THE KENT AGREEMENT
(Kent Local Area Agreement 2)

Governance Framework Executive Summary

The Kent Agreement (KA2) is Kent’s Local Area Agreement (LAA).

What is an LAA?

An LAA is a 3 year agreement between Central Government and an area (Kent). It forms part of a far wider range of objectives, activities and outcomes that Kent’s public sector bodies actively engage in on a daily basis to serve their communities. In so doing, it supports and affirms the principle of community engagement that underpins the work of the LAA members, whereby communities are actively involved in improving service provision and where service providers are held accountable to the public.

The LAA sets out the priorities for the local area in the form of outcomes supported by relevant indicators and targets, as set by the Secretary of State and agreed with the LAA members. The Kent Partnership reserves its right to review any subsequent decision by the Secretary of State that has the effect of changing any such previously agreed targets.

What is the Governance Framework?

The Governance Framework is intended to help partners implement KA2, i.e. achieve the outcomes set out in the agreement. It does this by setting out the roles, accountabilities and responsibilities of those involved, and how performance, risk and finance will be managed.

The underpinning ethos of the Framework is to encourage consensus decision making based on mutual trust and integrity. The strength and effectiveness of the governance arrangements derive, in large measure, from the strength of the partnership between the parties to the LAA. The relevant statutory provision requires that KCC adopts the formal position as lead Responsible Local Authority, but the underlying intention is for the LAA to be a partnership of equals.

The Framework is being developed for application from 1 April 2008, but will be subject to continual development and regular review to reflect experience, best practice, changes nationally in the framework for Local Area Agreements, together with local needs and priorities.

What is the role of Kent County Council?

Kent County Council (KCC) is the lead Responsible Local Authority and Accountable Body for KA2. This means that it is responsible for ensuring that robust performance and financial management arrangements are in place. KCC is the Accountable Body for the funds pooled within the agreement which means ensuring that the funds are spent within the terms and conditions Government has set out in the Grant Determination.

The funding pooled within the Agreement will substitute for existing funding streams. Government does not include extra funding to support the achievement of outcomes. The focus of KA2 is on partners in Kent working in partnership, to achieve better outcomes for the people of Kent and using existing resources more effectively.
KCC has responsibility to promote the effective working of the Kent Partnership, to seek consensus and be guided by the views of the Partnership.

**What is the role of the Kent Partnership (KP) (Kent’s Local Strategic Partnership)?**

The KP oversees the implementation of KA2, including performance and the operation of the Governance Framework across KP’s Working Groups. The KP (via the Public Service Board) also ensures that Government reporting requirements are met and will meet with Government Office of the South East (GOSE) regularly to discuss progress. It is responsible for the Vision for Kent as the Sustainable Community Strategy for Kent and various other strategies flow from this.

**Who will manage the delivery and development of the Kent Agreement?**

The management of KA2 is co-ordinated by the Public Service Board (PSB) acting on behalf of the KP, in combination with the various Working Groups of the KP. The Working Groups will manage the implementation, delivery and refresh of the key themes of KA2.

Participation in the KP and its Working Groups will reflect the principles identified in paragraph 3.6 of the Kent Partnership terms of reference and decision-making will be based on the agreed principles as identified in paragraph 4.5 of the Governance Framework.

Each Working Group will take ownership of an identified part of KA2 – a set of outcomes, indicators and targets. They will be assigned accountability for use of pooled resources and responsibility for over/underperformance. They will also make recommendations about the use of pooled funding to the PSB and KCC (as Accountable Body).

**Who will actually deliver the Kent Agreement?**

The KP is a partnership of sovereign bodies and representative organisations. Through membership of the KP, partner bodies and organisations are committed to taking actions that will further the achievement of targets and outcomes set out in KA2 where this is consistent with their statutory roles and responsibilities. The outcomes and actions will need to be included in the strategic and operational plans of individual partner organisations.

Organisations may be commissioned to deliver specific work – if this includes use of pooled funds there will be a financial agreement drawn up between KCC as Accountable Body and the organisation leading the activity. Organisations will also align their own mainstream funding streams to achieving the LAA outcomes where this is appropriate, lawful and consistent with their statutory roles and responsibilities.

