outcome of the appraisal process.
- People at the top of their grade have the opportunity to receive a pay award which is consistent with others who have the same appraisal rating. This amount will be paid separately and not built into base pay.
- The 'Lowest' paid employees are defined as those employees on KCC's lowest grade, KR3. They receive relevant benefits and are remunerated in the same proportionate way as others.
- The entry level will increase to £23,337 which equates to £12.10 per hour.
- In order to establish the pay difference and the relative change in pay levels over time, a pay multiplier can be calculated. This is the base pay level of the highest paid employee shown as a multiple of the median Kent Scheme salary. This multiplier will be published on the County Council's website annually.
  https://www.kent.gov.uk/about-the-council/information-and-data/data-about-the-council#paymultiplier
- KCC recognises that managers need to be able to reward performance in a flexible and appropriate way to the particular circumstances.
- Should it be shown that there is specific recruitment and retention difficulties, the Market Premium Policy may be used to address these issues.
- The Council would not expect the re-engagement of an individual who has left the organisation with a redundancy, retirement or severance package.
- Managers have delegated powers to make cash awards when necessary and where not covered by any other provision as defined in the Blue Book Kent Scheme Terms & Conditions.
  http://www.kent.gov.uk/jobs/careers-with-us/working-for-us
  http://www.kent.gov.uk/__data/assets/pdf_file/0019/12574/Kent-Scheme.pdf
- Policies about termination payments and employer discretions under the Local Government Pension Scheme will be reviewed and published for all staff. These will be produced with the intention of only making additional payments when in the best interests of the Authority and maintaining consistency through all pay grades. This will continue to be managed through the HR & OD function and monitored by Personnel Committee.

2023/24 Kent Scheme pay scale

Grade	Minimum	Maximum
KR 20	£216,400	£239,859
KR 19	£158,928	£204,000
KR 18	£132,142	£157,128
KR 17	£105,542	£125,513
KR 16	£84,537	£106,125
KR 15	£74,428	£84,116
KR 14	£65,807	£74,058
KR 13	£58,784	£65,480
KR 12	£50,239	£58,491
KR 11	£43,810	£49,989
KR 10	£37,374	£43,592
KR 9	£32,933	£37,188
KR 8	£28,995	£32,769
KR 7	£26,515	£28,850
KR 6	£25,127	£26,383
KR 5	£24,040	£25,002
KR 4	£23,338	£23,921
KR 3	£23,337	£23,337

From:	Peter Oakford, Deputy Leader and Cabinet Member for Finance, Traded and Corporate Services John Betts, Acting Corporate Director - Finance
To:	County Council – 28 March 2024
Subject:	Treasury Management Mid-Year Update
Classification:	Unrestricted

Summary: This report provides an overview of Treasury Management activity and developments in 2023-24 to the end of September 2023. There are no recommended changes to the approved strategy in this report.

Recommendation: County Council is asked to note the report.

1. Background

1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in accordance with the Council's priorities of security, liquidity and finally yield (in order).

1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.3 Accordingly, treasury management is defined as:

> "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Introduction

2.1 This report covers Treasury Management activity up to the end of September 2023 and developments in 2023-24 up to the date of this report.

2.2 This report was noted by the Governance and Audit Committee at its meeting on 23 November 2023 prior to its submission to County Council.

2.3 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). This report therefore ensures this Council is embracing best practice in accordance with CIPFA's recommendations.

2.4 The Council's Treasury Management Strategy for 2023-24 was approved by the County Council on 9 February 2023.

2.5 There are no recommended changes to the approved strategy in this report.

3. External context

Economic background:

3.1 The following economic commentary has been provided by the Council's retained treasury advisor, Link Group.

3.2 "The first half of 2023/24 saw:

- *Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.*
- *Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.*
- *A 0.5% m/m decline in real GDP in July, mainly due to more strikes.*
- *CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.*
- *Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.*
- *A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).*

3.3 The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

3.4 The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.

3.5 The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

3.6 As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of- living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

3.7 The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

3.8 But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

3.9 CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

3.10 In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have

convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.

3.11 Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".

3.12 This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

3.13 The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).

3.14 The pound weakened from its cycle high of $1.30 in the middle of July to $1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.

3.15 The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914."

Interest rate forecast:

3.16 The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

3.17 The latest forecast, dated 7th November, sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

4. Local context

4.1 The treasury management position on 31 March 2023 and the change over the 6 months to 30 September 2023 is shown in the following table. Borrowing and investment activity occurring over the first half of the year is discussed further in sections 6 and 7 below.

	31-Mar-23	2023-24	30-Sep-23	30-Sep-23
	Balance £m	Movement £m	Balance £m	Average Rate %
Long-term borrowing	802.5	-15.4	787.0	4.42
Total borrowing	**802.5**	**-15.4**	**787.0**	**4.42**
Long-term investments	312.0	-28.7	283.3	4.72
Short-term investments	45.7	86.2	131.8	5.18
Cash and cash equivalents	134.7	-2.7	132.0	5.30
Total investments	**492.4**	**54.7**	**547.1**	**5.01**
Net borrowing	**310.1**	**-70.2**	**239.9**	

5. Capital Plans

5.1 The Council's borrowing requirement arises from the approved capital programme and represents the portion of cumulative and planned capital expenditure that is not immediately financed by capital grants, capital receipts, reserves and revenue. As shown in the table below, the Council's estimated capital financing requirement (CFR) for 2023/24 is £1,272.9m, and this is expected to remain broadly stable over the medium term.

	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Financing Requirement	1,292.4	1,272.9	1,330.1	1,315.7	1,274.5
External Borrowing	802.5	771.9	742.6	710.3	685.1
Other Long-Term Liabilities	222.4	222.4	222.4	222.4	222.4
Total Debt	1,024.9	994.3	965.0	932.7	907.5

Internal Borrowing	267.6	278.6	365.1	383.0	367.9

5.2 The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

6. Borrowing Strategy during the period

6.1 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

6.2 Interest rates rose over the first half of the financial year in both the long and short term, with rates at the end of September around 1% - 1.25% higher than those at the beginning of April. The PWLB 10-year maturity certainty rate stood at 5.28% at 30 September 2023, 20 years at 5.64% and 30 years at 5.63%.

6.3 As shown above, our treasury advisors forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and Link forecast 50-year rates to stand at 4.00% by the end of September 2025. However, there is a high degree of uncertainty as to when, how far, rates will decline.

6.4 The Council's borrowing activity in the 6 months to 30 September is as follows:

	31/03/2023	2023-24	30/09/2023	30/09/2023	30/09/2023
	Balance	**Movement**	**Balance**	**Average Rate**	**Value Weighted Average Life**
	£m	**£m**	**£m**	**%**	**yrs.**
Public Works Loan Board	484.0	-13.9	470.1	4.46%	15.05
Banks (LOBO)	90.0	0.0	90.0	4.15%	40.38
Banks (Fixed Term)	216.1	0.0	216.1	4.54%	38.73
Streetlighting project	12.4	-1.6	10.8	2.31%	13.75
Total borrowing	**802.5**	**-15.4**	**787.0**	**4.42%**	**24.43**

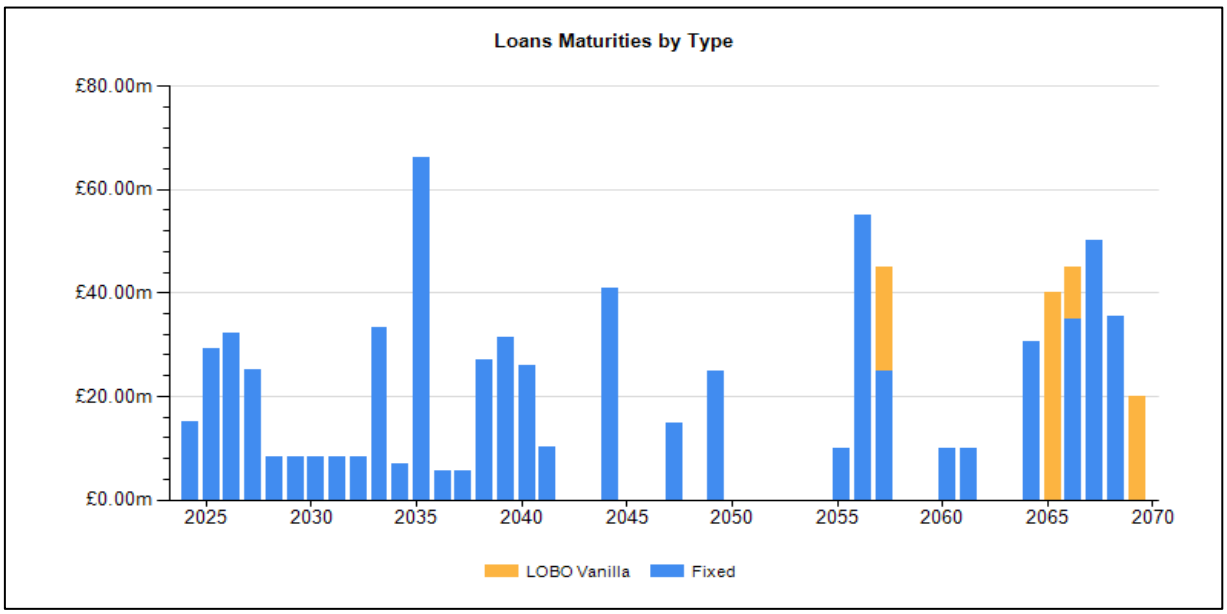
6.5 At 30 September 2023, the Council held £787.0m of loans as part of its strategy for funding the capital financing requirement. No new borrowing has been undertaken in the year to date and £15.4m of existing loans have been allowed to mature without replacement. This strategy enabled the Council to avoid locking in relatively high borrowing rates for the long term while rates remain elevated.

6.6 As shown in paragraph 5.1 above, the Council is expected to have external borrowing of £771.9m as at the 31 March 2024 (a slightly reduced balance from the position as at 30 September 2023 owing to maturities arising in the second half of the year) and expects to have utilised £278.6m of cash flow funds in lieu of borrowing. The interest rate applicable to the Council's external borrowing is fixed for the life of

the loans (with the exception of the LOBO loan portfolio, discussed below). Having most of the borrowing requirement met by fixed rate loans is a prudent and cost-effective approach as it helps to provide cost certainty. It has also been beneficial in the current economic climate where the cost of the Council's external debt has remained relatively static in contrast to general market interest rates, which have risen. The balance between fixed rate and variable rate borrowing (or internal borrowing) will require ongoing monitoring to ensure it continues to remain suitable.

6.7 The Council continues to hold LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. Rising interest rates increases the likelihood of a lender exercising their option. The Council's LOBO loans are classed as "vanilla", which means they are standard LOBO instruments (as opposed to "exotic" loans with highly complex characteristics).

6.8 The maturity profile of the Council's outstanding debt on 30 September was as follows:



6.9 The following table shows the maturity profile of the debt portfolio in 5-year tranches. The debt portfolio is balanced with maturities spread out over the next 50 years which helps the Council to manage refinancing risk (i.e. reducing the risk of needing to replace a large amount of maturing debt in a period when interest rates are high) . Debt maturities remain within tolerance of the Council's defined limits, as set out in paragraph 11.5.

Loan Principal Maturity Period	Total Loan Principal Maturing	Balance of Loan Principal Outstanding
	£m	£m
Balance 30/09/2023		**787.0**

Maturity 0 - 5 years	73.1	713.9
Maturity 5 - 10 years	25.0	688.9
Maturity 10 - 15 years	181.8	507.1
Maturity 15 - 20 years	75.2	431.9
Maturity 20 - 25 years	55.8	376.1
Maturity 25 - 30 years	25.0	351.1
Maturity 30 - 35 years	110.0	241.1
Maturity 35 - 40 years	20.0	221.1
Maturity 40 - 45 years	201.1	20.0
Maturity 45 - 50 years	20.0	0.0
Total	**787.0**	

7. Treasury investment activity

7.1 The Council holds significant invested funds representing income received in advance of expenditure plus balances and reserves held. During the period, the Council's investment balance ranged between £470.8m and £641.4m due to timing differences between income and expenditure.

7.2 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

7.3 The Council continues to hold significant cash balances in money market funds (£132.0m as at 30 September), where funds are diversified across a wide range of high credit quality counterparties, as well as in overnight deposits with the Debt Management Office, an agency of HM Treasury (£93.7m). These highly liquid investments help the Council to manage both credit and liquidity risks.

7.4 Investments in covered bonds amounted to £97.3m as at 30 September. Most of this allocation is held in floating (variable) rate bonds (£86.5m).[1] These instruments have been valuable in the current rising rate environment: as the interest rate on these investments is variable (it is linked to the SONIA rate), returns have increased in line with money market rates.

7.5 The allocation to treasury bills (issued by the UK Government) has increased over the first half of the year to £37.2m. These investments are relatively short term in nature (with terms of up to six months). They allow the authority to benefit from the high credit quality of the UK government and relatively high short term interest rates.

[1] Covered bonds are instruments issued by banks which are backed by a pool of assets such as mortgages (in contrast to unsecured bonds). The cash flows from the underlying pool of assets are used to make interest and principal repayments to investors. The types of covered bonds that KCC holds have a very strong credit standing (the bonds that KCC holds are all AAA-equivalent rated).

