

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 24 January 2024.

PRESENT: Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr T Bond, Mr D L Brazier, Mr A J Hook, Mrs S Hudson, Mrs S Prendergast, Mr O Richardson, Mr T L Shonk, Dr L Sullivan and Mr S Webb.

ALSO PRESENT: Mr R W Gough (Leader of the Council), Mr P J Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services), Mr N Baker (Cabinet Member for Highways and Transport), Mrs S Chandler (Cabinet Member for Integrated Children's Services), Mr D Jeffrey (Cabinet Member for Communications and Democratic Services), Mr R C Love, OBE (Cabinet Member for Education and Skills), Mr D Watkins (Cabinet Member for Adult Social Care and Public Health) and Mr A R Hills (Deputy Cabinet Member for Environment).

IN ATTENDANCE: Mr B Watts (General Counsel), Mr J Betts (Acting Corporate Director of Finance), Ms C Maynard (Head of Commercial and Procurement), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mrs A Taylor (Scrutiny Research Officer) and Mr M Dentten (Democratic Services Officer).

IN ATTENDANCE VIRTUALLY: Rich Lehmann, Richard Smith (Corporate Director of Adult Social Care and Health) and Tim Read (Head of Transportation).

UNRESTRICTED ITEMS

37. Declarations of Interests by Members in items on the Agenda for this Meeting
(Item A4)

There were no declarations of interest.

38. Minutes of the meeting held on 6 December 2023
(Item A5)

RESOLVED that the minutes of the meeting held on 6 December 2023 were an accurate record and that they be signed by the Chairman.

39. Minutes of the meeting held on 19 December 2023
(Item A6)

RESOLVED that the minutes of the meeting held on 19 December 2023 were an accurate record and that they be signed by the Chairman.

40. Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy *(Item B1)*

Committee consideration based on the draft budget issued on 3 January 2024.

1. Mr Oakford introduced the administration's budget proposals. He confirmed that the draft budget was balanced and a 4.99% increase to Council Tax was proposed, noting that an increase up to but not exceeding the referendum level was considered a prerequisite for further central government funding. It was explained that the £14m risk contingency had been removed, forming part of draft base budget and that one off monies and reserves would be deployed to balance the budget. Concerning capital receipts, it was confirmed that government had allowed KCC to use receipts for transformation, contributing £8m towards the balancing of the budget. £10.6m in proposed policy savings were highlighted. On income, Members were informed that £10m in dividends from KCC owned companies were anticipated, £3m higher than originally planned. He concluded by addressing the savings required in the second year of the Medium Term Financial Plan, noting that £35m of savings were unidentified and that all policy areas were being analysed. He gave assurance that the savings would be identified ahead of Budget County Council in February 2025.
2. Mr Shipton gave a presentation. The contents of the presentation included: residential and nursing care for older people, home to school transport and children in care as the most significant areas for forecast overspend in 2023-24; the revenue strategy and statutory requirement to set a balanced budget; provisional local government financial settlement; 2024-27 core budget; spending growth; future cost avoidance in adult social care (£30.1m) and home to school transport (£6.3m); £15.4m in additional income generation and £10.6m in policy savings identified for 2024/25; £23.9m in one-off solutions, including £8m capital receipts and use of £13.8m of reserves for savings in 2024/25; council tax, including an expected increase to the tax base of 1.7% and collection fund surplus assumed of £7m; financial risks, with high needs spending, non-delivery of savings and the Unaccompanied Asylum Seeking Children judgement the most significant exposures; and the 10 year £1.636bn capital spending programme, including funding from government grants, borrowing and other receipts.
3. Members asked a range of questions in relation to the Draft Revenue Budget (2024-25), Medium Term Financial Plan (2024-27), Draft Capital Programme (2024-34) and Treasury Management Strategy. Key issues raised by the Committee and responded to by Cabinet included the following:
 - a. In response to a question on home to school transport spending, Mr Love explained KCC's statutory responsibility and the tools available to reduce demand and cost. He advised that a personal transport budget pilot was underway for students receiving the highest cost transport. He added that there would be increased demand with 5,000 additional secondary school places planned by 2027/28 and stressed the continued need to balance support with the funding available, by ensuring that assessments were done in line with statutory guidance.