**Who will scrutinise the operation of the Agreement?**

Local Authority scrutiny members will hold the KP and individual partners to account on the progress of KA2. One focus will be on challenging Working Groups on progress towards the targets in KA2. Scrutiny Members will also consider how they may add value to the achievement of the outcomes in the Agreement. Every effort will be made to coordinate scrutiny processes effectively in order to minimise duplication and to promote greater coherence.

The Kent Leaders Group, comprising the elected Leaders of KCC and the Boroughs/Districts, will act as an informal political sounding board for the operation of KA2, ensuring that the Agreement and the way it is implemented reflect the wishes of the communities they represent.
What is the role of District Local Strategic Partnerships (LSPs)?

LSPs operate at District or other sub-county level and will play a key role in the delivery of KA2. They are the custodians of district Sustainable Community Strategies and, as such, are required to work closely and together with the Kent Partnership in developing Sustainable Community Strategies, spatial plans and the countywide KA2. They provide a focus for locality input into the Working Groups of the KP by bringing together a wide range of partners in the locality, including Borough/District Councils, Parish Councils, partners from the private and voluntary and community sectors. The Thematic Tasks Groups of the District LSPs will link to the Working Groups of the KP.

How will decisions be made about Area Based Grant that is allocated to particular Districts?

This cannot be determined with any certainty until further details are received from Government. Where, however, funding is allocated to address deprivation in a particular area, recommendations on how it will be spent may be made by the relevant LSP and the relevant KP Working Groups. Furthermore, Government grant might only be one part of the funding partners consider necessary to commit to achieve a desired outcome. Recommendations will be considered by the PSB or, in the event of lack of consensus, by the KCC acting as the Accountable Body.

What will happen in cases of under or over performance?

The relevant Working Group will regularly receive ‘exception’ reports on performance. These reports will highlight instances of under and over performance against targets in the Agreement. The Working Group will follow a ‘ladder of intervention’ which sets out the steps to be taken. These include close monitoring of the situation to see whether the situation persists, developing and monitoring corrective action plans and making appropriate recommendations to relevant partners and/or the PSB. The performance reports produced in relation to KA2 will be made available on the KP website (www.kentpartnership.org.uk).

Summary

A range of outcomes – supported by relevant indicators and targets – have been agreed by partners in Kent with Central Government. The Working Groups of the KP will agree action plans that set out how partner organisations will achieve the targets. The individual partner organisations will ensure that the actions they are responsible for are included in their own strategies and operational plans and are budgeted for.

Funding may include the organisation’s mainstream funding, a mix of funding streams from a variety of partners, or LAA ‘pooled funding’ allocated in respect of particular outcomes and targets. In the case of pooled funding, recommendations on spend will be made, via Working Groups and the PSB, to KCC as Accountable Body. The use of Performance Reward Grant will be considered when the Government releases details relating to aims, policy and funding allocations.

Performance, and spend of pooled funding, will be monitored by the relevant Working Group and corrective actions put in place where performance isn’t as it should be. The PSB will meet regularly with GOSE to report on progress.

The relevant District LSP will contribute to ensuring effective delivery at a local level. KCC Local Boards and Local Authority scrutiny members will also monitor progress and challenge the KP where necessary.
Detailed practice notes on decision making, performance management and financial management are included as appendices to the full Governance Framework. These documents are available on the KP website.

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25 February 2008
The Kent Agreement

Governance, Finance & Decision-Making

The Local Government and Public Involvement in Health Act 2007, as well as recent Governmental guidance, recognize the democratic and accountable leadership of KCC as the statutory body ‘responsible’ for developing the second Local Area Agreement in Kent – Kent Agreement 2 (KA2), in alliance with its partner authorities, which includes district councils.

KCC, as the designated Accountable Body for all relevant funding in KA2, is responsible for ensuring that use of funding satisfies the terms and conditions in any grant determination. In so doing, KCC will consider recommendations made by the Kent Partnership (KP) (Kent’s Local Strategic Partnership) and its partner bodies. Allocations of pooled funding will be determined by KCC taking account of recommendations by the KP partner authorities.

On a 6 monthly cycle, the KP through the PSB will consider performance and risk management reports and any actions required to bring performance back on track across all KA2 blocks through the four KP Working Groups. KCC will take an overview of KA2 performance and will receive 6 monthly performance reports and recommendations from the KP.

Governance Framework

This Governance Framework has been developed collaboratively and is jointly owned by all partners working together in Kent to achieve the ambitious outcomes in the KA2. The framework will help partners to implement KA2 and enable all to focus on the critical drivers, initiatives and actions that are necessary to achieve the collective outcomes.