7.6 During the 6 months the Council loaned £4.8m to the no use empty loans programme. On 30 September, the Council had outstanding loans totalling £15.3m in the programme achieving a return of 4.0% which is available to fund general services. £19.5m of covered bonds matured in the 6 months bringing the total bond portfolio up to £97.3m. These instruments are negotiable, have the benefit of collateral cover and pay an about base rate return.

7.7 The Council's investments during the 6 months to the end of September are summarised in the table below and a detailed schedule of investments as at 30 September is in Appendix 1.

	31-Mar-23	2023-24	30-Sep-23	30-Sep-23	30-Sep-23
	Balance	Movement	Balance	Rate of Return	Average Credit Rating
	£m	£m	£m	%	
Call Deposits (Banks)	1.3	-0.3	1.0	1.92	A+
Money Market Funds	134.7	-2.7	132.0	5.30	AAA
Covered Bonds	116.7	-19.5	97.3	4.79	AAA
DMADF Deposits (DMO)	34.6	59.1	93.7	5.18	AA-
Treasury Bills (UK Government)	9.8	27.4	37.2	5.26	AA-
No Use Empty Loans	22.0	-6.7	15.3	4.00	
Equity	1.3	0.0	1.3		
Internally Managed Cash	**320.4**	**57.3**	**377.7**	**5.12**	
Strategic Pooled Funds	**172.0**	**-2.5**	**169.4**	**4.78**	
Total	**492.4**	**54.7**	**547.1**	**5.01**	

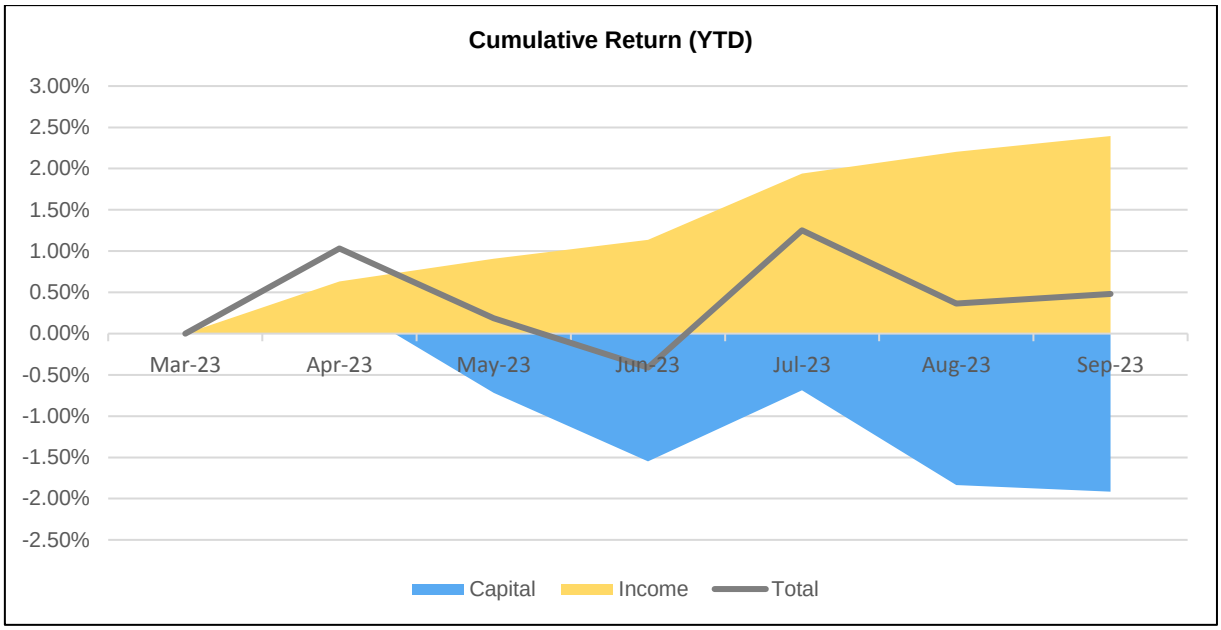
8. Externally managed investments

8.1 The Council is invested in equity, multi-asset and property funds. Because the pooled funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives are regularly reviewed.

8.2 Although expected returns are higher over the long term than comparable short term cash instruments, returns on pooled fund investments can be volatile from one year to the next, and therefore the Council only holds long term (strategic) cash balances in the strategic pooled funds portfolio.

Performance YTD:

8.3 The value of our holdings decreased to £169.4m at the end of September 2023, equating to an unrealised loss of £2.5m (-1.92%) over the period since the end of March 2023. This was offset by income earned over the period (2.39%), and the total return (comprised of both income and capital returns) on the pooled fund investments over the 6 months since 31 March 2023 is 0.48%, as shown in the table below.



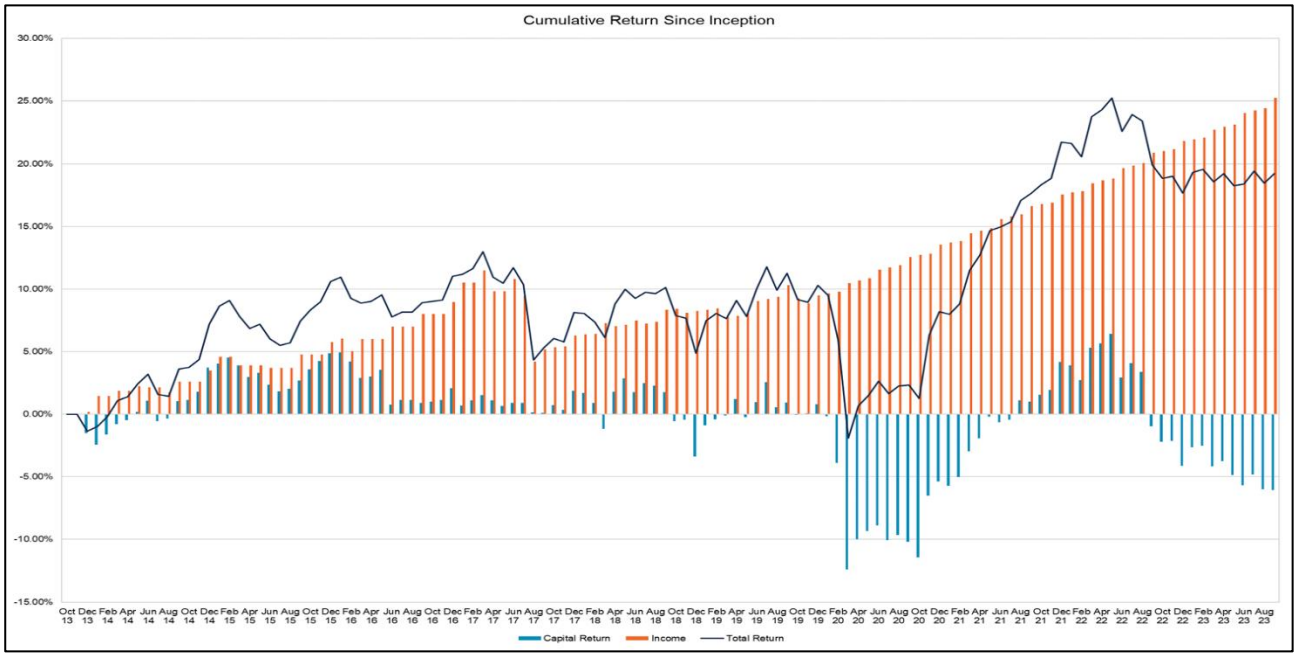
8.4 The market value of the pooled fund investments as at 30 September 2023 compared to the position as at 31 March 2023 is shown in the table below.

		31-Mar-23	2023-24	30-Sep-23	30-Sep-23	
Investment Fund	**Book cost**	**Market Value**	**Movement**	**Market Value**	**6 months return**	
					Income	**Total**
	£m	**£m**	**£m**	**£m**	**%**	**%**
Aegon (Kames) Diversified Monthly Income Fund	20.0	17.7	-0.2	17.5	3.38%	1.94%
CCLA - Diversified Income Fund	5.0	4.7	-0.1	4.6	1.65%	0.20%
CCLA – LAMIT Property Fund	60.0	56.4	-0.7	55.7	2.13%	0.90%
Fidelity Global Multi Asset Income Fund	25.0	22.7	-0.4	22.3	2.35%	-0.69%
M&G Global Dividend Fund	10.0	13.8	-0.2	13.6	2.76%	-2.49%
Ninety-One (Investec) Diversified Income Fund	10.0	9.1	-0.2	8.9	2.01%	-0.73%
Pyrford Global Total Return Sterling Fund	5.0	5.1	0.1	5.2	0.95%	-0.13%
Schroder Income Maximiser Fund	25.0	20.4	-0.5	19.8	3.19%	1.07%
Threadneedle Global Equity Income Fund	10.0	11.8	-0.3	11.5	1.89%	-0.80%
Threadneedle UK Equity Income Fund	10.0	10.3	0.1	10.4	1.71%	2.33%
Total Externally Managed Investments	**180.0**	**172.0**	**-2.5**	**169.4**	**2.39%**	**0.48%**

Performance since inception:

8.5 KCC initially invested in pooled funds in 2013. By the end of September 2023 they had achieved a total income return of £45.6m, 25.31%, with a fall in the capital value of the portfolio of £10.6m, -5.90%. Total returns since inception have been far in

excess of the returns available from cash and these instruments are an effective way of managing the Council's longer term cash balances. The following chart tracks the returns earned on the pooled funds over the period from inception.



9. Actual and forecast outturn

9.1 Forecast net debt costs are £6.5m lower than budget as yields from short-term and variable long-term cash investments have increased. Indications are that this position may improve further.

10. Compliance

10.1 The Corporate Director Finance reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

11. Treasury Management Indicators

11.1 The Council measures and manages its exposures to treasury management risks using the following indicators:

11.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Actual 30/09/2023	Target

Portfolio average credit rating	AA	AA

11.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	**Actual 30/09/2023**	**Minimum**
Total cash available within 3 months	£254.1m	£100m

11.4 **Interest rate exposures**: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	**Actual 30/09/2023**	**Upper Limit**
One-year revenue impact of a 1% rise in interest rates	£1.3m	£10m
One-year revenue impact of a 1% fall in interest rates	-£1.3m	-£10m

11.5 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

	Actual 30/09/2023	**Upper limit**	**Lower limit**
Under 12 months	1.27%	100%	0%
12 months and within 5 years	8.02%	50%	0%
5 years and within 10 years	3.18%	50%	0%
10 years and within 20 years	32.65%	50%	0%
20 years and within 40 years	26.78%	50%	0%
40 years and longer	28.09%	50%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

11.6 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2023/24	2024/25	2025/26	No Fixed Date
Limit on principal invested beyond year end	£150m	£100m	£50m	£250m
Actual as at 30 September 2023	£88.8m	£53.1m	£32.1m	£184.7m

12. Recommendation

County Council is asked to endorse this report.

Appendices

Appendix 1 – Investments as at 30 September 2023
Appendix 2 – Glossary of Terms

James Graham – Pension Fund and Treasury Investments Manager

T: 03000 416290

E: James.Graham@kent.gov.uk

14 March 2024

This page is intentionally left blank

Investments as at 30 September 2023

1. Internally Managed Investments

1.1 Term deposits, Call accounts and Money Market Funds

Instrument Type	Counterparty	Principal Amount £	Interest Rate	End Date
Treasury Bills	DMO	4,934,307	5.3400%	09/10/23
Treasury Bills	DMO	4,886,475	4.6850%	30/10/23
Treasury Bills	DMO	2,955,155	4.7400%	13/11/23
Treasury Bills	DMO	4,877,611	5.0600%	27/11/23
Treasury Bills	DMO	4,873,633	5.2000%	18/12/23
Treasury Bills	DMO	4,932,244	5.5100%	18/12/23
Treasury Bills	DMO	4,860,404	5.7600%	08/01/24
Treasury Bills	DMO	4,865,120	5.5600%	18/03/24
Total Treasury Bills		**37,184,949**		
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	9,100,000	5.1700%	02/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	13,860,000	5.2500%	03/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	8,300,000	5.1700%	04/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	920,000	5.1700%	06/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	8,300,000	5.1700%	09/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	13,240,000	5.1700%	10/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	1,520,000	5.1700%	10/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	8,300,000	5.1700%	11/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	6,225,000	5.1700%	12/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	16,100,000	5.1700%	13/10/23
Fixed Deposits	DMADF (Debt Management Account Deposit Facility)	7,785,000	5.1700%	17/10/23
Total DMADF		**93,650,000**		
Call Account	National Westminster Bank plc	1,000,000	1.92%	
Total Bank Call Accounts		**1,000,000**		
No Use Empty Loans		**15,300,154**	4.00%	
Registered Provider	**£10m loan facility – non utilisation fee**		0.40%	31/03/24
Registered Provider	**£5m loan facility – non utilisation fee**		0.40%	16/06/24
Money Market Funds	LGIM GBP Liquidity Class 4	19,989,190	5.3454%	
Money Market Funds	Aviva Investors GBP Liquidity Class 3	19,990,619	5.3171%	
Money Market Funds	Aberdeen GBP Liquidity Class L3	19,988,892	5.2916%	
Money Market Funds	Federated Hermes Short-Term Prime Class 3	14,989,184	5.3510%	
Money Market Funds	HSBC GBP Liquidity Class F	19,990,518	5.2403%	
Money Market Funds	Northern Trust GBP Cash Class F	19,990,420	5.3112%	
Money Market Funds	Deutsche Managed GBP LVNAV Platinum	17,043,858	5.2250%	
Total Money Market Funds		**131,982,681**		

