

POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 1st July, 2015

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Wednesday, 1 July 2015, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Ann Hunter**
Telephone: **03000 416287**

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

Membership (14)

Conservative (8): Mr A J King, MBE (Chairman), Miss S J Carey, Mr N J D Chard,
Mr J A Davies, Mr R L H Long, TD, Mr S C Manion,
Mr L B Ridings, MBE and Mrs P A V Stockell

UKIP (3) Mr J Elenor, Mr C P D Hoare and Mr R A Latchford, OBE

Labour (2) Mr D Smyth and Mr N S Thandi

Liberal Democrat (1): Mrs T Dean, MBE

Webcasting Notice

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UNRESTRICTED ITEMS

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

A - Committee Business

A1 Introduction/Webcast announcement

- A2 Apologies and Substitutes
To receive apologies for absence and notification of any substitutes present
- A3 Declarations of Interest by Members in items on the Agenda
To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared.
- A4 Minutes of the meeting held on 22 April 2015 (Pages 7 - 14)
To consider and approve the minutes as a correct record.
- A5 Minutes of the meeting of the Property Sub-Committee held on 27 March 2015 (Pages 15 - 18)
To receive and note the minutes
- A6 Work Programme (Pages 19 - 22)
To consider and agree the work programme for 2015
- A7 Extraordinary meeting - 29 July 2015
To note that an extraordinary meeting of the Policy and Resources Cabinet Committee will take place at 10am on 29 July 2015

B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement

- B1 Facing the Challenge - Legal Services - Report on the Procurement Process (Pages 23 - 36)
To receive and note the details and progress of the competitive dialogue process for Legal Services
- B2 Facing the Challenge -- Back Office Procurement Project including the following services; HR, Finance, ICT, EduKent, Contact Point and Digital Communications (Pages 37 - 48)
To note and endorse the progress to date and the next steps

C - Monitoring of Performance

- C1 Strategic and Corporate Service Directorate Dashboard (Pages 49 - 60)
To receive and note a report that shows progress made against targets set for Key Performance Indicators
- C2 Provisional Financial Outturn Report for 2014/15 (Pages 61 - 64)
To consider and note the draft financial outturn for 2014/15

D - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers - None

E - FOR INFORMATION ONLY

E1 Schedule of Commissioning Activity (Pages 65 - 84)

To note the schedule of commissioning activity and the issues raised in the covering paper

E2 Basic Need Delivery Update and Outturn Costs (Pages 85 - 90)

To receive an update on the Basic Need Outturn Costs and a delivery update of the Basic Need Programme, consisting primary and secondary school expansions and new primary school provision

Motion to Exclude the Press and Public

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

EXEMPT ITEMS

*(At the time of preparing the agenda there was an exempt appendix relating to Item B1.
During consideration of this item the meeting may not to be open to the public)*

Peter Sass
Head of Democratic Services
(01622) 694002

Tuesday, 23 June 2015

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KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 22 April 2015

PRESENT: Mr A J King, MBE (Chairman), Mr R H Bird, Miss S J Carey, Mr N J D Chard, Mr J A Davies, Mr J Elenor, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr R J Parry, Mr L B Ridings, MBE, Mr D Smyth, Mr A Terry and Mr N S Thandi

ALSO PRESENT: Mr P B Carter, CBE, Mr G Cooke, Mr J D Simmonds, MBE and Mr B J Sweetland

IN ATTENDANCE: Mr J Burr (Director of Transformation and Commercial Services), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Ms D Exall (Strategic Relationship Adviser), Mr R Fitzgerald (Performance Manager), Mr T Garrod (Enterprise Architect), Ms J Hansen (Finance Business Partner (Strategic & Corporate Services), Ms N Major (Strategic Financial Adviser), Mr T Micklewright (Contracts Manager - PFI), Ms E Sanderson (Strategic Business Adviser), Mr M Scrivener (Corporate Risk Manager), Ms R Spore (Director of Infrastructure), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr G Wild (Director of Governance and Law), Mrs A Hunter (Principal Democratic Services Officer) and Mr A Saul (Democratic Services Officer)

UNRESTRICTED ITEMS

127. Apologies and Substitutes
(Item A2)

Apologies for absence were received from Mrs Dean, Mr Hoare, Mr Manion and Mrs Stockell. Mr Bird, Mr Terry and Mr Parry attended as substitutes for Mrs Dean, Mr Hoare and Mrs Stockell respectively.