The Framework is being developed for application from 1 April 2008, but will be subject to continual development to reflect experience, best practice and changes nationally in the framework for LAAs. In particular, the content of the Framework will change in light of experience of delivering the KP and learning from the delivery of LAAs in other shire county areas.

Specifically, the content of the Governance Framework is designed to assist the KP and individual partner authorities achieve their improved outcomes as set out in the Vision for Kent (V4K). It provides sufficient flexibility for each of the partner authorities to tailor their approaches to governance within one overarching set of principles and processes.

The Governance Framework contains three main sections dealing with:

- Overall governance
- Financial management
- Performance management
The Kent Agreement
Governance Framework

1. Introduction

1.1 This section sets out the roles and responsibilities of partners in KA2, including Government Office for the South East (GOSE), the KP, KCC, individual partner agencies, District Local Strategic Partnerships (LSPs), County and District Scrutiny Members. The paragraphs that follow explain in more detail the accountabilities and responsibilities of each organisation.

2. Government Office for the South East

2.1 GOSE provides the Government’s focus for agreeing and monitoring KA2. It has supported the development of and has negotiated the Agreement and will be responsible for monitoring progress and achievement of the agreed outcomes.

3. Kent Partnership

3.1 The KP will adopt an overall assurance role and oversee the implementation of the Governance Framework and the achievement of outcomes across the PSB, all Working Groups and LSPs. It will oversee the effective operation of the Working Groups and the overall continual development of KA2 through the annual refresh.

3.2 Specifically, the PSB and KCC will be responsible for overseeing the process for ensuring the 6 monthly performance, risk and financial monitoring reports are submitted to GOSE on time, ensuring that overall progress toward achievement of outcomes is satisfactory, and engaging with GOSE at those reviews and ensuring issues from those reviews are taken forward.

3.3 The KP through the PSB is responsible for ensuring that the annual refresh of KA2 reflects the overall priorities for Kent, within the overall context of the V4K and taking account of District community strategies. It will shape the overall balance of the Agreement across various Working Groups and ensure effective linkages and synergies between them.

3.4 The outcomes and indicators in KA2 will be delivered by partner agencies. Partners will be held accountable to the KP for their individual contributions and activities. The PSB will maintain a strategic overview of the implementation, delivery and refresh of each block. Its role in managing delivery will include:

- advising and influencing activities to deliver targets and outcomes
- receiving and providing regular performance, risk and financial monitoring information
- holding individual delivery agencies to account for their performance
• identifying learning and good practice to share across partners in KA2
• identifying areas of under-performance
• seeking agreement of partners to action to address under-performance (which may include recommending reallocation of funds)
• instigating corrective action where required

3.5 This responsibility will include strategic commissioning, informed by local performance information and intelligence, to achieve a programme of ‘outcomes’ for the area. This will require partner authorities to agree collective actions (the added value of partnership).

3.6 Finally, each partner authority, through the KP, will agree with the PSB and KCC accountabilities and responsibilities that define the required outcomes, activities, monitoring information, and associated timescales. This will also include clarity on who makes decisions, who is informed of outcomes and who must be consulted before a decision is taken.

3.7 In short, responsibility for managing KA2 performance will rest with the KP through the PSB. KCC will take an overview of KA2 performance and will receive 6 monthly performance reports.

4. Kent County Council

4.1 KCC has two distinct roles in addition to being a full partner: as Lead Responsible Local Authority and as Accountable Body.

4.2 As the Lead Responsible Local Authority for KA2, KCC is responsible for:

(a) Financial management.
(b) Ensuring that robust performance management arrangements are in place.
(c) Ensuring that use of funding satisfies the terms and conditions in any grant determination.
(d) Promoting the effective working of the Kent Partnership.
(e) Ensuring that there are reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under the KA2 Determination.
(f) Acting as a performance hub, ensuring that performance management arrangements are operating effectively.

4.3 As Lead Responsible Local Authority KCC is required to:

(a) Support the KP and partner bodies in the development and overall management of KA2.
(b) Prepare and submit to the Secretary of State a draft LAA specifying:
   (i) local improvement targets
(ii) in relation to each local improvement target the persons to whom the target relates

(ii) the period for which the LAA is to have effect

(c) Have regard to the V4K and any guidance issued by the Secretary of State in preparing the draft LAA.