Equity	Kent PFI (Holdings) Ltd	**1,298,620**		n/a

Bond Portfolio

Bond Type	Issuer	Adjusted Principal £	Coupon Rate	Maturity Date
Fixed Rate Covered Bond	Bank of Scotland - Bonds	4,246,471	1.7146%	20/12/24
Fixed Rate Covered Bond	Bank of Scotland - Bonds	6,530,502	0.4259%	20/12/24
Floating Rate Covered Bond	Nationwide Building Society - Bonds	4,000,777	5.8505%	10/01/24
Floating Rate Covered Bond	Santander UK - Bonds	2,000,336	5.9710%	12/02/24
Floating Rate Covered Bond	TSB Bank - Bonds	2,500,423	6.1143%	15/02/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	8,981,541	5.2584%	03/10/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	1,793,802	5.4971%	03/10/24
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	5,021,953	4.8775%	30/01/25
Floating Rate Covered Bond	Bank Of Nova Scotia Bonds	5,059,905	5.0319%	14/03/25
Floating Rate Covered Bond	Bank Of Nova Scotia Bonds	4,029,693	5.3158%	14/03/25
Floating Rate Covered Bond	Canadian Imperial Bank of Commerce - Bonds	5,087,018	5.0446%	15/12/25
Floating Rate Covered Bond	National Australia Bank - Bonds	5,087,951	5.0356%	15/12/25
Floating Rate Covered Bond	National Australia Bank - Bonds	10,126,894	4.7252%	15/12/25
Floating Rate Covered Bond	Bank Of Nova Scotia Bonds	713,114	5.3566%	26/01/26
Floating Rate Covered Bond	Nationwide Building Society - Bonds	501,193	5.6803%	20/04/26
Floating Rate Covered Bond	Nationwide Building Society - Bonds	5,405,746	5.7358%	20/04/26
Floating Rate Covered Bond	Bank Of Nova Scotia Bonds	10,121,119	5.4587%	22/06/26
Floating Rate Covered Bond	Royal Bank of Canada - Bonds	4,053,246	5.1851%	13/07/26
Floating Rate Covered Bond	Yorkshire Building Society - Bonds	3,006,058	5.3741%	18/01/27
Floating Rate Covered Bond	Yorkshire Building Society - Bonds	2,002,773	5.3955%	18/01/27
Floating Rate Covered Bond	Leeds Building Society Bonds	3,998,473	5.7561%	15/05/27
Floating Rate Covered Bond	Leeds Building Society Bonds	3,003,808	5.6913%	15/05/27
Total Bonds		**97,272,795**		

Total Internally managed investments	**377,689,199**

2. Externally Managed Investments

Investment Fund	Book Cost £	Market Value at 30-September-23 £	6 months return to 30-September-23 Income	Total
Aegon (Kames) Diversified Monthly Income Fund	20,000,000	17,455,253	3.38%	1.94%
CCLA - Diversified Income Fund	5,000,000	4,649,988	1.65%	0.20%
CCLA - LAMIT Property Fund	60,000,000	55,681,587	2.13%	0.90%

Fidelity Global Multi Asset Income Fund	25,038,637	22,338,381	2.35%	-0.69%
M&G Global Dividend Fund	10,000,000	13,563,722	2.76%	-2.49%
Ninety-One (Investec) Diversified Income Fund	10,000,000	8,869,492	2.01%	-0.73%
Pyrford Global Total Return Sterling Fund	5,000,000	5,156,569	0.95%	-0.13%
Schroder Income Maximiser Fund	25,000,000	19,836,974	3.19%	1.07%
Threadneedle Global Equity Income Fund	10,000,000	11,508,484	1.89%	-0.80%
Threadneedle UK Equity Income Fund	10,000,000	10,358,561	1.71%	2.33%
Total External Investments	**180,038,637**	**£169,419,011**	**2.39%**	**0.48%**

3. Total Investments

Total Investments	**£547,108,210**

This page is intentionally left blank

GLOSSARY

Local Authority Treasury Management Terms

Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owed and bonds issued.
CFR	Capital Financing Requirement. A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds. Covered bonds are exempt from bail-in.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
Equity	An investment which usually confers ownership and voting rights
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
Gilt	Bond issued by the UK Government, taking its name from the gilt-edged paper they were

	originally printed on.
Income return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds
Monetary Policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
MPC	Monetary Policy Committee. Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
MRP	Minimum Revenue Provision – an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland, but see Loans Fund
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code. The Code was update din December 2021
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Short-term	Usually means less than one year
SONIA	Based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.
Weighted	The weighted average time for principal repayment, that is, the average time it takes for every

average life (WAL)	dollar of principal to be repaid. The time weights are based on the principal payments,

This page is intentionally left blank

By:	Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services – Peter Oakford Acting Corporate Director Finance – John Betts
To:	County Council – 28 March 2024
Subject:	Updated Financial Regulations and Scheme of Delegation
Classification:	Unrestricted

Summary:	This report summarises the updated Scheme of Delegation and Financial Regulations, which the Governance and Audit Committee recommend for adoption.
Recommendation	County Council is asked to adopt the revised Financial Regulations (attached as Annex A) and Scheme of Delegation (attached as Annex B).

---

1. Introduction

1.1. A Governance & Audit Subgroup, comprising Members and Officers, has reviewed and updated the Financial Regulations, with the intention of creating a more concise, easy to follow document whilst retaining the required content.

1.2. The output of that work was considered at Governance and Audit Committee on 1 February 2024, with a recommendation that County Council approved the new Financial Regulations. The updated Scheme of Delegation was also reviewed and is recommended for adoption.

2. Main Amendments to the Financial Regulations

2.1 The Council has a responsibility to ensure it establishes strong internal control procedures so that activities are conducted in an efficient, effective and well-ordered manner. Part of this includes devising and maintaining Financial Regulations, which are designed to detail the responsibilities, procedures and working practices adopted by the Council and provide essential instruction, guidance and advice in relation to day-to-day financial administration.

2.2 In KCC, the Financial Regulations have been updated annually for things like changes in legislation and structural and HR changes and have served their purpose well. However, eventually the document becomes unwieldy and more difficult to understand. So, given the financial challenges facing the Council, it was an opportune time to strengthen and clarify financial accountabilities within the Regulations.

2.3 The proposed new Financial Regulations can be seen in full in Annex A. The current version of the Financial Regulations is on KNet here.

2.4 The proposed new document is much shorter compared to the previous version (24 pages compared to 38), increasing usability whilst retaining the required content. This should begin to address the issue of staff understanding and will be reinforced by a communication strategy and a training offer, alongside comprehensive guidance documentation on Knet.

2.5 The overall approach has been only to detail what must be done (rather than list general accountabilities or what is expected). The structure has also been amended to reflect the normal annual financial cycle (budget setting, monitoring and decision making, final accounts). But it was acknowledged that the Regulations also need sections on financial administration, systems and processes and external arrangements.

2.6 There is also a new section on the key accountabilities of major posts and Member bodies right at the start (section 2), including a new section on the responsibilities of Directors. There is also a new matrix style page summarising 'who does what' that allows user to quickly navigate to their relevant sections, depending on their role in the Council.

2.7 Maintained schools are also subject to these Financial Regulations, insofar as they are consistent with the provisions of the Scheme for the Financing of Schools, under Section 48 of the School Standards and Framework Act 1998. Once approved, a version of the Regulations that reflects roles in schools will be published.

2.8 It is proposed that the Corporate Director – Finance reviews the Financial Regulations in two years time and reports to Governance & Audit on any proposed amendments at that time.

3. Main Amendments to the Scheme of Delegation

3.1 The main areas of change to the scheme of delegation reflect new structures and procurement processes and are as follows:

- the name of the former 'Strategic Commissioning Service' has been changed to 'Commercial and Procurement Division',
- the new role of 'Commercial & Procurement Officer/Senior Buyer' within the revised Commercial and Procurement Division structure has been added,
- the section title 'Procurement & Invoice Approval Process' has been changed to 'Procurement & Payment Approval Process' to include the use of purchase cards for making some payments when invoicing is not an option.
- 'Purchase Card Payment' and the associated note 19 have been added, as the use of purchase cards when appropriate is established practice.
- note 20 has been added to reflect the accepted practice of Responsible Managers formally delegating authority to Nominated Managers and Additional Approvers to authorise expenditure.

- Titles have been updated in the notes section to reflect the current roles and service structures.
- Clarification on CMT requisition or budget expenditure approval levels

Background Documents
Annex A - Proposed new Financial Regulations
Annex B - Proposed new Scheme of Delegation

John Betts
Acting Corporate Director Finance

This page is intentionally left blank

Annex A

KENT COUNTY COUNCIL

FINANCIAL REGULATIONS

January 2024

Contents

1. INTRODUCTION

What are Financial Regulations?

1.1 The County Council is responsible for providing a wide range of services for residents, businesses and visitors, which involves receiving and spending large sums of money each year. Financial Regulations aim to ensure that the County Council protects and makes the best use of the money it receives and spends.

1.2 Financial Regulations are the regulatory framework within which the financial affairs of the County Council operate. They clarify responsibilities and provide a framework for decision making. They reflect how statutory powers and duties are discharged, as well as setting best professional practice.

Who do Financial Regulations apply to?

1.3 All Members and all Officers of the County Council must abide by the Financial Regulations and any breach may be considered a disciplinary offence and could lead to dismissal. Kent Scheme Terms and Conditions.

1.4 All officers with financial responsibilities must read, understand and comply with these regulations. The Financial Regulations also set out the financial responsibilities of Members and Senior Officers (particularly the Chief Executive, Corporate Directors, Directors, the Chief Finance Officer (also known as the Section 151 Officer) and the Monitoring Officer (General Counsel).

1.5 In these regulations, references to responsibilities are assigned as follows, irrespective of any changes there may be to job titles:

"Section 151 Officer" refers to the post responsible for making arrangements for the proper administration of the financial affairs of the Council, under Section 151 of the Local Government Act 1972.

"Monitoring Officer" refers to the post responsible reporting on matters they believe to be illegal or amount to maladministration, matters relating to the conduct of councillors and the operation of the council's constitution, under Section 5 of the Local Government and Housing Act 1989 as amended by paragraph 24 of Schedule 5 Local Government Act 2000.

"Chief Executive" refers to the post responsible for ensuring that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management (also known as the Head of Paid Service).

Maintenance of Financial Regulations & Financial Rules

1.6 The Section 151 Officer is responsible for reviewing these regulations.

1.7 Supporting the Financial Regulations are a detailed set of Finance Rules, which prescribe the procedures to be followed in the day-to-day work of the County Council. These rules have the same status as if they were included in the body of these regulations. Financial rules are found at Financial Procedures

KCC Finances: Summary of Who Does What

The general advice for ALL staff is at 2.2 and the summary for Directors at 2.14

	Members	Leader	S151 Officer	Chief Executive	Corporate Directors	Monitoring Officer
General	2.2 2.3, 2.5, 2.6 & 2.7	2.4	2.11	2.9	2.13	2.10
Revenue Budget Setting			3.7	3.4	3.8	
Capital Programme Setting		3.10	3.11	3.9	3.12	
Reserves and Provisions			3.13 – 3.15			
Key Decisions & Financial Implications	4.1		4.3		4.4, 4.5	
Kent Pension Fund			4.6			
Financial Control Framework			5.9			
Revenue Budget Monitoring and Control					5.1	
Virements		5.4	5.4	5.4		
Capital Budget Monitoring		5.8		5.8	5.7, 5.8	
Accounting Policies, Records & Returns	6.3		6.1		6.2	
Annual Statement of Accounts			6.4		6.5	
Audit Requirements			6.6		6.7	
Risk Management and Insurance			7.3		7.4	
Internal Control & Preventing Fraud			7.5, 7.7		7.8	
Assets & Stocks			7.10		7.9	
Treasury Management & Banking	7.13		7.14, 7.17			
Cash & Procurement Cards			7.21		7.22	
Staffing Costs			7.25		7.26	
Systems			8.2		8.3	
Income & Write Offs	8.4		8.5, 8.6		8.7	
Ordering and Paying			8.9		8.10	
Taxation			8.12		8.13	
Trading Accounts					8.15	
Overheads and Internal Recharges			8.16			
Partnerships			9.2		9.1	
External Funding			9.5		9.3, 9.4	
Work for Third Parties		9.8	9.6		9.7	
Companies			9.9		9.11	9.10

2. OVERALL FINANCIAL RESPONSIBILITIES

Introduction

2.1 This section sets out the roles of Members and Officers in the management of the County Council's finances. Financial management covers all financial accountabilities relating to the running of the Council, including the policy framework and budget. The County Council is a single entity with devolved accountabilities but the overall responsibility for financial administration of the Council remains with the Section 151 Officer.