- b. Mr Gough stated, following a question from a Member on the overall division of the proposed budget, that KCC's statutory responsibilities formed the framework which largely determined how the budget was allocated. He noted that the system meant councils with social care responsibilities levied the most visible tax which was spent mainly on important but less visible services. He emphasised the importance of building in resistance to cost pressures.
 - c. Mr Oakford confirmed that there were no savings to the Household Waste Recycling Centre (HWRC) service proposed in the Draft Revenue Budget, following a question from a Member.
 - d. A Member asked whether the proposed adult social care savings were realistic and what plans had been developed to support change. Mr Watkins gave assurance that the strategy and supporting delivery plans in place were robust and savings achievable. He gave examples of the technological innovations and how they reduced residential care demand. He recognised that implementation was challenging and took time, taking account of the large and external workforce. Mr Smith added that strong analytics ensured that the delivery plans were credible, as was KCC's spend on adult social care when compared to peers.
 - e. Concerning budget monitoring, Mr Oakford confirmed the intention to keep Members up to date on the delivery of savings through updates at Cabinet Committee meetings.
 - f. Mr Oakford confirmed that the £12m risk reserve in the 2023-34 revenue budget would be deployed to balance the budget.
 - g. Mr Oakford reassured the Committee that delivery plans had been developed for the areas identified for significant savings, in order to maximise achievement and accountability.
 - h. In response to a question on the Budget Risks Register, Mr Oakford reassured Members that he met with the Chief Executive, Section 151 Officer and Monitoring Officer weekly to monitor the Council's financial risks.
4. Cabinet agreed to provide the Committee with answers to the following questions after the meeting and before Budget County Council on 19 February 2024:
- a. Concerning the Commissioning Plan for Education Provision in Kent 2024-28, why mainstream home to school transport demand was expected to increase despite deduced pupil numbers as a result of lower birthrates since 2012?
 - b. What concurrent savings to the mainstream home to school transport budget were there as a result of children transitioning from primary to

secondary school; where were any savings cited in the budget; and how were any savings used?

- c. What would the £116k proposed spend on the Kent Association of Headteachers provide?
 - d. What financial impact would further speed limits on rural roads have on reducing future road maintenance costs?
 - e. How much income did the Kent Film Office provide KCC; what financial benefit did it provide for the Kent economy as a whole; whether the Office was financially self-sufficient; and if so, were there any opportunities to increase revenue?
 - f. Whether KCC was permitted to sell advertising space on the kent.gov.uk website to provide additional revenue?
 - g. What scope was there to rent unused KCC buildings and land for which disposal was not an option; and what financial impact would that have?
 - h. Whether copies of the delivery plans for Adult Social Care transformation under the Making a Difference Everyday Strategy for Adult Social Care could be provided?
5. Members emphasised the importance of Scrutiny's role in monitoring the achievement of key savings and transformation over the coming financial year.
 6. Following a comment from a Member, Mr Watts reminded the Committee that it had taken the decision to pause Short Focused Inquires (SFIs) in order to commission the SEND Sub-Committee. He agreed to discuss the resourcing of SFIs with the Chairman and Opposition Group Leaders following the meeting.
 7. No proposed changes to the draft capital and revenue budgets were made.
 8. Mr Oakford thanked the Committee for its comments and consideration of the Draft Revenue Budget, Medium Term Financial Plan, Draft Capital Programme and Treasury Management Strategy.
 9. The Chairman thanked the Leader, Cabinet Members and officers for their attendance and engagement with Scrutiny.

RESOLVED to note the updated revenue budget and Medium Term Financial Plan, draft capital strategy and programme, and draft Treasury Management Strategy.

POST MEETING NOTE: Cabinet provided the Committee with answers to questions 40.4 a-h on 6 February 2024.

41. Contract Management

(Item C1)

1. Mrs Maynard introduced the report which updated the Committee on the Council's policy and practice for contract management, overseen by the Commercial and Procurement division. She provided a presentation, the contents of which included: the six step contract management process which included oversight from the Contract Management Review Group (CMRG), Commissioning Partnership Board (CPB) and Commercial and Procurement Oversight Board (CPOB); accountabilities and responsibilities set out in 'Spending the Council's Money' for anyone spending on behalf of KCC and the accountabilities of Senior Officers and Members; changes to thresholds as a result of the review of 'Spending the Council's Money', which were higher across the board; confirmation that Senior Officers were ultimately responsible for the effective management of contracts within their area in line with guidance issued by the Commercial and Procurement Division; the wider role of the CMRG in commercial governance and membership which included the Head of Commercial and Procurement (Joint Chair); Deputy Cabinet Member for Finance (Joint Chair); Section 151 Officer; Monitoring Officer; Commercial Standards Manager; 3 Members from the Conservative Group and 2 Members from Opposition Groups.
2. In response to a question from a Member, Mrs Maynard explained the importance of the contract register in supporting planning and oversight.
3. A Member emphasised the importance of strong qualitative information supporting key performance indicators (KPIs) in contract management. Mrs Maynard noted that contract objectives provided a qualitative requirement of contracts and confirmed the direction of travel towards fewer KPIs which enhanced accountability and reduced cost.
4. A Member commented that spot checks of contract managers would be useful method for maximising accountability and ensuring best value.

RESOLVED to note the content of the report, including the further reporting as set out to Policy and Resources Cabinet Committee.

42. Work Programme

(Item E1)

1. The Scrutiny Research Officer noted that there would be a report updating the Committee on Making a Difference Every Day, KCC's Strategy for Adult Social Care 2022 to 2027, at its next meeting.
2. Members requested the following items:
 - a. a deep dive into the mainstream home to school transport budget; and
 - b. cross examination of the Council's school admissions, home to school transport and public transport policies.

RESOLVED to note the work programme.