(d) Have regard to the local improvement targets that relate to it when exercising its own functions.

(e) Seek the views of each partner when preparing the draft LAA and co-operate with them in determining the targets for inclusion in KA2, which relate to that partner.

(f) Consult with, and seek the participation of, partners in the development and subsequent modification and revision of the V4K and KA2. This includes the changing or removing of targets (unless they are ‘designated’ by the Secretary of State). In order to change or remove a target, the consent of the partner authority(ies) to which it relates must be obtained, and anyone else to who it relates must be consulted. Targets may be added with the consent of the partner authority(ies) to which it relate.

(g) Consult with partner authorities on, and have regard to, their community strategies.

(h) Satisfy itself and GOSE that robust governance and performance management arrangements are in place for KA2. As part of this role KCC will work with partners to ensure that systems are in place to collect the data to support effective performance management arrangements across KA2.

(i) Ensure that the KP co-ordinates and prepares 6 monthly performance monitoring reports to GOSE.

(j) Ensure there is clear responsibility for achievement of individual targets.

4.4 As Accountable Body for all relevant funding in KA2, KCC is required to:

(a) Take final decisions on recommended allocation, commissioning and delivery arrangements.

(b) Make arrangements for the payment and ensure management of pooled funds, and to ensure that appropriate arrangements are in place for governance, procurement, propriety, management and payment of pooled funds.

(c) Submit financial monitoring reports to GOSE including:

   (i) Mid-Year Statement of Grant Usage & Certificate

   (ii) Forecast outturn Report

   (iii) End-Year Statement of Grant Usage & Certificate

(d) Prepare and maintain a Risk Register and Action Plan for KA2 and ensure that individual risk registers and action plans are in place for each Working Group.
4.5 Recommendations about KA2 targets and allocations of pooled funding will be made to KCC by the KP in accordance with the following principles:

(a) Reasonable and proportionate participation by all partners in its Working Groups

(b) Effective consultation with all partners (collectively or individually, dependant on the issue), with all partners being formally and individually consulted in the following key areas:

(i) KA2 priorities, targets, amendments and outcomes
(ii) V4K content, amendments and delivery plan
(iii) KP governance arrangements
(iv) Strategic allocation of KA2 pooled funding, including virements of more than £100k
(v) Performance Reward Grant (PRG), in light of expected new Government policy and funding allocations, and new proposals for use of PRG in subsequent Kent Agreements

(c) A commitment from KP to use its best endeavours to reach consensus

4.6 KCC, as Accountable Body, will normally take any decisions about KA2 targets and allocations of pooled funding in accordance with the unanimous and consensual recommendations of the KP.

4.7 In the event that a unanimous and consensual recommendation on KA2 targets and allocations of funding is not forthcoming, KCC will take responsibility for any final decisions in this regard having taken into account the views of the partner agencies, including those that represent the majority view, and will notify the KP in writing of its reasons for such decisions.

5. Individual Partner Agencies

5.1 The Governance Framework provides a bridge between governance frameworks that already exist in partner agencies and one overall framework to support KA2.

5.2 Individual partner agencies will use existing governance frameworks (including existing internal financial, performance and risk management systems). All Partners in the Kent Partnership will assess and undertake any required change to their individual governance frameworks subsequent to adopting the Kent Partnership governance framework.

5.3 Each partner agency shall:

(a) cooperate with KCC when agreeing targets for inclusion in the draft LAA, relating to that partner authority
(b) have regard to any guidance issued by the Secretary of State
(c) have regard to the local improvement targets that relate to it when exercising its own functions
5.4 Partner agencies will contribute to the planning and mitigation of risk and also seek opportunities to align funding.

5.5 Partner agencies also ensure that the outcomes and actions they are committed to delivering through KA2 are in their own strategic and operational plans. They should also ensure that performance frameworks support the management of delivery of their share of the outcomes and actions.

5.6 District Councils are key partners in the KP. District Councils, as with other partner delivery bodies, including KCC, can also be commissioned to deliver specific work.

6. District Local Strategic Partnerships

6.1 LSPs operate at District or other sub-county level and will play a key role in the delivery of KA2. They champion area-based priorities in the refresh of KA2, monitor to ensure delivery is effective at locality level, through either direct actions or by supporting actions at a local level to add value to delivery.