128. Declarations of Interest by Members in items on the Agenda
(Item A3)

- (1) Mr Long made a declaration of interest as he was a serving staff officer which was salaried reservist post with the 2(SE) Brigade. He left the meeting during discussion of Item D6 – Update on the Kent and Medway Armed Forces Covenant.
- (2) Mr Latchford made a declaration of interest as he was chairman of his local branch of the Royal British Legion.

129. Minutes of the meeting held on 16 January 2015
(Item A4)

Resolved that the minutes of the meeting held on 16 January 2015 be approved as a correct record and signed by the Chairman.

130. Work Programme

(Item A5)

- (1) The report set out details of the proposed work programme for 2015 and asked the Cabinet Committee to consider and agree the programme.
- (2) Resolved that the work programme for 2015 be agreed.

131. Renewal Of Microsoft Enterprise Agreements

(Item B1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which explained the context for the renewal of the Microsoft Enterprise Agreements which would allow the Council to continue to deliver its current services.
- (2) Tim Garrod (ICT Enterprise Architect) said the Council paid a subscription fee for licences and the current 3-year agreement needed to be renewed with effect from 1 July 2015. He also said the contract was purchased through an agreement with Microsoft and central government and enabled the public sector to benefit from a substantial discount, relative to the private sector. Licences used to support educational activities enjoyed a bigger discount and therefore the Council had separate agreements for educational uses and one for other Council staff.
- (3) Resolved that the proposed decision, to delegate to the Director of Infrastructure, the renewal of the Microsoft Enterprise Agreements, including the necessary contractual negotiations and to enter into any subsequent necessary legal agreements, be endorsed.
- (4) On behalf of the Cabinet Committee, Mr King welcomed Ms Spore back to work and congratulated her on her new role as Director of Infrastructure.

132. Performance Dashboard

(Item C1)

- (1) Richard Fitzgerald (Performance Manager) introduced the report which contained the Strategic and Corporate Services Directorate Dashboard showing progress made against targets set for Key Performance Indicators.
- (2) Mr Fitzgerald said that performance against targets was generally rated "green" and that no major change to the overall picture was anticipated following analysis of the data for performance in March 2015.
- (3) He referred in particular to: the improvement in performance in the Contact Centre; the fact that February was the first month when media coverage had contained less positive content than desirable (CE02 – Percentage of regional media coverage which is positive or neutral); the data included in P102 (Property Service Desk call out requests responded to within specific

timescales) did not include calls logged to the new FM Helpdesk and to the reduction in the target for net capital receipts (P103) following re-phasing of projects.

- (4) In response to a question, Mr Fitzgerald said that performance indicators were reviewed annually and were currently being reviewed in the light of proposed business plans.
- (5) Resolved that the report be noted.

133. Financial Monitoring 2014-2015

(Item C2)

- (1) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) reminded Members of the £12 million underspend projected at the beginning of the year and said the current projection was for a modest overspend including the rollover of some key funding and provision for priorities such as dealing with potholes. He thanked the directors for their efforts to achieve this position.
- (2) Jackie Hansen (Strategic and Corporate Services Finance Business Partner) introduced the report. She said the Directorate was now forecasting an £1.1m underspend for quarter 3 and drew Members' attention to Annex 6 which showed that: underlying pressures remained within the Contact Centre and the Community Engagement Service; improvements had been made in Asset Rationalisation savings shown against the Property Group and underspends had increased in Finance and Procurement and in Local Healthwatch and the NHS Complaints Advocacy.
- (3) In response to a question, Mr Cooke said the Council's position in relation to the introduction of the Living Wage had been set out at the meeting of the County Council on 26 March. He also said that the salaries of the lowest paid staff had been increased by a minimum for £425 for 2015-16.
- (5) Resolved that the revenue and capital forecast variances from budget for 2014-15 that are within the remit of this Cabinet Committee, together with the overall forecast overspending position for the authority, based on the third quarter's full monitoring to Cabinet be noted.

