

SCRUTINY COMMITTEE

Minutes of the meeting held on 3 May 2016 commencing at 7.00 pm

Present: Cllr. London (Chairman)

Cllr. Brown (Vice-Chairman)

Cllrs. Brookbank, Clack, Hogg, Lindsay, McArthur and Purves

Apologies for absence were received from Cllrs. Kitchener and Reay

Cllrs. Dickins, Lowe and Mrs. Morris were also present.

32. Minutes

Resolved: That the minutes of the meeting of the Scrutiny Committee held on 24 November 2015 be approved and signed by the Chairman as a correct record.

33. Declarations of Interest

No additional declarations were made.

34. Responses of the Cabinet to reports of the Scrutiny Committee

There were none.

35. Actions from the last meeting of the Committee

There were none.

36. Kent County Council - Commercial and Traded Services

The Chairman welcomed County Councillor Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation and Commercial and Traded Services at Kent County Council and John Burr, CEO of Commercial Services, who gave an overview of Commercial and Traded Services at Kent County Council.

Mr. Carter and Mr. Burr tabled a [leaflet](#) providing an overview of the services provided by Commercial Services. Mr. Carter explained that Commercial Services had a combined turnover of £400 million, with three quarters from the LASER energy purchasing group. He explained that he did not want Commercial Services just to create artificial profits and so Commercial Services had separate accounts from the Council and no subsidies were provided. They clarified that 83% of the turnover come from businesses outside of KCC and the only service KCC staff were asked to use was Connect2Staff recruitment. Commercial Services contributed £5 million to £6 million per year back to the Council and had a target of £8.7 million in profit for the current year and £11 million in the next. Earlier that day Commercial Services had launched GEN2 property and professional

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services and they hoped that KCC Legal Services would be established as a separate Alternative Business Structure by the end of the year, to allow trading with both the public and private sectors.

Questions were asked of Mr. Carter and Mr. Burr.

The Chairman asked whether the service was sufficiently profitable, particularly given the large number of employees it had. They responded that, excluding energy brokerage, the profits were 5% which was comparable to retail businesses. 200 of their 600 employees were landscape gardeners. Commercial Services would be concerned if they overcharged other public authorities but competed instead on service provision, such as guaranteeing next day delivery. They noted that there had been a lack of investment over time and so 35% of orders were taken by fax while only 7% were through their website.

The Vice Chairman asked whether the increase in academy schools provided a greater opportunity for trading and whether KCC had considered the Council's aim to become self-sustainable. Mr. Carter raised his concerns at the funding of County Councils and noted that KCC had £1billion of debt, which had been borrowed against the Revenue Support Grant. Academisation provided an opportunity for KCC for greater efficiencies in scale, particularly where other Local Authorities were withdrawing their role and some private sector companies had tarnished reputations. KCC were part of the One Public Estate model and had entered discussions to take on part of the health economy.

Asked about trading with the private sector, Mr. Burr confirmed that Commercial Services was made up of a "Teckal" company which had to take on work from the Council and a trading company set up under section 93 of the Local Government Act 2003 and could only win work through competitive tendering. Commercial Services had a 5 year plan for investment to ensure all services were rated good or better.

In response to a question, Mr. Burr advised that Commercial Services was regularly asked for advice from other Local Authorities considering a similar approach. However, the governance could be expensive and KCC had to learn from mistakes. Commercial Services had reduced the number of its divisions and had sought synergies, recognising that services needed to be lean. However they would leave a service if they were only able to compete through "grey" employment practices.

A Member asked about how much trading was done with District Councils. Mr. Carter and Mr. Burr advised that they experienced more activity outside Kent. The Chief Officer Corporate Services confirmed that the Council did purchase energy, stationery and MFDs through Commercial Services.

In response a question concerning KCC's debt, Mr. Carter explained that the Council's aim was to ensure sufficient revenue and so KCC were not focussing on selling assets such as the company.

Asked about Commercial Service's competition with private sector services, Mr. Burr stated that the level of guarantees and audit requirements for Commercial Services provided reassurance to many local authority customers. London Boroughs, who were provided £100 million in energy, had stated they would not have entered the contracts if it had been with the private sector. Mr. Carter added that the service level with some

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private sector companies meant that contracts would not be renewed and they even planned for this.

The Chairman thanked Mr. Carter and Mr. Burr for their attendance.

37. Performance Report

The Chief Officer Corporate Services introduced a report which summarised performance across the Council to the end of February 2016. Members were asked to consider three performance indicators which were performing 10% or more below their target with a commentary from Officers explaining the reasons and detailing any plans to improve performance. If actions taken were not deemed sufficient, the report recommended referring those indicators to Cabinet for further assessment. The report also provided key performance indicators relating to the Portfolio Holders invited to the Scrutiny Committee meeting.

Resolved: That the contents of the report be noted.

38. Questions to the Portfolio Holder for Housing & Health

The Portfolio Holder for Housing and Health presented a report updating the Committee on recent achievements within her portfolio and challenges ahead. She highlighted that Housing and Health were being brought together within the Council. These services were intrinsically linked because bad housing helped cause poor health and was a cost to the NHS.