Personal Responsibilities

2.2 Any person concerned with the use or care of the County Council's resources or assets MUST ensure they are fully conversant with the requirements of these Financial Regulations. All staff should notify their line manager immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the authority's property or resources. Concerns may also be raised via the Whistle Blowing Procedure.

Member Responsibilities

2.3 County Council MUST approve:

i. the Budget and Policy Framework, monitor compliance and respond to Scrutiny referrals on matters of non-compliance;
ii. the annual budget and the County Council share of Council Tax and Council Tax precept;
iii. the capital strategy, including prudential indicators for capital finance and borrowing; and the policy on Minimum Revenue Provision (MRP)
iv. the annual treasury management strategy and reserves policy;
v. the limits for virement or other budget changes and decision making procedure rules, including limits for key financial decisions;
vi. any expenditure proposed by the Leader or the Cabinet that is outside the limits referred to in above;
vii. Contracts Standing Orders.

2.4 The Leader MUST propose the Medium-Term Financial Plan, Budget, budget strategies, Council Tax and prudential indicators to the Council.

2.5 Within their allocated responsibility area and approved budget, Individual Cabinet Members MUST take account of legal, financial liabilities and risk management issues when taking decisions, including due consultation with and the taking of advice from officers.

2.6 The Scrutiny Committee (and any groups reporting into it) is responsible for reviewing or scrutinising decisions made, or other action taken, in connection with the discharge of any executive or non-executive functions as defined in the Constitution. The Scrutiny Committee is responsible for considering Executive decisions that are 'called in' after being taken but prior to implementation.

2.7 The purpose and responsibilities of the Governance & Audit committee are summarised in **the Constitution.** In addition, the Governance and Audit Committee MUST also ensure that the Council's Counter Fraud Team is effective, has sufficient resource, experience and expertise to tackle fraud and corruption and that the Council has in place policies and procedures for the combating of fraud, bribery and corruption, and money laundering.

Officer Responsibilities

2.8 The full details of delegations to Chief Officers is set out in section 11 of the Constitution. The following sets out the key responsibilities of the Chief Executive, Monitoring Officer, Section 151 Officer, Corporate Directors and Directors, as they relate to financial issues, for ease of reference.

2.9 The Chief Executive MUST ensure:

i. the provision of professional advice to all parties in the decision making process, including financial information;
ii. that arrangements are in place for internal control and the inclusion of the Annual Governance Statement in the annual accounts;
iii. that, in consultation and with the agreement of both the Monitoring Officer and the Section 151 Officer, the reporting of any matter to County Council, where the proper functioning of the County Council is at risk.

2.10 The Monitoring Officer MUST advise whether decisions of the Executive are in accordance with the Budget and Policy Framework. Actions that may be 'contrary to the Budget' include:

- initiating a new policy for which no budget exists;
- committing expenditure in future years above the approved budgeted level;
- breaching virement limits;
- causing the total expenditure financed from council tax, grants and corporately held reserves to increase beyond that provided for in the approved budget.

2.11 The majority of the responsibilities of the Section 151 Officer are covered in the Constitution or elsewhere within these Regulations. In addition, the Section 151 Officer MUST:

i. maintain counter fraud systems, including and anti-corruption strategies and anti-corruption measures;
ii. provide financial information and professional financial advice to support the proper financial planning of the authority;
iii. advise the Council on its overall financial resilience;
iv. issue advice and guidance to underpin the Financial Regulations;
v. ensure that statutory and other accounts and associated claims and returns in respect of grants are prepared;
vi. ensure that the MRP calculation is prudent;
vii. take ownership of the Council's corporate financial system.

2.12 In accordance with Section 114 of the 1988 Act, the Section 151 Officer MUST nominate a staff member to deputise for them.

2.13 The Corporate Directors MUST:

i. operate financial processes that underpin operational controls, including a scheme of delegation;
ii. control expenditure and income, monitor performance and take action to remain within agreed capital and revenue budgets;
iii. consult with the Section 151 officer and seek approval regarding any matters outside of the budget and policy framework which may affect the County Council's finances materially, before any commitments are incurred;
iv. only sign contracts on behalf of the Council when the expenditure to be incurred is budgeted for;
v. promote the financial management standards set by the Section 151 Officer in their Directorates and monitor adherence to standards and practices;
vi. ensure that budget estimates that reflect agreed service plans are prepared, and that these are in line with issued guidance;
vii. ensure that a robust counter fraud and anti-bribery culture exists within their Directorates.

2.14 Directors and those reporting to them with budget responsibilities MUST:

i. Support their Corporate Director in fulfilling their financial responsibilities;
ii. Promote a culture of probity and sound financial control;
iii. Plan and deliver the major financial activities in their services;
iv. Promote financial accountability across the Directorate and act as escalation point where there are financial or budget issues;
v. In consultation with the finance service, ensure that a framework is maintained for support and advice to all staff involved in financial management and administration in their service;
vi. Ensure that every report to Cabinet, County Council or Scrutiny contains a financial implications section that sets out any financial impact or commitments arising from the proposals, and which has been approved by the Section 151 Officer in advance of publication;
vii. Ensure that claims for funds (including grants and 'match funding') are made in accordance with financial instructions issued by the Section 151 Officer;
viii. Ensure that budget planning information, service revenue and capital monitoring and service outturn reports are provided in accordance with corporate timetables.

3. FINANCIAL PLANNING

Introduction

3.1 Financial planning is the process of projecting income and expenditure with the corporate strategy of the County Council. The revenue budget is the expression in financial terms of the delivery of the corporate strategy of the Council over the subsequent year. The capital programme is the expression in financial terms of plans to purchase, construct or improve assets with a lasting value to deliver the corporate strategy over the medium to long term.

3.2 In terms of financial planning, the key elements are:

- the Corporate Strategy
- the Revenue Budget
- the Capital Programme

3.3 County Council MUST:

i. Approve the policy framework and budget. The policy framework comprises a number of statutory plans and strategies laid out in the Constitution;
ii. Approve procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework;
iii. Agree the level at which the Cabinet and executive members may reallocate budget funds from one service to another.

Revenue Budget

3.4 The Chief Executive and Section 151 Officer together MUST ensure that a revenue budget is prepared on an annual basis for consideration by the Leader and Cabinet before submission to the County Council

3.5 The Section 151 Officer MUST propose to the Leader the general format of the Budget.

3.6 The Leader MUST issue guidelines on budget preparation to Cabinet Members and Corporate Directors on budget preparation, on the recommendation of the Section 151 Officer.

3.7 The Section 151 Officer MUST:

i. report to the County Council, when the Budget and Council Tax is considered, on the robustness of the estimates and the adequacy of reserves provided for;

ii. make any technical changes to the version of the budget approved by County Council and notify all Members of any such change included in the final published budget book.

3.8 The Corporate Directors MUST ensure that budget estimates reflect agreed service plans, are realistic and prepared in line with guidance issued by the Section 151 Officer.

Capital Programme

3.9 The Chief Executive and Section 151 Officer MUST ensure that a medium-term capital programme and financing plan is prepared on an annual basis for consideration by the Leader before submission to the County Council.

3.10 The Leader MUST develop and propose the capital programme to the County Council in consultation with the Section 151 Officer.

3.11 The Section 151 Officer MUST:

i. advise on the setting of any prudential indicators;
ii. establish procedures to evaluate and appraise capital expenditure proposals;
iii. build in the revenue implications of debt costs from additional borrowing;
iv. ensure surety is in place where external funding is contributing to the delivery of any capital project proposed for the capital programme (e.g. bonds, parent company guarantees or letters of intent).

3.12 The Corporate Directors MUST:

i. ensure that capital proposals reflect agreed service plans and are prepared in line with guidance issued.
ii. consult with the Section 151 Officer, the relevant Cabinet Member and the Cabinet Member for Finance where it is proposed to bid for funding from external sources to support capital expenditure;
iii. ensure that appropriate approval for any capital project proposed has been sought.
iv. ensure that VAT implications of capital projects have been considered.

Reserves, Provisions and Contingent Liabilities

3.13 The Section 151 Officer MUST:

i. propose and ensure compliance with the Council's Reserves Policy;
ii. ensure that reserves are not only adequate but also necessary;
iii. ensure that no money is transferred into reserves each financial year without prior agreement with him/herself.

3.14 The Section 151 Officer MUST ensure that provisions are set up for any liabilities of uncertain timing or amount that have been incurred.

3.15 The Section 151 Officer MUST ensure that contingent liabilities are noted in budget considerations, where a reliable estimate cannot be made.

4. FINANCIAL DECISION MAKING

Key Decisions – Cabinet Members

4.1 Cabinet Members are responsible, within their allocated responsibility area and approved budget, for taking decisions as agreed by the Leader of the County Council.

4.2 All decisions must be processed in accordance with the decision making and reporting framework set out in the Constitution and in taking decisions Cabinet Members must comply with the County Council's Financial Regulations.

Financial Implications of Reports

4.3 The Section 151 Officer MUST:

i. monitor the quality of the financial implications information included in reports, to ensure Members have access to all relevant financial information when making decisions;
ii. provide financial implications where there are corporate implications and especially when corporate resources (revenue or capital) are required.

4.4 The Corporate Directors MUST ensure:

i. that reports include all financial impacts or implications - including current and future years, capital and revenue, on all affected Directorates, including the impact on corporate resources and that a copy of the report is submitted to the Section 151 Officer or nominated representative for clearance;
ii. reports are compiled in accordance with best professional practice by suitable staff; and provides a sound basis for financial decision-making;
iii. in all relevant circumstances, that financial implications referred to in reports are reflected in current budgetary provisions or the Medium Term Financial Plan.

4.5 Corporate Directors are reminded that these requirements extend to the legal reasonableness and financial prudence of all decisions taken by either Members or Officers.

The Kent Pension Fund

4.6 The Section 151 Officer MUST, in accordance with the Local Government Pension Scheme regulations:

i. ensure the proper administration of the financial affairs of the Fund.
ii. having taken appropriate professional advice, prepare and submit to the Pension Fund Committee: regular reviews of investment strategy, monitoring of investment managers, arrangements for admitted employers and reporting on the pensions administration service.
iii. prepare and publish the Pension Fund's annual report and accounts.

5. FINANCIAL CONTROL

Revenue Budget Monitoring and Control

5.1 Corporate Directors MUST:

i. have a robust system in place for monitoring activity levels which drive major budget headings;
ii. report to the Section 151 Officer and to the relevant Cabinet Member on variances within their own areas;
iii. ensure spend remains within the service's overall cash limit, by taking appropriate corrective action, alerting the Section 151 Officer and Cabinet Member to any problems;
iv. ensure that a budget manager is identified for each item of income and expenditure under their control;
v. ensure prior approval by the Leader and the relevant Cabinet Member of new proposals, which fulfil one or more of the following criteria:
    a. create financial commitments in future years in excess of existing budgets
    b. change existing policies, initiate new policies or cease existing policies
    c. materially extend or reduce the Council's services
    d. exceed the limit defined by the Council as a key financial decision
    e. exceed any limit set by the Leader as requiring reference to them or a Cabinet Member
vi. where approval has been granted under iv above, ensure it is set out in any reports to Committee or County Council;
vii. ensure compliance with the scheme of virement;
viii. ensure robust measures are in place to combat fraud and corruption;
ix. ensure Resource Accountability Statements (RAS) are completed and complied with by budget managers.

Virements

5.2 Virements are the authorised transfer of a budget from one expenditure head to another. If such transfers do not:

- change the purpose for which the funding was approved
- involve new policy or policy change
- involve an increasing commitment in future years that cannot be contained within existing approved budget allocations

then they will be considered technical adjustments and Corporate Directors may make such changes, providing they notify the Section 151 Officer in advance. Examples include additional grant or other external income receivable during a financial year, changes to grant rules or realignment of resources to approved business plans.

5.3 Also, if such transfers relate to an approved budget or a contingency intended for allocation during the year, its allocation will not be treated as virement, provided that the amount has been used in accordance with the purposes for which it was established and the Section 151 Officer has agreed the basis and the terms, including financial limits, on which it will be allocated.

5.4 If a change to the purpose of the funding is required, so that funding will be used for a purpose different to that for which it was approved, then a virement is required. This must not involve an increasing commitment in future years that cannot be contained within existing approved budgets. Virements MUST be approved as follows:

Less than £200,000	Chief Executive or relevant Corporate Director(s) in agreement with the appropriate Cabinet Member(s) and the Section 151 Officer
From £200,000 up to (but not including) £1m	the relevant Cabinet Member(s) in agreement with the Cabinet Member for Finance, relevant Corporate Director(s) and Section 151 Officer
£1m and above	The Leader or Cabinet

NB multiple virement requests to / from the same budget heads will be treated cumulatively.

5.5 Transfers involving a new policy or a change in an existing policy require prior approval by the Leader and Cabinet Member and Committee, with approval set out in any reports to formal Committees or County Council.