134. Transformation Update - Verbal Update

(Item C3)

- (1) John Burr (Director of Transformation and Commercial Services) gave a verbal update on the transformation project. Claire Jenden (Review Team Manager) was also in attendance for this item.
- (2) Mr Burr said that services included in Phase 1 were Property Services, HR, Personnel, ICT, Finance, Digital Communications, Contact Centre) EduKent, Libraries, Legal Services, Kent Scientific Services, Community Learning and Skills and residential care homes. He said significant progress had been made and many of the projects would come forward for Member decision over the next couple of months.

- (3) He said the consultation on the Libraries, Registration and Archives had ended and work was continuing with the GRO regarding the transfer of the registration staff. It was anticipated that a report would be considered by the Growth, Economic Development and Communities Cabinet Committee on 20 May 2015 and that a decision would be taken in June.
- (4) Mr Burr said that work relating to the Kent Scientific Services had been put on hold pending the recent publication of the Elliot Review and that the six county councils who had retained their Scientific Services were now exploring the possibility of a collaborative working solution.
- (5) He said the business plan for Property Services was being developed and tested and the decision making relating to establishment of a LATCO would begin in July and subject to a decision being made the LATCO would be launched in April 2016.
- (6) Mr Burr said that the back office services had been divided into four lots (Lot 1 – HR, ICT, Finance; Lot 2 Services for Schools (EduKent), Lot 3 Customer functions (Contact Point and Digital) and Lot 4 – Lots 1-3 combined) and that the second stage of the competitive dialogue was underway. He said that the Legal Services project was on track for delivery within the indicative timescale and that stage 1 of the competitive dialogue had been completed. It was anticipated that a report on back office services would be presented to the Policy and Resources Cabinet Committee on 1 July 2015
- (7) He said that good progress had been made with Phase 2 projects and that outline business cases were being development for Procurement and Commissioning, SEND Assessment, and Support and Admissions Services. A review of the Community Warden Service was being conducted by the directorate and consideration was being given to the future of Country Parks.
- (8) In response to a question, he said that the length of the contract depended on the market for a particular service, no one payment mechanism was preferred and any recommended decisions would always seek to protect the Council and its customers.
- (9) Resolved that the verbal update be noted.

135. Strategic and Corporate Services Directorate Business Plan (2015-2016)
(Item D1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) said the Directorate Business Plan was focussed, realistic and achievable.
- (2) Mr Whittle (Head of Strategy, Policy, Relationships and Corporate Assurance) and Elizabeth Sanderson (Strategic Policy Adviser) attended to introduce the report. Mr Whittle said that business planning had been a particular challenge because of the organisational re-structure, continuing transformational change and the back office procurement.

- (3) In response to questions, he said his team were aware of the risk of allowing services to do their own business planning and the process was reviewed at the end of the year. He also said the Contact Centre was included in the Facing the Challenge review of back office functions as set out in the report to County Council in May 2014 and that the percentage holding in any joint venture company would be determined as part of the review and reported to Committee. No decision had yet been made about the back office procurement project.
- (4) Mr Whittle undertook to provide further information to Mr Bird about the target of 60% set for HR05 – Percentage of staff who feel informed - following discussions with the Corporate Director of Human Resources and the Performance Manager.
- (5) Resolved that the publication of the final Directorate Business Plan online in May 2015 be noted.