6.2 As custodians of district Sustainable Community Strategies, the District LSPs are required to work closely and together with the KP in developing spatial plans and the successful negotiation and delivery of KA2 and V4K. LSPs should work through the KP to ensure inclusion and alignment, as far as possible, of local priorities and actions with their Sustainable Community Strategies and plans, while also ensuring that this reflects the diversity of each District.

6.3 District LSPs provide a focus for locality input into the Working Groups of the KP by bringing together a wide range of partners in the locality, including Borough/District Councils, Parish Councils, partners from the private and voluntary and community sectors.

6.4 One of the expected benefits from a Local Area Agreement is to ensure that gaps between performances in local areas are narrowed, whilst at the same time, county-wide performance improves. Consequently, the LSPs have a critical role in terms of influencing and challenging KP Working Groups. In particular, the Thematic Tasks Groups of the District LSPs may link to the Working Groups of the KP.

6.5 District LSPs, by agreement with the KP or the PSB, may also take devolved local responsibility for setting targets against outcomes; joint delivery of those targets; and monitoring progress against them.

7. Scrutiny Members

7.1 Scrutiny Members will be expected to hold the KP to account. Their role will include challenging executive decisions; reviewing policy; informing policy development; and monitoring/reviewing external partnership arrangements.

7.2 At County level, this role will be fulfilled by KCC’s Overview and Scrutiny Committees. At District LSP level, District/Borough Council scrutiny members will champion local priorities pertinent to KA2 and pursue effective delivery at locality level.

7.3 Where KCC is a key service provider and partner, e.g. children and young persons, social care, waste, highways, etc, joint scrutiny arrangements between KCC and Districts may be developed to consider both local and strategic matters.
8. Managing Performance & Risk

8.1 In order to ensure that the process works effectively, a prerequisite of ‘soft’ approaches by all partners will be required, including:

- Achieving cooperation
- Clear objectives and shared vision
- Effective communication
- Conflict management
- Effective management & leadership

Achieving Cooperation

8.2 All Working Groups should agree the required levels of interaction from individual partner agencies. Each Working Group should therefore consist of the representatives with the required authority to represent their relevant agency. Often, different representatives will attend Group meetings, however continuity of authority is essential within this forum if the partner agencies are to remain focused and deliver stated outcomes.

8.3 In addition, each partner agency should cooperate to ensure that allocation of resources is aligned to the successful delivery of outcomes. Once agreement has been achieved, it should be formalised to ensure the cooperation continues throughout the lifespan of KA2.

Clear Objectives and Shared Vision

8.4 On an annual basis, outcomes should be refreshed and clearly defined along with the respective performance measures. This process will be coordinated by KCC and KP, working alongside all partners. They must not be subject to interpretation. Often it is difficult to achieve this with shared resources and each Working Group has to ensure that the outcomes remain visible at all times and that regular communication is provided across the partner agencies.

Effective Communication

8.5 Effective communication is essential in order to ensure information is given, received and understood. Therefore, this Framework seeks to ensure the provision of timely and accurate information to all partner agencies. As such, various channels of communication should be considered. However as a minimum, regular performance reports should be published on the KP website. The use of regular newsletters or email bulletins should also be adopted to convey the performance of each Working Group against desired outcomes.

8.6 Each Working Group should also ensure that there is effective communication about performance and use of resources across the partner agencies adopting the following basic principles:

(a) base communication methods on other agencies’ needs
(b) ensure that communication is shared in a timely manner
(c) advocate open and honest two-way communication
(d) conduct regular assessments of the effectiveness of inter agency communications

(e) take advantage of existing and/or emergent communication vehicles to achieve this; for example, the internet, email, meetings or newsletters

(f) refer unresolved issues of conflict to the PSB when appropriate

Conflict Management

8.7 Partner agencies should strive to achieve win:win resolutions in order to achieve outcomes. Where poor communication results in conflict or failure to meet key measures and/or targets, a suitable means of resolving this needs to be readily available. Where a conflict is identified with a Working Group or between Working Groups, the partner agencies or partnerships are expected to resolve the conflict using the following approach:

(a) Acknowledge the conflict
(b) Establish ground rules for resolution
(c) Establish common ground and shared goals
(d) Separate the problem from the people and their perceived position
(e) Share collected data relating to the conflict
(f) Explore solutions, listing alternative resolutions
(g) Evaluate solutions looking for win:win
(h) Select the best solution
(i) Share the solution with other stakeholders