Asked by the Chairman about her concerns ahead she advised that the Housing and Planning Bill was due to be reconsidered shortly by the House of Commons. She was pleased that local MPs would support the amendments sought by the Council and had contacted the Secretary of State for Communities & Local Government and the Minister for Housing and Planning.

A Member asked what steps could be taken to provide affordable housing for ownership. The Portfolio Holder advised that a Housing Needs Assessment was being carried out which would clarify the types of housing required. She noted that some areas had introduced Pocket Housing, which allowed lower cost properties as many facilities were held communally.

The Portfolio Holder was asked what the current trends were in homelessness. She explained that future trends were still uncertain. They depended upon upcoming welfare changes, the results of the Housing and Planning Bill and how West Kent Housing would change its model including whether housing would be replaced by housing in cheaper areas.

In response to a question, the Portfolio Holder advised that the private sector was not keen on homing refugees as the government was only guaranteeing money for a year, however rents would likely be too high once they had jobs. The Council had offered the HERO service to help them to integrate into Kent life.

A Member asked how they could be satisfied that a good service was being provided to customers. The Portfolio Holder explained that the Housing Team had a noticeboard full

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of compliments they had received. As Disabled Facility Grants had been brought back in-house, Housing Services now sent out satisfaction services.

The Vice Chairman raised concerns that Affordable Housing would become situated mostly in enclaves of redeveloped brownfield land rather than where it was locally needed. The Portfolio Holder hoped that the Housing Needs Survey would redress these concerns and these assessments would eventually be incorporated into the revised Local Plan.

39. Questions to the Portfolio Holder for Direct & Trading Services

The Portfolio Holder for Direct & Trading Services provided an update on services within his Portfolio. He explained that the Council was the only District Council in the County still to run weekly refuse and recycling collection, with a 93% satisfaction rate compared to the national average of 77%. A Heritage Lottery Fund grant had recently been announced for the Greensand Ridge. The Council had proposed a CCTV Partnership, with Tunbridge Wells and Tonbridge and Malling Borough Councils which was due to create savings. A further 66 parking spaces had been added by expanding the car park in Westerham. He also noted that Direct Services had created a £233,000 surplus for the year.

The Chairman asked the Portfolio Holder's three greatest concerns. He explained that the first was the provision of greater parking in Sevenoaks, rather than merely restricting and displacing it. A small change in fuel prices could make a considerable difference on the 430,000 litres of diesel purchased each year. Finally he was keen for an increase in household waste recycling rates.

The Vice Chairman enquired about the current status of the CCTV Service and whether some parking charges in Sevenoaks Town were too high. The Portfolio Holder advised that the CCTV Partnership would provide staffing resilience and savings of £44,000 over 10 years. Tonbridge & Malling Borough Council's out of hours telephone service already came to Sevenoaks but CCTV was fed to Tunbridge Wells Borough Council. The parking charges were a response to demand and customers were signposted to other car parks. However, there would be an impact on the High Street if there were not a turnover of parking.

A Member noted that the Council lost approximately half of parking ticket appeals to the Traffic Penalty Tribunal, whereas Planning Services had a target to win 75% of appeals. The Portfolio Holder explained that only 0.17% of appeals went to the Tribunal which was the fewest in Kent and less than half of the national average. Nationally more than half of such appeals were lost by Councils. Officers no longer attended appeals as it was not cost effective, but when they used to attend they would win more than half of the appeals. He felt that the 15 appeals in the last year were statistical outliers given the 1,897 notices at the previous stage of appeal. The Committee asked that the Portfolio Holder consider introducing such a target.

Members asked the benefits of an in-house CCTV service. The Portfolio Holder responded that it allowed Officers to become particularly familiar with the local areas and stay connected to local venues through the Pub Watch and Shop Safe schemes.. The partnership would be managed by a legal agreement between the three Authorities

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The Portfolio Holder was asked for the Council's plans to tackle flytipping. He noted there were environmental and social costs to flytipping. The Council had become the first point of contact for reports for all matters and would remove all flytipping unless obstructing the carriageway or on private land, while advertisements for an Environmental Enforcement Officer would close shortly. Due to changes in legislation, householders could be held legally responsible if their waste were passed to somebody who later flytipped it.

Resolved: That Cabinet be asked to consider whether it would be appropriate to apply a target of 75% of Penalty Charge Notice appeals to be won at the Traffic Penalty Tribunal.

40. Leisure In-Depth Scrutiny Working Group - Update

The Vice Chairman, as Chairman of the In-Depth Scrutiny Working Group, updated the Committee on the progress of the Group. He explained that a report had been written and the Group would be meeting the following week to discuss it. The Group would provide the final report to the meeting of the Committee on 14 July 2015.

41. Work Plan

The Chairman advised that Mike Hill, KCC Cabinet Member for Community Services would be invited to the meeting on 7 February 2017 and Kent Police to 8 November 2016 due to availability. At the next meeting the Committee would consider establishing an In-Depth Scrutiny Working Group to consider the Council's Property Investment, examining the strategy and whether the benefits outweighed the risks. The work plan, subject to those amendments, was noted.

THE MEETING WAS CONCLUDED AT 9.13 PM

CHAIRMAN