136. Risk Management - Strategic Risk Register

(Item D2)

- (1) Mark Scrivener (Corporate Risk Manager) introduced the report which presented the strategic risks relating to the Strategic and Corporate Services Directorate, the risks featuring on the corporate risk register for which a Strategic and Corporate Services director is the designated “risk owner” and explained the management process for review of risks.
- (2) Resolved that the report be noted.

137. Commercial Services Update

(Item D3)

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) said the visit to Commercial Services that he had tried to arrange for 20 April would be re-arranged if Members were still interested in attending.
- (2) John Burr (Director of Transformation and Commercial Services) gave a PowerPoint presentation (which is available online as an appendix to these minutes) by way of introducing the report.
- (3) In response to questions, Mr Burr said that Commercial Services had stopped moderating the market in bus travel and while there was no intention at present to engage in such activity, he said the shareholder board might consider it in the future if it was in Commercial Services’ interests. He also said that staff satisfaction surveys were conducted regularly and although satisfaction had varied during times of uncertainty, it was generally good.
- (4) Neeta Major (Strategic Financial Adviser) confirmed that a holding company, two operating companies and one dormant company were involved in Commercial Services, non-executive directors were directors of all the companies and a separate record was kept of the meetings of each company.

- (5) In response to a question Mr Sweetland said Commercial Services was wholly-owned by KCC and that consideration could be given to enabling staff to become shareholders.
- (6) Several Members congratulated Commercial Services on its success.
- (7) Resolved that the progress made following the recent changes and improvements be noted.

138. Total Facilities Management - Contract Monitoring
(Item D4)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which gave an update on the contract management of the Total Facilities Management (TFM) Solution including issues encountered during the bedding-in period and the approach to resolving those issues.
- (2) Rebecca Spore (Director of Infrastructure) said a more detailed report on performance had been considered by the Property Sub-Committee at its meeting on 27 March 2015 and that although performance had fallen short of expectations in some areas, overall performance was broadly as expected especially given the number of sites to be managed and the transfer of a large number of staff (both KCC and third party) to the new companies and the need to cancel many small contracts.
- (3) Tom Micklewright (Contracts Manager PFI)) said the bedding-in period for Amey and Skanska had ended, penalties for performance failure would be imposed and that issues relating to the coding of work by the Amey Helpdesk would be resolved through training.
- (4) Ms Spore confirmed that KCC monitored performance in addition to the self-monitoring and reporting of performance failures by the contractors.
- (5) The Cabinet Committee was supportive of the approach to reporting performance, particularly at such an early stage in the contract and that hoped that such reporting became a regular feature for other externally delivered services.
- (6) Resolved that:
 - (a) The existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management contracts be noted;
 - (b) The issues that occurred and the actions to resolve them during the 12-week bedding-in period be noted.

139. Legal Services' Evolution Efficiency Enterprise Update for Quarter 3 - 2014/15
(Item D5)

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) said that Legal Services was a great asset to KCC and that Members should be proud of it.

- (2) Geoff Wild (Director of Governance and Law) introduced the report which provided an update on activity in quarter 3. He said that the project had been designed to prepare Legal Services for its future and it had been fortunate that it coincided with the Facing the Challenge project.
- (3) The Cabinet Committee was generally very supportive of the project and wished to congratulate to Mr Wild and his team on its continuing success.
- (4) Resolved that:
 - (a) The report be noted;
 - (b) The Legal Services team be congratulated on their success and thanked for their work.