8.8 Where a conflict remains unresolved within or between any Working Group, the issue will be referred to the PSB to advise on the best way of achieving a final resolution.
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Financial Management

1. Financial responsibility and accountability

1.1 All public bodies have a statutory responsibility and fiduciary duty to ensure that public money is properly accounted for and that responsibility extends to any funding within the terms of KA2. KCC is responsible for promoting clear financial responsibility and accountability and robust performance and risk management arrangements. This Framework sets out governance arrangements to ensure efficient and effective delivery of the financial management element of KA2. It has regard to the Audit Commission’s guidance on working in partnerships ‘Bridging the Accountability Gap’ and the need to manage risks around:

(a) accountability between partners
(b) clarity on the processes for making decisions about the allocation of funding
(c) scrutiny of expenditure and allocations
(d) the adequacy of the systems for financial budgeting control and monitoring (performance and financial) within the partnership
(e) the adequacy of partners’ financial skills, resources and systems to plan and report on expenditure
(f) ensuring that there is clear ownership for each of the outcomes, performance measures, targets and improvement plans attaching to KA2
(g) ensuring that there is a robust process in place for performance management
(h) recognising the importance of measuring, monitoring and managing the achievement of KA2 outcomes as a vital means of communication and motivation amongst all partners
(i) acting on behalf of partners involved in the development and delivery of KA2 in ensuring that all financial conditions are complied with
(j) ensuring good practice in procurement, commissioning and ethical standards
(k) the requirements and standards of accounting and financial records necessary to demonstrate effective stewardship of public funds

2. Financial Management Framework for Pooled Funding

2.1 The framework for the management of pooled funds will be cemented in financial agreement documents between KCC, as the Accountable Body, and lead delivery bodies receiving funding. These agreements will reflect terms and conditions in the Government’s grant determinations, and local arrangements for performance management and decision
making in respect of KA2. Clarity in accountability and responsibility will be incorporated into the funding agreements that will include:

(a) The amount allocated to the recipient and purpose for which it is allocated

(b) Definitions of eligible expenditure as defined in the grant determination, including the nature of any spend that is not eligible

(c) Restrictions where applicable on how much of the funding is specifically for capital spend or revenue spend

(d) Arrangements for payment of funds to partners including dates, payment methods, and profiling of payments

(e) The governance arrangements applicable to funds pooled in KA2, including arrangements to agree the allocation and any redistribution of funds, and any to changes in spending plans

(f) Procedure for the resolution of disputes

(g) Asset management arrangements, including requirements to record details of any assets purchased and limitations and conditions in the event of disposal of those assets

(h) Financial Reporting, including the timing and accounting basis for reporting eligible expenditure

(i) Performance Reporting, including timing and content of performance management information and allocation of any Performance Reward Grant

(j) Limits on amounts that can be carried forward to subsequent years

(k) Audit arrangements, including access to information for internal and external audit purposes, and provision of assurance to support the audit opinion to accompany the year-end statement of grant usage

(l) Circumstances that could give rise to withholding, termination or recovery of payments

(m) Arrangements for recovery of funds

3. **Area-Based Grant**

3.1 Details are awaited from Government on the implementation of Area Based Grant and Capital arrangements.
The Kent Agreement
Performance Management

1. An overview of the process for managing performance, using KA2 and V4K as its basis, is illustrated below:

   STAGE 1 Priority and target setting
   STAGE 2 Action planning
   STAGE 3 Financial planning and profiling
   STAGE 4 Commission tasks and actions
   STAGE 5 Measure performances (quarterly review cycle)
   STAGE 6 Performance reporting, analysis and forecasting (quarterly review cycle)
   STAGE 7 Corrective actions
   STAGE 8 Learning and sharing good practice

Stage 1 – Priority and Target setting

1.1 KA2 should contain priority outcomes and associated performance measures. Targets should be attached to all performance measures covering the lifetime of KA2. These targets should be based on a number of national and local priorities from V4K and represent the outputs from the Working Groups. Each Working Group should plan ahead for an annual refresh of the content of the Agreement.

Stage 2 - Action Planning

1.2 For each performance indicator, an owner will be identified by each Working Group who will take responsibility for completing an action plan to support the delivery of the sub-outcome. The owner will also ensure that the action plan is successfully implemented. The owner may be an individual partner or a group of partners.