Treatment of year-end balances

5.6 Cabinet MUST agree the detail of any annual roll forward of under and overspending on budgets.

Capital Budget Monitoring

5.7 The Corporate Directors MUST:

i. prepare reports reviewing the capital programme provisions for their services, in line with the timetable set by the Section 151 Officer;
ii. prepare regular returns of estimated final costs of schemes in the approved capital programme for inclusion in the report to Cabinet on the overall Capital programme position;
iii. report promptly to the Section 151 Officer on any proposed variations to the Capital Programme during a financial year;
iv. report promptly to the Section 151 Officer circumstances where additional County Council capital resources will be required to implement an approved project, where additional resources cannot be identified from within the Portfolio programme concerned;
v. report to the Section 151 Officer on any proposed additions to the Capital Programme, resulting from the receipt of additional grant or other external funding.

5.8 Resources may be vired from one capital project or heading as follows provided that such transfers do not result in an overall increased commitment of capital resources and do not involve new policy or policy changes:

Less than £50,000	the Chief Executive or relevant Corporate Director(s)
From £50,000 up to (but not including) £200,000	the relevant Corporate Director(s) in agreement with the relevant Cabinet Member(s) and the Section 151 Officer
£200,000 up to (but not including) £1m	the relevant Cabinet Member(s) in agreement with the Cabinet Member for Finance, Corporate Director(s) and Corporate Director of Finance

£1m and above	the Leader or Cabinet

5.9 The Section 151 Officer MUST:

i. monitor income and expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis;
ii. administer the County Council's scheme of virement and monitor, record and report to the Cabinet on the impact on revenue budgets;
iii. prepare and submit, with Corporate Directors, joint reports to the Cabinet in respect of any revenue expenditure for which the Corporate Director concerned is unable to identify appropriate resourcing from within the existing budget;
iv. prepare and submit regular reports to the Cabinet on progress against the approved capital programme, highlighting any variances and detailing any requests for amendments to approved programmes.

6. FINANCIAL ACCOUNTING & AUDIT

Accounting Policies

6.1 The Section 151 Officer MUST ensure that the accounting policies, practices and procedures adopted by the County Council reflect professional standards and recommended good practice.

Accounting Records and Returns

6.2 The Corporate Directors MUST:

i. comply with the adopted accounting policies, practices and procedures;
ii. ensure the proper retention of accounting records in accordance with the requirements established by the Section 151 Officer (Retention Schedule);
iii. ensuring that all claims for funds including grants are made by the due date and in line with the (Corporate Grant Procedure);
iv. provide information required for, or to ensure completion of, all statutory and other financial returns by the due dates;
v. operate control accounts as agreed by the Section 151 Officer.

The Annual Statement of Accounts

6.3 The Governance and Audit Committee MUST approve the annual Statement of Accounts of the Authority and the Pension Fund on behalf of the Council.

6.4 The Section 151 Officer MUST:

i. ensure that the County Council's and Pension Fund annual Statement of Accounts are prepared by the required statutory date and in accordance with the current Code of Practice;
ii. liaise with external audit on the completion of the Statement of Accounts and the arrangements for the audit of these;
iii. ensure that adequate documentation is available to support the Statement of Accounts.

6.5 The Corporate Directors MUST supply the Section 151 Officer with information required to complete the Statement of Accounts, in accordance with the agreed annual timetable.

Audit Requirements

6.6 The Section 151 Officer MUST ensure:

i. that external auditors are given access at all premises, personnel, documents and assets necessary for the purposes of their work;
ii. that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided as soon as reasonably practicable.

6.7 Corporate Directors MUST:

i. notify the Head of Internal Audit & Counter Fraud immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the Council's property or resources;
ii. ensure than internal and external audit are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work;
iii. ensure that all records and systems are up to date and available for inspection;
iv. ensure that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided in a timely manner and not be unreasonably delayed.

7. FINANCIAL ADMINISTRATION

Introduction

7.1 Robust systems must be developed and maintained to identify and evaluate all significant strategic, operational and financial risks to the Authority, including the proactive participation of all those associated with planning and delivering services.

Risk Management and Insurance

7.2 The Governance and Audit Committee MUST approve the Council's Risk Management Strategy and Policy and review the effectiveness of risk management. The Director of Strategy, Policy, Relationships and Corporate Assurance (SPRCA) is responsible for the Authority's Risk Management Policy and Strategy.

7.3 The Section 151 Officer MUST, in consultation with the Cabinet Member for Finance, ensure that there are sufficient arrangements in place to protect the Council against insurable risks.

7.4 Corporate Directors MUST regularly review the effectiveness of risk management arrangements within their Directorates and ensure compliance the Council's overall insurance arrangements.

Internal Control

7.5 The Section 151 Officer MUST provide advice on effective systems of internal control that deliver the requirements of Financial Regulations.

7.6 Corporate Directors MUST establish sound arrangements for planning, appraising, authorising and controlling their operations, ensuring they and their teams fully comply with system of internal controls and act promptly to address any issues raised by Internal Audit, the external auditor or in the Annual Governance Statement.

Preventing Fraud and Corruption

7.7 The Section 151 Officer MUST develop, review and maintain an Anti-Fraud and Corruption Strategy, including ensuring there is an effective counter fraud function.

7.8 Corporate Directors MUST ensure compliance with the Anti-fraud and Corruption Strategy and with systems of internal control to prevent, detect and pursue fraud and corruption, including engaging with Counter Fraud Specialists when developing new policies, initiatives and strategies.

Assets & Stocks

7.9 Corporate Directors MUST:

i. ensure that records and assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place;

ii. maintain and review annually inventories of equipment, plant and machinery which has a value of over £200 or is portable or vulnerable to theft;
iii. Ensure compliance with issued procedures in respect of all asset disposals;
iv. write off the value of obsolete stock in their Directorates.

7.10 The Section 151 Officer, in conjunction with the Chief Executive, MUST issue guidelines for the disposal of equipment, plant and machinery.

Intellectual Property

7.11 The Chief Executive, in conjunction with the Monitoring Officer, MUST develop and disseminate best practice guidance regarding the treatment of intellectual property.

7.12 Corporate Directors MUST ensure ensure compliance with the guidance and ensure staff are aware that anything they create during the course of their employment, whether written or otherwise, belongs to the Council;

Treasury Management

7.13 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer. The Council also nominates the Treasury Management Group and Governance & Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

7.14 The Section 151 Officer MUST

i. report to the Cabinet Member for Finance on:
    a. a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
    b. suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
ii. report to the Council on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs;
iii. establish procedures to monitor and report on performance in relation to Prudential Indicators set by the Council;
iv. ensure all borrowing and all investments of money are made in the name of the Council or in the name of an approved nominee.

Loans to third parties and acquisition of third-party interests

7.15 The Section 151 Officer MUST ensure, jointly with the Corporate Directors, that loans are only made to third parties with the approval of the County Council, the Leader, Cabinet or the Cabinet Member for Finance

Trust Funds and funds held for third parties

7.16 Corporate Directors MUST arrange for all Trust Funds to be held, wherever possible, in the name of the Council and ensure that Trust Funds are operated within any relevant legislation and the specific requirements for each Trust.

Banking

7.17 All arrangements with bankers must be made only by the Section 151 Officer, who is authorised to operate any bank accounts considered necessary for the efficient operation of the Council's activities. The Section 151 Officer MUST issue guidance on the use of bank accounts.

7.18 Once approved, Corporate Directors MUST operate bank accounts within issued guidelines. Cash Handling and Banking

Imprest Accounts and Cash

7.19 The Section 151 Officer MUST issue guidance on the arrangements for the monitoring and review of imprest accounts and cash withdrawn via purchase card cash systems

7.20 Corporate Directors MUST ensure the operation of approved cash and bank imprest accounts are in accordance with procedures issued by the Section 151 Officer

Credit Cards and Purchase Cards

7.21 The Section 151 Officer MUST prescribe the procedures for the use of credit cards and purchase cards.

7.22 Corporate Directors MUST ensure the use of credit cards and purchase cards is in accordance with the procedures issued (Purchase Card)

Receiving & Making Card Payment

7.23 The Section 151 Officer MUST ensure that card payment arrangements including chip and pin terminals and web-based systems, set up for agreed purposes and assigned to nominated staff, are compliant with Payment Card Industry Data Security Standards (PCI DSS).

7.24 Corporate Directors MUST maintain secure card payment arrangements in accordance with the procedures issued.

Staffing Costs

7.25 The Section 151 Officer MUST ensure there are arrangements in place for the accurate and timely payment of staff and associated payroll deductions and returns to Government departments.

7.26 Corporate Directors MUST advise the Executive Members on the budget necessary in any given year to cover estimated staffing levels and adjust staffing numbers to meet changing operational needs within the approved budget provision.

7.27 An ex-gratia payment is a payment made as compensation or settlement to employees in respect of loss or damage which occurred during the performance of their duties. It does not reflect payments made when someone leaves the organisation (as that is dealt with via settlement agreements). Services much ensure that HR review all such agreements. Corporate Directors are responsible for approving reasonable ex gratia payments of £6,000 or less and for ensuring that a record of such payments is maintained. For ex gratia payments in excess of £6,000, Corporate Directors MUST obtain the approval of the relevant Cabinet Member, the Cabinet Member for Finance and the Section 151 Officer.

8. FINANCIAL SYSTEMS AND PROCEDURES

Introduction

8.1 Sound systems and procedures are essential to an effective framework of accountability and control.

Systems

8.2 The Section 151 Officer MUST ensure the County Council has appropriate IT systems for financial purposes. This includes a Business Continuity Plan, in the event of any incident affecting systems used to deliver services for financial purposes.

8.3 Corporate Directors MUST:

i. Obtain the approval of the Section 151 Officer for any changes to the existing financial systems or the establishment of new systems that contain (or underpin) financial information;
ii. Ensure the proper operation of financial processes in their own Directorates, with any changes to agreed processes that impact on financial information agreed with the section 151 Officer;
iii. Ensure staff receives relevant financial training, which has been approved by the Section 151 officer.

Income & Write Offs

8.4 The Governance and Audit Committee MUST approve the policy for writing off debts, as part of the overall framework of accountability and control.

8.5 The Section 151 Officer MUST specify the procedures to be followed in collecting income and writing off debts. This includes ensuring, in consultation with the Corporate Directors, that adequate provision is made for potential bad debts arising from uncollected income.

8.6 The Section 151 Officer is authorised to write-off the following types of debt where:

i. the debtor has entered into liquidation, bankruptcy, debt relief order or is deceased and there are no funds nor estate on which to claim for recovery of the debt;
ii. The Monitoring Officer has reviewed the case and recommends write-off;
iii. the debtor cannot be located, and all tracing efforts are exhausted;
iv. collection efforts have been exhausted, uneconomical to pursue further;
v. the debt is statute barred under the Limitations Act 1980 and the Care Act 2014.

8.7 The Corporate Directors MUST:

i. comply with the agreed Debt Management Policy and Debt Policy of the Council;
ii. write-off of irrecoverable debts in their Directorates of up to £10,000 in consultation with the Section 151 Officer;
iii. ensure there is an annual review of fees and charges, and that proposals are approved by the Leader or relevant Cabinet Members;

iv. ensure official receipts are issued and any other documentation for income collection purposes is maintained;
v. ensure the security of cash handling.

8.8 Other than the above, all debt write offs over £10,000 MUST be put forward by the relevant Corporate Director to the Section 151 Officer for their decision, in consultation with the Cabinet Member for Finance. The relevant Corporate Director will also submit a report to the Governance and Audit Committee, setting out the operational reasons for the write-off.

Ordering and Paying for Works, Goods and Services

8.9 In order to ensure that all the Council's financial systems and procedures for ordering and paying for works, goods and services are sound and properly administered, the Section 151 Officer MUST provide guidance on ensuring that:

- goods or services have been confirmed as received
- expenditure has been properly incurred and is within budget provision
- prices accord with orders, quotations, tenders, contracts or catalogue prices
- the correct accounting treatment of VAT has been applied, and
- the payment is correctly coded

8.10 The Corporate Directors MUST ensure that:

i. systems and processes are in place in their Directorates to comply with guidance published by the Section 151 Officer;
ii. the Council's corporate financial systems are used for payment, or where specialist systems are used, this is by agreement with the Section 151 Officer;
iii. orders are raised for works, goods or services (or where this is not possible, it is with the prior approval of the Section 151 Officer);
iv. goods and services are checked on receipt to verify that they are in accordance with the order;
v. payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment;
vi. payments are not made in advance of goods being supplied, work done or services rendered, except with the approval of the Section 151 Officer;
vii. all undisputed invoices are settled within 30 days of receipt;
viii. the Directorate obtains best value from purchases by following the guidance in the Knet Procurement pages Commissioning and Procurement - how to buy anything and comply Spending the Council's Money.

8.11 Deviation from the delegated authority matrix Delegation Matrix is not generally expected. However, if a different financial limit is required the amendment should be requested via a business case and approved as follows:

Requester	**Approver**
Budget Manager	Head of Service
Head of Service	Service Director
Service Director	Corporate Director

Taxation

8.12 The Section 151 Officer MUST:

i. maintain the County Council's tax records, making all tax payments, receiving tax credits and submit tax returns by their due date as appropriate;
ii. advise Corporate Directors, in the light of guidance issued by appropriate bodies and relevant legislation, on all taxation issues that affect the County Council.