140. Update on the Kent and Medway Armed Forces Community Covenant
(Item D6)

- (1) Mr Ridings (KCC's Armed Forces Champion) introduced the report by giving an overview of the ways in which people in Kent recognised the work of the armed forces by commemorating significant events. He referred to a number of significant anniversaries including the one hundredth anniversary of the founding of the Kent Brigade (and its disbandment on 4 December 2014), the seventieth anniversary of VE Day in May, the seventy-fifth anniversary of the Battle of Britain in July and the centenary of the Gallipoli landings. He also commended the work of Kent Libraries, Registration and Archives that had developed an informative World War 1 timeline.
- (2) Debra Exall (Strategic Relationships Adviser) drew the Cabinet Committee's attention to some highlights over the last year including the close co-operation with the military to support soldiers who had been made redundant as a result of the Strategic Defence and Security Review; the second Annual Kent and Medway Conference; and the £1.5 million of Community Covenant Grant that had been received and used to support a range of community projects.
- (3) Ms Exall concluded by saying the focus for the coming year would be to support the final tranche of redundant soldiers; maximise the money secured from Community Covenant Grant; conduct research into the needs of the armed forces community in Kent; run a conference for schools to raise awareness of the support needed by service children; promote and support the expansion of Reservists; and raise awareness of the accommodation options for soldiers when leaving the army.
- (4) The Cabinet Committee then watched a short video about what it felt like to be a child of serving military personnel.
- (5) During the discussion, the sacrifices made by the military and their families was recognised, the success of the Kent & Medway Civilian Military Partnership Board in bringing a range of organisations together was acknowledged and the publicising of the Royal British Legion research to dispel myths about ex service personnel was welcomed. It was also suggested that the government be urged to retain a local element to decisions relating to the disbursement of funds from the Community Covenant Grant Scheme.

- (6) The Cabinet Committee was supportive of the work being done by the Board and congratulated and thanked all of those involved.
- (7) It was suggested that the Board's work programme for 2015-16 might include consideration of the particular issues faced by widows and divorcees, especially in relation to housing.
- (8) Resolved that:
 - (a) Progress made by the Kent and Medway Civilian Military Partnership in implementing the Armed Forces Community Covenant be noted;
 - (b) The report received by the Cabinet Committee be circulated to all members of the council with a covering letter from Mr Ridings.

KENT COUNTY COUNCIL

PROPERTY SUB-COMMITTEE

MINUTES of a meeting of the Property Sub-Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Friday, 27 March 2015.

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mr L B Ridings, MBE, Mr D Smyth and Mrs P A V Stockell

ALSO PRESENT: Mr G Cooke

IN ATTENDANCE: Mr D Farquharson (Interim Director of Property and Infrastructure Support), Mr T Micklewright (Contracts Manager - Pfi), Mr J Reidy (Estates Surveyor), Mr A White (Estates Surveyor), Mr J White (Capital Project Officer) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

37. Apologies and Substitutes
(Item)

Apologies for absence were received from Mrs Dean and Mr Latchford.

38. Declarations of Interest by Members in Items on the Agenda
(Item)

There were no declarations of interest.

39. Minutes of the meeting held on 10 December 2014
(Item A3)

Resolved that the minutes of the meeting held on 10 December 2014 are a correct record and that they be signed by the Chairman.

40. Approval to the principle of KCC acquiring a site for a new primary school at Dartford
(Item B1)

(1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which asked the Property Sub-Committee to consider and endorse, or make recommendations on a proposed decision to approve, in principle, the acquisition of a site for a new primary school in Dartford at a price to be agreed and for the Director of Property and Infrastructure Support to finalise terms and complete the transaction.

(2) In response to questions it was confirmed that the proposal for this new school needed to be considered in the context of the overall commissioning plan and that all new schools were built with a view to enabling future expansion. Mr Cooke also said he was confident that a deal could be made with the landowner.

- (3) Resolved that the proposed decision to approve, in principle, the acquisition of a site for a new primary school in Dartford at a price to be agreed and for the Director of Property and Infrastructure Support to finalise terms and complete the transaction be endorsed.

41. Approval to enter into a new lease for West Kingsdown Children's Centre

(Item B2)

The Chairman announced that this item had been withdrawn from the agenda and there was no discussion.