1.3 All activities must be clearly defined at the outset, and the tools, knowledge and skills must be made available to the partner agencies to allow effective delivery of outcomes to take place.

1.4 When activities are not impacting on performance targets, then the necessary corrective actions and re-scheduling of activities will need to be commissioned by the Working Groups and undertaken by the relevant partner agency.

1.5 Action plans must be developed using the principles of SMART action planning i.e. Specific, Measurable, Achievable, Realistic and Time Bound.

Stage 3 – Financial Planning and Profiling

1.6 Financial planning needs to link with action planning, and action plans need to be affordable, taking account of relevant mainstream budgets, aligned funds and pooled funds.
1.7 Working Groups will recommend allocations of pooled funds to lead partners towards activities that support outcomes and targets. Lead partners will develop these into budgets that support activities in action plans, and include these alongside action plans. Budgets should be supported by a note of key assumptions and landmarks that will support the monitoring of spend and progress.

1.8 Partners should take account of activities supporting KA2 when setting their own mainstream budgets and aligned funds. Partners should confirm to the Working Groups what specific allocations they are making from other funding sources for activities.

**Stage 4 - Commission tasks and actions**

1.9 When the action planning process has been completed, each Working Group should approve the plan and receive regular reports to ensure progress is satisfactory (see below for corrective action and ‘Ladder of Intervention’).

**Stage 5 - Measure Performance**

1.10 Once work has commenced towards the completion of the approved action plans, performance towards the achievement of the target will be measured by each partner agency and made available to KCC.

**Stage 6 - Performance and Risk Reporting, Analysis & Forecast**

1.11 Having collected the performance data for the relevant performance measures, it should be possible for the partner agencies to analyse the data and establish forecasts on the probability of achieving the target.

1.12 The analysis process should be supported by the use of comparators (where available) as a benchmark of performance, against which KA2 performance can be compared.

1.13 To ensure that a balanced view is taken, both positive and negative performance will be reported, to ensure that underperformance is challenged and that successes are shared across each partnership.

**Stage 7 – Corrective Action**

1.14 Where the level of achievement is not forecast to achieve a target, it would be appropriate for the relevant partner agency to submit a corrective action report that includes:

   (a) Identification of the cause behind the variance
   
   (b) Assessment of the potential impact on the target
   
   (c) The action plans in place to recover the situation

1.15 The corrective action report should be given to the appropriate Working Group with the aim of providing information to support decision-making. Where necessary, support from the other partner agencies should be obtained.

1.16 It is essential that underperformance is identified quickly and that the most appropriate level of corrective action is identified. A ‘Ladder of Intervention’ should be used to ensure that the appropriate level of support is in place where under-performance
against intended outcomes is highlighted. This will ensure that remedial action is proportionate and manageable.

1.17 The ‘Ladder of Intervention’ will have the following steps:

**Step 1 – Emerging under-performance**

1.18 Each quarter exception (trend) reports should be prepared by Lead partners for all sub-outcomes. This should take the form of a listing of performance indicators highlighting where under-performance is emerging, explaining why and proposed remedial action.

**Step 2 – Persistent under-performance**

1.19 If under-performance is evident for two consecutive quarters, the Working Group will agree with the Lead partner a detailed action plan to tackle under-performance and get performance back on track.

**Step 3 – Sustained under-performance**

1.20 If under-performance continues after 6 months of implementation of an agreed action plan, the KCC Chief Executive will nominate a person(s) to work with the Working Group to analyse the area of underperformance and to agree necessary corrective action. The KP through the PSB will review the impact of agreed corrective action after 3 months of implementation.

1.21 In the event of sustained underperformance by the partnership, GOSE (in consultation with partners) may also take action to ensure under-performance is remedied. The sequence of interventions described above is intended to accommodate this, but in the event of continuing or severe underperformance could include in addition:

(a) Engagement of additional support or funding
(b) Additional performance monitoring requirements
(c) Application of diagnosis or improvement plans
(d) Re-imposing ring fencing of funds
(e) Cessation of funding stream payments

**Stage 8 - Learning and Sharing Good Practice**

1.22 Finally, partners should take all learning from operating KA2 and share good practice amongst partners and with other partnerships.

2. **Public Performance Reporting**

2.1 The residents of Kent will be able to track progress against the outcomes and sub-outcomes of KA2 by accessing quarterly progress reports on the KP website.