8.13 Corporate Directors MUST:

i. Where they are owners of financial systems, maintain appropriate records, making tax payments, receiving tax credits and submit tax returns by their due date as appropriate;
ii. Consult with, and seek advice from, the Section 151 Officer on the potential tax implications of any new initiatives for the delivery of Council activity and Services, including those that could impact on "partial exemption".

Trading Accounts

8.14 Trading accounts are used to determine whether a Council activity that is generating income (usually by selling services internally or externally) is covering all its costs, including overheads. The Section 151 Officer MUST publish guidance on the establishment and operation of trading accounts.

8.15 Corporate Directors MUST:

i. observe all statutory requirements in relation to trading activity, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged;
ii. ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.

Overheads and Internal Recharges

8.16 The Section 151 Officer MUST establish a framework for the charging of overheads and internal recharges and Corporate Directors MUST comply with the framework.

9 EXTERNAL ARRANGEMENTS

Partnerships

9.1 When entering into, or considering, a partnership[1], Corporate Directors MUST ensure that:

i. the Council's financial and operational interests are protected;
ii. appropriate financial and legal advice is taken;
iii. a risk management appraisal is carried out;
iv. necessary approvals are obtained before negotiations are concluded;
v. the accounting and financial arrangements satisfy the requirements of the Council and allow for:
    a) any required audit of the partnership's affairs; and
    b) investigation by counter fraud specialists in the event of an allegation of fraud and or corruption.

9.2 Whenever the Council is entering into, or considering, a partnership, the Section 151 Officer MUST:

i. promote the same financial administration standards of conduct in the partnership that apply throughout the Council;
ii. advise on any the financial implications (including tax treatment, limitation of liability, asset transfers and payment terms).

External Funding

9.3 Corporate Directors MUST obtain all necessary approvals, before applying for external funding.

9.4 When applying for and accepting external funding, Corporate Directors MUST ensure that:

i. all external funding sought supports the Council's priorities;
ii. any matched funding requirements are identified and provided for in the budget prior to any agreement being concluded;
iii. the conditions of external funding agreements and any statutory requirements are complied with;
iv. expenditure met from external funding is properly incurred and recorded, that income is received at the appropriate time, returns are made by the specified dates, and that audit requirements of the funding body can be met;
v. a record of external funding agreements is in place;
vi. all grants received are recorded in the central register, and in line with the Corporate Grant Procedure.

[1] "Partnership" here refers to an agreement with another body to deliver or purchase goods and services, that results in the Local Authority having a financial stake in the enterprise (whether through shared liabilities, profits, joint financial arrangements etc)

9.5 The Section 151 Officer MUST:

i. ensure that procedures are in place so that all financial implications resulting from entering into external funding agreements are identified;
ii. ensure that all external funding is received and is properly recorded in the Council's accounts;
iii. maintain a record of expected grants in liaison with the Corporate Directors;
iv. build in any agreed financial implications (e.g., matched funding) into the budget strategy.

Work for Third Parties

9.6 The Section 151 Officer MUST issue guidance on the financial aspects of contracts with third parties and external bodies.

9.7 The Corporate MUST ensure that:

i. work for third parties does not impact adversely on the services of the Council and that before entering into agreements a risk management appraisal has been carried out;
ii. guidance issued by the Section 151 Officer is complied with and that all agreements and arrangements are properly documented.

9.8 The Leader or relevant Cabinet Member MUST approve the contractual arrangements for any work for third parties or external bodies where the contract value exceeds £200,000.

Companies

9.9 The Section 151 Officer MUST advise on the financial implications resulting from the creation of a company including tax treatment, accounting arrangements and any service pricing and set up cost issues.

9.10 The Monitoring Officer MUST advise on the legal requirements and implications with respect to the creation and ongoing running of a company.

9.11 In respect of the creation and ongoing running of a company, Corporate Directors MUST ensure that:

i. The Companies Protocol and the more detailed Local Authority Companies Manual guidance document is complied with;
ii. legal and financial advice provided by the Monitoring Officer and Section 151 Officer is complied with.

Scheme of Delegation - Approval Limits **Appendix B**

This scheme operates in conjunction with the Financial Regulations, the KCC Constitution, and KCC Financial Procedures

Finance Approval Process

		Members		Officers				Commercial and Procurement Division					
Stage or Transaction Approval	**Notes**	**The Leader or Cabinet**	**Cabinet Member**	**CMT Director**	**Service Director**	**Service Head**	**Budget Manager**	**Head of Commercial and Procurement**	**Strategic Procurement an Commercial Lead**	**Procurement Manager / Sourcing Support Team Lead**	**Senior Commercial and Procurement Officer**	**Commercial & Procurement Officer / Senior Buyer**	**Buyer**
Revenue Virement Limits													
Within Portfolio	1	£1m and above*	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **	-	-	-	-	-	-	-	-	-
Within Portfolio	2	-	Less than £200k	Less than £200k	-	-	-	-	-	-	-	-	-
Between Portfolios	1	£1m and above*	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **	-	-	-	-	-	-	-	-	-
Between Portfolios	2	-	Less than £200k	Less than £200k	-	-	-	-	-	-	-	-	-
Capital Virement Limits													
Within or across Portfolios	1	£1m and above*	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **	-	-	-	-	-	-	-	-	-
Within or across Portfolios	3	-	From £50k up to (but not including) £200k	From £50k up to (but not including) £200k	-	-	-	-	-	-	-	-	-
Within or across Portfolios	4	-	-	Less than £50k	-	-	-	-	-	-	-	-	-
Writing off of obsolete stock	5	-	Over £10k	Up to £10k	-	-	-	-	-	-	-	-	-
Ex Gratia Payments	6	-	More than £6k	Up to £6k	-	-	-	-	-	-	-	-	-
Writing off irrecoverable debts	7	-	Over £10k	Up to £10k	-	-	-	-	-	-	-	-	-

Procurement & Payment Approval Process

		Members		Officers				Commercial and Procurement Division					
Stage or Transaction Approval	**Notes**	**The Leader or Cabinet**	**Cabinet Member**	**CMT Director**	**Service Director**	**Service Head**	**Budget Manager**	**Head of Commercial and Procurement**	**Strategic Procurement an Commercial Lead**	**Procurement Manager / Sourcing Support Team Lead**	**Senior Commercial and Procurement Officer**	**Commercial & Procurement Officer / Senior Buyer**	**Buyer**
Contract Award Recommendation acceptance	8/14	Unlimited*	Unlimited*	Up to £1m*	Up to £500k except where Property Management Protocol expressly differs	Up to £250k	Up to £50k	-	-	-	-	-	-
Contract/Framework Signature	9	-	-	Up to £1m, or over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £500k, or over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	-	-	Up to £1m, or over £1m with Leader, Cabinet, or Cabinet Member decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £1m	Up to £500k	Up to £250k	-	-

Requisition or budget expenditure approval	10/11/15/18	-	-	Unlimited where previously approved as designated signatory and where relevant authority is in place	Up to £1m*	Up to £500k	Up to £50k	-	-	-	-	-	-
Contract Authorisation (Creation of Order)	12	-	-	-	-	-	-	Unlimited when correct political or previously delegated authority is in place*	Up to £1m	Up to £500k	Up to £250k	Up to £100k	Up to £50k
Variation Approval (Existing contract)	9,17	Unlimited*	Unlimited*	Up to £1m*	Up to £500k	Up to £250k	Up to £50k	-	-	-	-	-	-
Variation Signature		-	-	Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*	Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*	-	-	-	-	-	-	-	-
Receipt Confirmation	13	-	-	Unlimited	Unlimited	Unlimited	Unlimited	-	-	-	-	-	-
Invoice Payment	16/19	-	-	Unlimited	Up to £1m or over £1m where previous delegation from Cabinet or Cabinet Member is in place*	Up to £500k	Up to £50k	-	-	-	-	-	-
Purchase Card Payment	18	-	-	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate	As per the Purchase Card limit mandate

* These decisions/actions are subject to statutory recording and publication requirements. Seek advice from Democratice Services.

** These decisions/actions are subject to statutory recording and publication requirements when over £500k. Seek advice from Democratic Services.

Notes:

1. Virement of £200k to £1m has to be signed off by Portfolio Cabinet Member, Chief Executive, relevant Corporate Director(s), Cabinet Member for Finance and Corporate Director of Finance
   Advice should be sought as to whether the Virement requires a formal Decision to be taken.
2. Virement less than £200k has to be signed off by the Corporate Director of Finance along with the relevant Cabinet Member(s) and Corporate Director(s).
3. Virement of £50k to £200k has to be signed off by the Corporate Director of Finance along with the relevant Cabinet Member(s) and Corporate Director(s).
4. Virement of up to (but not including) £50k has to be signed off by the relevant Corporate Director or the Chief Executive
5. Write off of obsolete stock up to £10k is in consultation with the Corporate Director of Finance. Above £10k has to be signed off by the Corporate Director of Finance
   and Cabinet Member for Finance and then taken to Governance and Audit Committee.
6. Ex gratia payments above £6k Corporate Directors are responsible for obtaining approval from relevant Cabinet Member, Cabinet Member for Finance, and Corporate Director of Finance.
7. Write off of irrecoverable debts is completed in accordance with the Financial Regulations and consultation with the Corporate Director of Finance in his/her role of Section 151 Officer. Irrecoverable debts above £10k which
   do not meet an exemption under the Financial Regulations should be put forward by the relevant Corporate Director to the Corporate Director of Finance in his/her role of Section 151 Officer for his decision in consultation
   with the Cabinet Member for Finance. A report by the relevant Corporate Director will also be submitted to Governance and Audit Committee.
8. Award recommendation prepared by Commissioning and Procurement Division lead
9. Authorities are only valid if Contract Award Recommendation acceptance has been approved; will also require a review schedule e.g. with Legal Services for non-standard contract use; decisions on signing under seal or under hand
10. Only valid for approved budgets/expenditure within plan – values will be used within i-Procurement
11. Procurement authorities relate to own budget only
12. For simple contracts only. Those that are required to be sealed as required in "Contracts and Tenders Standing Orders" must be dealt with by Legal Services.
13. May be exercised by any member of staff who can directly confirm correct receipt of goods, services or works

14. Cabinet Member Approval where authority has been delegated, in some instances this may still require Cabinet Approval in line with the Constitution
15. For areas with high expenditure e.g. Highways, Property, ICT, approval level can be increased to £5m for Service Directors at Corporate Directors discretion
16. Variations/extensions must be sealed if the main contract is sealed unless specifically excluded in the contract
17. Commercial and Procurement Manager / Sourcing Support Team Lead can sign for up to £500k where delegated in writing by the relevant service Director
18. Each purchase card has a single transaction limit and monthly spend limit. The cards do not allow limits to be exceeded.
19. Responsible managers can formally delegate authority for smaller sums to Nominated Managers and Additional Approvers if Service Head agrees

This page is intentionally left blank

From:	Ben Watts, Director of Governance, Law and Democracy
To:	County Council, 28 March 2024
Subject:	**Revisions to the Terms of Reference of the Health Overview and Scrutiny Committee (HOSC)**
Previous Pathway:	Health Overview and Scrutiny Committee, 29 February 2024; Selection and Member Services Committee, 14 March 2024
Status:	Unrestricted

1. Introduction

a) Using powers introduced by the Health and Care Act 2022, two sets of regulations were introduced by the government on 9 January 2024[1]. The cumulative impact is to:

1. Remove the power from local authority health scrutiny to refer substantial variations of service being proposed by the NHS to the Secretary of State.
2. Introduce new powers of ministerial intervention in proposed variations of service by local NHS organisations.

b) These changes came into effect on 31 January 2024. The terms of reference of the Health Overview and Scrutiny Committee (HOSC) needs to be amended to take these changes into account.

c) In addition, the government set out five principles for health overview and scrutiny committees in July 2022[2]. This provides an opportunity to incorporate these into the terms of reference (the new section 17.138). At its meeting of 29 February 2024, the HOSC agreed to amend the proposed Terms of Reference with three additional principles. These are set out at 17.138f-h – Transparency, Accountability, Delivery. This was the only amendment made by the HOSC and has been incorporated to the proposed changes as set out in the Appendix.

d) The proposed wording in 17.134 was revised at the meeting of the Selection and Member Services Committee to make it clear the membership rules applied to ordinary and substitute Members on HOSC. The Committee also agreed to recommend to County Council that the terms of reference be agreed and the Constitution updated accordingly.

2. Proposed Changes

[1] The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) (Amendment and Saving Provision) Regulations 2024 and The National Health Service (Notifiable Reconfigurations and Transitional Provision) Regulations 2024.

[2] https://www.gov.uk/government/publications/health-overview-and-scrutiny-committee-principles/health-overview-and-scrutiny-committee-principles

a) While the power of referral has been removed, the duty on NHS organisations to consult with HOSC on substantial variations to services impacting the population of Kent remains. The powers to obtain information and have NHS officers attend meetings of HOSC remain to support the Committee in its work scrutinising the planning, provision, and operation of health services. HOSC will also continue to have a mechanism to receive referrals from Healthwatch.

b) It continues being the case that there is a requirement to form a Joint Health Overview and Scrutiny Committee (JHOSC) where more than one local authority has deemed a proposal a substantial variation of service. However, there is a need to amend the current generic rules on JHOSCs in the constitution to take account of the other changes (the revised sections are 17.159-161 as shown in the Appendix).

c) There is also a terms of reference in place for the occasions when a JHOSC needs to be formed with Medway Council. This will be reviewed in consultation with Medway Council and proposed changes, if necessary, will be presented at a future date.

d) Along with the changes brought by legislation, the opportunity has been taken to update a few sections of the terms of reference for clarity. The proposed changes are set out in the Appendix.

3. The Call-in Power

a) The Health and Care Act 2022 introduced a new call-in power which allows the Secretary of State to intervene in local NHS service reconfigurations at any stage. Statutory guidance has been released which covers the use of these intervention powers[3]. This guidance sets out the rationale for the change to the legislation.

b) In sum, NHS organisations are required to notify the Secretary of State when they are proposing a significant change to services. It is expected that only a small number of proposals will be subject to a ministerial call-in and possible intervention. Making a notification to the Secretary of State is the sole responsibility of the relevant NHS organisation (usually the NHS commissioner); however, the HOSC's views on whether a proposal has been judged a substantial variation of service will be taken into account by the NHS body and will be reported to the Secretary of State.

c) Under the previous regulations, it was only local authority health scrutiny committees which could make a referral to the Secretary of State. Ministerial intervention powers are different and the ability to submit call-in requests that these powers be used are open to any interested individual or organisation.

[3] https://www.gov.uk/government/publications/reconfiguring-nhs-services-ministerial-intervention-powers/reconfiguring-nhs-services-ministerial-intervention-powers#the-power-to-call-in-a-reconfiguration-proposal

d) HOSC will be able to submit a formal call-in request. The expectation from government is that a call-in request is only made as a last resort and only when all attempts at local resolution have failed. The revised terms of reference reflect and build on the statutory guidance to set a framework for how the Committee will approach making call-in requests so there is clarity for Members and for the NHS.

e) Where the Secretary of State is considering a call-in request, the HOSC may be asked for information. Where a decision has been made by the Secretary of State to intervene, a decision letter will be issued. This letter may require that the consultation underway with the HOSC is paused pending the outcome of the intervention. This is also covered by the draft revised terms of reference.

f) It is unclear how the ministerial intervention powers will be used in practice, and what the experience of health scrutiny committees in making call-in requests will be. The terms of reference will be reviewed periodically to ensure that they remain fit for purpose and in line with any updated guidance from the government.

4. Membership and Conflicts of Interest

a) The section setting out that no HOSC member can be an Executive Member of KCC, or on the Kent Health and Wellbeing Board has been made clearer.

b) Using the examples set out in the government guidance on health scrutiny, some examples of potential conflicts of interest are set out as a reminder to members.

5. Recommendation

County Council is asked to agree the revised Terms of Reference as set out in the Appendix and ask the Monitoring Officer to update the Constitution accordingly.

6. Appendix

Proposed changes to the terms of reference of the Health Overview and Scrutiny Committee.

7. Background Documents

Department of Health and Social Care, Guidance – Local authority health scrutiny, as updated 9 January 2024: https://www.gov.uk/government/publications/advice-to-local-authorities-on-scrutinising-health-services/local-authority-health-scrutiny

Department of Health and Social Care, Statutory guidance – Reconfiguring NHS services – ministerial intervention powers, as published 9 January 2024: https://www.gov.uk/government/publications/reconfiguring-nhs-services-ministerial-intervention-powers

Department of Health and Social Care, Guidance – Health overview and scrutiny committee principles, as published 29 July 2022: https://www.gov.uk/government/publications/health-overview-and-scrutiny-committee-principles/health-overview-and-scrutiny-committee-principles

The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013, https://www.legislation.gov.uk/uksi/2013/218/contents/made

The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) (Amendment and Saving Provision) Regulations 2024, https://www.legislation.gov.uk/uksi/2024/16/contents/made

The National Health Service (Notifiable Reconfigurations and Transitional Provision) Regulations 2024, https://www.legislation.gov.uk/uksi/2024/15/contents/made

8. Report Author and Relevant Director

Kay Goldsmith, Scrutiny Research Officer
03000 416512
kay.goldsmith@kent.gov.uk

Tristan Godfrey, Senior Governance Manager
03000 411704
tristan.godfrey@kent.gov.uk

Ben Watts, General Counsel
03000 416814
benjamin.watts@kent.gov.uk

Health Overview and Scrutiny Committee (HOSC) – **PROPOSED NEW TERMS OF REFERENCE**

17.133 Membership: 13 Members; plus, Borough/District Council representatives: 4.

17.134 None of the following may be an ordinary or substitute Member of HOSC, or any Sub-Committee or Task and Finish Group of it:

(a) An Executive Member of Kent County Council.
(b) A member of the Kent Health and Wellbeing Board.
(c) A member of any Joint Health and Wellbeing Board on which Kent County Council is represented.

17.135 The membership exclusions set out in 17.134 also apply to any Joint Health Overview and Scrutiny Committee established with any other authority or authorities.

17.136 Where there is a risk of a member of the Committee having a conflict of interest, the appropriate rules and guidance must be followed. Examples of potential conflicts of interest include the member being:

(a) An employee of an NHS body.
(b) A member or non-executive director of an NHS body.
(c) An executive member of another local authority.
(d) An employee or board member of an organisation commissioned by an NHS body or local authority to provide services.

17.137 This Committee reviews and scrutinises matters relating to the planning, provision and operation of health services in Kent through exercising the powers conferred on Kent County Council under Section 244 of the National Health Service Act 2006 (as amended)and operates according to Part 4 of The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 (as amended). The Committee may consider and scrutinise the work of the Health and Wellbeing Board where relevant.

17.138 The Committee will work with the NHS and other local system partners in accordance with the following principles:

(a) Outcome focused.
(b) Balanced.
(c) Inclusive.
(d) Collaborative.
(e) Evidence informed.
(f) Transparent.
(g) Accountable.
(h) Deliverable.

17.139 This Committee is responsible for setting its own work programme, giving due regard to the requests of commissioners and providers of health services to bring an item to the Committee's attention, as well as taking into account the referral of issues by Healthwatch and other third parties.

17.140 This Committee cannot consider or handle individual complaints relating to health services. Individuals will be asked to use the complaints process of the relevant organisation.

17.141 Task and Finish Groups may be established with the approval of the Committee, in order to consider issues in more depth and can include elected representatives from KCC or Borough/City/District Councils in Kent who are not members of the Committee. Task and Finish Groups cannot exercise any formal health scrutiny powers.

17.142 Commissioners and providers of local health services are required to provide the Committee with such information as it may reasonably require in order to discharge its relevant functions.

17.143 The Committee may require any member or employee of a local health service commissioner or provider to appear before the Committee to answer such questions as are necessary for discharging its relevant functions.

17.144 Nothing in 17.142-143 requires the provision of any information where the disclosure is prohibited under any enactment or where a living individual would be identifiable, subject to Section 26 of the 2013 Regulations.

17.145 Healthwatch shall have the right to refer issues to the Committee:

HOSC: Healthwatch

(a) Issues referred by Healthwatch will receive an acknowledgment within 20 working days and Healthwatch will be kept informed of any actions taken.

(b) Where the Committee includes an item on its agenda as a result of a referral from Healthwatch, a representative from Healthwatch is entitled to address the Committee.

Reports and Recommendations

17.146 The Committee may make evidence-based reports and recommendations to relevant NHS bodies and require a response within 28 days, or longer at the Committee's discretion. The following information will be included in a report or accompanying any recommendations:

(a) An explanation of the matter reviewed or scrutinised.
(b) A summary of the evidence considered.
(c) A list of the participants involved in the review or scrutiny.
(d) An explanation of any recommendations on the matter reviewed or scrutinised.

Substantial Variations of Service

HOSC: Substantial Variations of Services

17.147 NHS commissioners and providers are required to consult with the HOSC on proposed substantial variations of services affecting the population of the area. Exclusions from the definition of 'substantial variations of service are set out at 17.151-152.

17.148 The Committee will determine whether any given proposal, or element thereof, constitutes a substantial variation of service and so requires consultation with the Committee. The Committee's decision will be based on information provided by the relevant NHS organisations.

17.149 Once the Committee has deemed a proposal a substantial variation of service, the NHS shall consult with the Committee prior to the final decision being made by the NHS. A timetable for consultation will be agreed between the Committee and NHS, with the NHS informing the Committee of the date on which they intend to make their final decision.

17.150 In considering substantial variations of service, the Committee will take into account the resource envelope within which the relevant NHS organisations operate and will therefore take into account the effect of the proposals on the sustainability of services, as well as on their quality and safety. The NHS must take the comments of the Committee into account when making its final decision.

17.151 The NHS is not required to consult with the Committee where the NHS has acted because of a risk to patient safety or to ensure the welfare of patients or staff. Where this has been the case, the Committee shall be informed as soon as possible.

17.152 In addition, the designation of 'substantial variation of service' will not apply in the following circumstances:

(a) Establishment, dissolution, or change to the constitution, of an NHS Trust or Integrated Care Board. However, any consequential service variation may be determined a 'substantial variation of service' in line with usual Committee practice.

(b) Any proposals contained in a Trust Special Administrator's report or draft report and any recommendations made under a health special administration order.

Call-in Requests

17.153 Schedule 10A to the NHS Act 2006 provides call-in powers to allow the Secretary of State to intervene in NHS service reconfigurations at any stage. Individuals and organisations, including this Committee, may submit requests that the Secretary of State exercise these powers of intervention in a specific reconfiguration.

17.154 This Committee will not submit, or support, a call-in request until it has determined that all attempts to resolve its concerns about the reconfiguration with the NHS locally have been exhausted. Where a call-in request is made by this Committee, evidence of these attempts will be provided.

17.155 Any call-in request by this Committee will be submitted in accordance with the requirements set by the Secretary of State, with the content of any request agreed by the Committee.

17.156 The Committee will give the relevant NHS organisations a minimum of 15 days notice that the Committee will be meeting to determine whether or not to submit a call-in request.

17.157 A call-in intervention will commence when the Secretary of State issues a direction letter to the relevant NHS organisations. Where the direction letter relates to a substantial variation of service which is under review by this Committee under 17.147, the consultation will pause if required by the letter.

17.158 Notwithstanding 17.157, when there is a call-in, the relevant NHS bodies may provide the Committee with information to allow the Committee to make representations to the Secretary of State on the proposal which is the subject of the intervention.

Joint Health Overview and Scrutiny Committees (JHOSCs)

Joint Health Overview and Scrutiny Committees (JHOSCs)

17.159 Where the relevant Overview and Scrutiny Committee of more than one authority has determined the same proposal(s) to be a substantial variation of service, this will entail the establishment of a Joint Health Overview and Scrutiny Committee (JHOSC). A Kent and Medway JHOSC has been established on a permanent basis to meet when required (19.38-47).

17.160 Where a JHOSC has been established, the Kent HOSC is deemed to have delegated its function to scrutinise the specific proposal(s) to the JHOSC. The formal powers of HOSC as set out at 17.142-144 are also delegated in connection with the proposal. However, with the agreement of the relevant NHS organisation(s), the HOSC may continue to receive updates while the JHOSC undertakes its review.

17.161 At any stage during its review, and at its conclusion, the JHOSC may make reports and recommendations to the authorities represented on the JHOSC. These recommendations will be reported to a meeting of the Kent HOSC. The Kent HOSC is not required to accept these recommendations but may do so.

*Health Overview and Scrutiny Committee (HOSC) – **CURRENT TERMS OF REFERENCE***

17.133 Membership: 13 Members; plus, Borough/District Council representatives: 4.

17.134 No Executive Member, Member of the Kent Health and Wellbeing Board or the Kent and Medway Joint Health and Wellbeing Board shall be a Member of this Committee, or of any Sub-Committee or Informal Member Group of it, or of any Joint Health Overview and Scrutiny Committee established with any other authority or authorities.

17.135 This Committee reviews and scrutinises matters relating to the planning, provision and operation of health services in Kent through exercising the powers conferred on Kent County Council under Section 244 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) and operates according to Part 4 of The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

17.136 This Committee is responsible for setting its own work programme, giving due regard to the requests of commissioners and providers of health services to bring an item to the Committee's attention, as well as taking into account the referral of issues by Healthwatch and other third parties.

17.137 This Committee cannot consider individual complaints relating to health services.

17.138 Informal Member Groups may be established with the approval of the Committee, in order to consider issues in more depth and can include elected representatives from KCC or Borough/City/District Councils in Kent who are not members of the Committee. Informal Member Groups cannot exercise any formal health scrutiny powers.

17.139 Commissioners and providers of local health services are required to provide the Committee with such information as it may reasonably require in order to discharge its relevant functions.

17.140 The Committee may require any member or employee of a local health service commissioner or provider to appear before the Committee to answer such questions as are necessary for discharging its relevant functions.

17.141 Nothing in 17.139-140 requires the provision of any information where the disclosure is prohibited under any enactment or where a living individual would be identifiable, subject to Section 26 of the 2013 Regulations.

17.142 Healthwatch shall have the right to refer issues to the Committee.

HOSC: Healthwatch

17.143 Issues referred by Healthwatch will receive an acknowledgment within 20 working days and Healthwatch will be kept informed of any actions taken.

17.144 Where the Committee includes an item on its agenda as a result of a referral from Healthwatch, a representative from Healthwatch is entitled to address the Committee.

17.145 The Committee may make evidence-based reports and recommendations to relevant NHS bodies and require a response within 28 days, or longer at the Committee's discretion.

17.146 NHS commissioners and providers are required to consult with the HOSC on potential substantial variations of services affecting the population of the area covered by the Committee unless 17.147 applies.

HOSC: Substantial Variations of Services

17.147 The exception referred to in 17.146 is where the NHS has acted because of a risk to patient safety or to ensure the welfare of patients or staff. Where this has been the case, the Committee shall be informed as soon as possible.

17.148 The Committee will determine whether any given proposal, or element thereof, constitutes a substantial variation of service. However, the designation of 'substantial variation of service' will not apply in the following circumstances:

(i) Establishment, dissolution, or change to the constitution, of an NHS Trust or Clinical Commissioning Group. However, any consequential service variation may be determined a 'substantial variation of service' in line with usual Committee practice.

(j) Any proposals contained in a Trust Special Administrator's report or draft report and any recommendations made under a health special administration order.

17.149 Where the Committee has decided a proposal does not constitute a substantial variation of service it retains the ability to review the proposed change and can make reports and recommendations on the matter to the relevant health commissioner or provider. Where the NHS changes the proposal, the Committee may reconsider whether or not it deems the proposal a substantial variation of service.

17.150 Once the Committee has deemed a proposal a substantial variation of service, the NHS shall consult with the Committee prior to the final decision being made by the NHS. The NHS always remains the decision-maker though must take comments of the Committee into account.

17.151 When the NHS has determined when it will make a final decision on the proposal for a substantial variation of service, this date shall be communicated to the Committee. Sufficient time shall be allowed by the NHS for the Committee to make comments on the proposed decision ahead of this date unless 17.147 applies.

17.152 The final decision referred to in 17.151 is to be formally presented at a meeting of the Committee as soon as is practical after it has been taken by the NHS. The Committee will determine its response to the decision and may support the decision, not support the decision, and/or comment on the decision.

17.153 Where the Committee does not support the decision at the meeting referred to in 17.152, the Committee may consider referral to the Secretary of State but cannot make a final decision on referral at this meeting. No referral may be proceeded with unless the Committee agrees at this meeting which of the grounds in 17.154 provisionally apply and agrees the reasons why.

17.154 A substantial variation of service may only be referred to the Secretary of State for Health and Social Care where one of the following applies:

(a) The consultation with the Committee on the proposal is deemed to have been inadequate in relation to content or time allowed,

(b) The reasons given for not consulting with the Committee on a proposal are inadequate, or

(c) The proposal is not considered to be in the interests of the health services of the area.

17.155 In the event of a decision by the Committee under 17.153 that one or more of the grounds for referral set out in 17.154 provisionally apply:

(a) The decision of the Committee made at the meeting held under 17.152 must be communicated to the NHS in writing as soon as possible after the meeting to allow the NHS time to consider and respond to the decision of the Committee.

(b) The Committee shall inform the NHS of the date when it will meet to make a final determination as to whether or not to refer the substantial variation of service to the Secretary of State in line with regulations within eight working days of the meeting held under 17.152. This meeting of final determination shall be held as soon as practicable, subject to a minimum of twenty working days after the meeting held under 17.152.

17.156 All practical steps shall be taken by the NHS and Committee to come to an agreement between the meeting held under 17.152 and the one at which the Committee will make a final determination on referral, the date for which is set under 17.155(b).

17.157 Prior to any final determination on referral, the Committee shall consider the NHS response to the reasons set out under 17.153 at the meeting arranged under 17.155(b) along with the results on any other discussions between the Committee and NHS that may have taken place. The Committee will then make a final determination as to whether or not the matter is to be referred to the Secretary of State and may only do so when the Committee is satisfied the requirements of 17.154 and 17.158 apply.

17.158 Where the Committee makes a final determination to refer, the following apply:

(a) Any referral to the Secretary of State shall be accompanied by full evidence of the case for referral.

(b) Evidence that all other options for resolution have been explored must be included along with all additional requirements for the submission of a referral required by legislation and statutory guidance.

(c) Where the referral is on the grounds that the Committee believes the proposal is not in the interests of the health service of the area, a summary of the evidence considered must be provided, including any evidence of the effect or potential effect of the proposal on the sustainability or otherwise of the health service of the area.

17.159 Where the Committee makes a final determination not to refer, the following apply:

(a) The HOSC can request updates on implementation of the service change, along with a response to any comments made in the Committee's final determination.

(b) Where the NHS makes significant changes to the decision presented to the Committee at the meeting of final determination, the Committee has the ability to deem this a substantial variation of service and require formal consultation with the Committee.

Joint Health Overview and Scrutiny Committees (JHOSCs)

Joint Health Overview and Scrutiny Committees (JHOSCs)

17.160 Where the relevant Overview and Scrutiny Committee of more than one authority has determined the same proposal(s) to be a substantial variation of service, this will entail the establishment of a Joint Health Overview and Scrutiny Committee (JHOSC). A Kent and Medway JHOSC has been established on a permanent basis to meet when required (19.38-47).

17.161 Where a JHOSC has been established, the Kent HOSC is deemed to have delegated its function to scrutinise the specific proposal(s) to the JHOSC until it has concluded its consideration and made any recommendations to the authorities represented on the JHOSC. These recommendations will be

reported to a meeting of the Kent HOSC. The Kent HOSC is not required to accept these recommendations but may do so.

17.162 The Kent HOSC at no time delegates the power of referral to any JHOSC.

17.163 Following the conclusion of the work of the JHOSC on a given proposal, the HOSC will make a final determination in line with the procedure set out in 17.152-159. No decision to refer may be made at the first meeting of the HOSC when the outcome of the JHOSC is considered as this will be the first occasion the HOSC has been able to consider the proposal formally and the NHS must be able to respond fully to any comments made by the HOSC.

This page is intentionally left blank

From: Ben Watts, Director of Governance, Law and Democracy

To: County Council: 28 March 2024.

Subject: **Governance and Audit Committee Terms of Reference: Update**

Previous Pathway: Governance and Audit Committee, 1 February 2024; Selection and Member Services Committee, 14 March 2024

Status: Unrestricted

---

1. Overview

a. Building on the recommendations of a review of the Governance and Audit Committee (GAC) conducted by CIPFA in 2022[1], the terms of reference for that Committee were substantively amended and then agreed by County Council on 25 May 2023[2].

b. It is established best practice to review the GAC's terms of reference on at least an annual basis given the importance of its role in the governance framework of the Council. This paper sets out the results of the most recent review.

c. The Governance and Audit Committee reviewed the proposed changes on 1 February and agreed to ask the Selection and Member Services Committee to review the proposals. The latter Committee did so on 14 March and agreed to recommend them to County Council.

2. Proposed Changes

a. In late 2023, the GAC terms of reference were reviewed. The outcome was that there needed to be additional formal requirements around the membership of the Committee.

b. It has been established practice that Executive Members do not serve of the Governance and Audit Committee. It is being proposed that the terms of reference be amended to formalise this practice. As part of its role in monitoring the internal control frameworks of the Council, including audit, the GAC may undertake deep dives into past decisions. It is therefore being recommended that former Executive Members may not serve until two years have elapsed.

c. It is important to ensure that the work of the GAC is kept distinct from that of other parts of the Council and has a clear focus on its own agenda. It is therefore being recommended that the restriction on serving on the Committee be extended to include Deputy Cabinet Members and the Chairs of other formal Committees.

---

[1] Item 46, https://democracy.kent.gov.uk:9071/ieListDocuments.aspx?CId=144&MId=8955&Ver=4

[2] Item 147, https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=113&MId=9029&Ver=4

d. There is currently a requirement for ordinary and substitute members of the GAC to have had training in the relevant procedures. This GAC agreed a framework for the training element on 6 July 2023[3]. This requirement remains.

e. The proposed changes are set out as track changes to the current terms of reference in the Appendix.

3. Recommendation

County Council is asked to agree the revised Terms of Reference as set out in the Appendix and ask the Monitoring Officer to update the Constitution accordingly.

4. Appendix

Proposed Changes to the Terms of Reference of the Governance and Audit Committee.

5. Background Documents

None.

6. Report Author and Relevant Director

Ben Watts, General Counsel
03000 416814
benjamin.watts@kent.gov.uk

Katy Reynolds, Democratic Services Officer
03000 422252
Katy.reynolds@kent.gov.uk

[3] https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=144&MId=9128&Ver=4

Appendix – Proposed Changes to the Terms of Reference of the Governance and Audit Committee

NB: New wording underlined.

Governance and Audit Committee

1.1 Membership: 11 Members; plus, 1 independent member.[1]

1.2 Members may not serve as ordinary or substitute members of the Governance and Audit Committee, or any sub-committees, where any of the following apply:

a. They have not had the training required for this Committee.
b. They are an Executive Member or a Deputy Cabinet Member.
c. They are the Chair of any other formal Committee set out in section 17 of the Constitution, or any of their sub-committees.
d. They have served as an Executive Member at any time within the two years preceding the date of the meeting.

~~Political Groups can only nominate Members as regular Members or as substitutes on the Governance and Audit Committee (and on Panels of the Committee) if they have had training in the relevant procedures.~~

1.3 The Committee may appoint or remove up to two non-voting Co-Opted Members (independent of the elected membership) who may participate in the business of the Committee in accordance with the rules set out in the Constitution.

1.4 The purpose of this Committee is to provide independent and high-level focus on the adequacy of governance, risk, finance, and control arrangements. Towards this purpose, its role is to:

(a) ensure there is sufficient assurance over governance risk and control and provide reports to full Council on the effectiveness and adequacy of these arrangements;

(b) have oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability, and

(c) through a and b above, give greater confidence to all those charged with governance for Kent County Council that its arrangements are effective and reporting to full Council or other Committees as necessary where the Committee has concerns that these arrangements are not effective; and

[1] The process for recruiting a second independent member is currently underway, and the terms of reference will be updated when this has happened.

(d) through an annual report, ensure that the County Council is sighted on the activity of the Committee alongside the importance of financial probity, good governance and learning lessons from audit activity.

1.5 The Governance and Audit Committee is responsible for the following:

(a) monitoring the development and operation of governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions in the Council,

(b) oversight of the Council's corporate governance framework to ensure it meets recommended practice, is embedded across the whole Council and is operating consistently throughout the year,

(c) oversight of the Council's framework of assurance, to ensure that it adequately addresses the risks and priorities of the Council,

(d) oversight of the Council's Internal Audit function, including review of the internal audit charter, and reviewing assurances that it is independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of work to be carried out is risk-based, and appropriate,

(e) reviewing the annual audit plan and considering reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of any external providers of internal audit services,

(f) oversight of the appointment and remuneration of external auditors to ensure they are approved in accordance with relevant legislation and guidance, and the function is independent and objective,

(g) monitoring the effectiveness of the external audit process, to help ensure that it is of appropriate scope and depth, and gives value for money taking into account relevant professional and regulatory requirements, and is undertaken in liaison with Internal Audit,

(h) considering the external auditor's annual letter/report, and any other specific reports by, and with the agreement of, the external auditors,

(i) monitoring the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met,

(j) receiving reports on the effectiveness of financial management arrangements, including compliance with the Financial Management Code,

(k) monitoring the Council's arrangements to secure value for money and reviewing assurances and assessments on the effectiveness of these arrangements,

(l) considering reports on the effectiveness of internal controls and monitor the implementation of agreed actions,

(m) monitoring any public statements in relation to the Council's financial performance to help ensure they are accurate, and the financial judgements contained within those statements are sound,

(n) reviewing assurances that accounting policies are appropriately applied across the Council,

(o) monitoring the robustness of the Council's counter-fraud arrangements, including the assessment of fraud risks, backed by well designed and implemented controls and procedures which define the roles of management and Internal Audit,

(p) reviewing assurances that the Council monitors the implementation of the whistle-blowing policy and Bribery Act policy to ensure that they are adhered to at all times,

(q) reviewing assurances that the Council has appropriate governance arrangements in place to manage the relationship between the Council and significant partnerships or collaborations, as well as any company in which the Council has majority control,

(r) reviewing assurances that the Council has appropriate arrangements in place to ensure that the commercial opportunities and risks presented through company ownership are managed effectively,

(s) oversight of the Executive's shareholder strategy regarding companies in which the Council has an interest,

(t) review and approval of the Statement of Accounts, with related reports, and Annual Governance Statement, and ensure that they properly reflect the risk environment and supporting assurances of the Council, and

(u) reporting to full Council for assurance on the Accounts and Annual Governance Statement approval and where appropriate on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

This page is intentionally left blank