42. Approval to enter into new long term lease at Lawn Primary School, Northfleet

(Item B3)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which asked the Property Sub-Committee to consider and endorse, or make recommendations on the proposed decision. Mr Cooke referred in particular to the need for a new playing field to enable Lawn Primary School to expand from 1FE to 2FE and the desirability of entering into a long term lease.
- (2) In response to concerns about the proximity of the new playing field site to a quarry he said that appropriate safety measures would be implemented.
- (3) Resolved that the proposed decision to enter into a new long lease for a new playing field at Lawn Primary School and for the Director of Property and Infrastructure Support to finalise terms and complete the transaction be endorsed.

43. Southborough Hub

(Item B4)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which set out a proposal that Tunbridge Wells Borough Council and Southborough Town Council enter into call options on their lands with Kent County Council to enable the development of a multi-use facility that would include a library, theatre, football pavilion, town council offices, a café and possibly a medical centre. The report asked the Property Sub-Committee to consider and endorse or make recommendations to the Cabinet Member on the proposed decision.
- (2) In response to a question about the sometimes unpredictable political nature at the local level, Mr Cooke said that Southborough Town Council had formally agreed the proposal at its meeting the previous evening and the report to the sub-committee had been drafted before that. He also said that the final step in agreeing to progress this project would be a formal member decision.
- (3) Concerns were raised about the financial implications of the project for KCC particularly in relation to VAT and it was confirmed that officers were working

closely with the Finance team to monitor any potential breaches of KCC's VAT partial liability exemption.

- (4) It was also confirmed that the creation of a library trust had no implications for the future of the centre and that an apparent discrepancy between voting arrangements set out in paragraph 1.22 of the report and paragraph 8.1 of the Memorandum of Understanding had been identified and resolved.
- (5) Officers confirmed that Option 2 was the preferred option based on their best professional judgement.
- (6) Resolved that the decision proposed to be taken by the Cabinet Member for Corporate and Democratic Services to enable the Southborough Hub which has been a long term aspiration for all three tiers of local government to be brought forward and delivered be endorsed as follows:
 - (a) To enter into significant legal agreements including, but not limited to, land options and a Memorandum of Understanding with Southborough Town Council and Tunbridge Wells Borough Council.
 - (b) To permit the disposal of the Ridgeway site in Southborough and the fifty percent claw back over the adjacent land owned by Southborough Town Council, with part or all of the combined receipts being allocated to support the development of the Southborough Hub.
 - (c) To authorise the Director of Property and Infrastructure Support to finalise the purchase of the Tesco's and Lloyds Bank land as part of the Hub redevelopment.
 - (d) To authorise the Director of Property and Infrastructure Support to finalise terms for a freehold or leasehold interest of the library and football pavilion.
 - (e) To authorise the Director of Property and Infrastructure Support to finalise terms for the disposal of the Hub and the Car Park back to Southborough Town Council and Tunbridge Wells Borough Council respectively.
 - (f) To permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

44. Exclusion of the Public (Item)

- (1) The Chairman said it did not consider it possible for the sub-committee to consider the report on Total Facilities Management without reference to the exempt appendices. He therefore proposed that the press and public be excluded from the meeting.
- (2) Resolved that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of

business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

45. Total Facilities Management - Biannual Review
(Item C1)

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which provided an update on the performance of the Total Facilities Management solution following the signing of the Mid Kent contract with Amey, the West Kent contract with Skanska and the recent East Kent contract with Kier. He drew particular attention to the performance of the new contract.
- (2) In response to questions, Mr Cooke said he was meeting with the contractors regularly and acknowledged that there had been some performance issues in the early days of the contract with Amey but improvements had been seen more recently.
- (3) The importance of contract management and regular review was emphasised and examples were given of improved service particularly in relation to litter picking and cleaning of buildings.
- (4) A typographical error in the exempt appendix was identified and corrected.
- (5) Mr Cooke emphasised the importance of contract management, acknowledged the day to day work being done by the “intelligent client” team and the value that could be added to the process by Members through consideration of trends.
- (6) Resolved that:
 - (a) The performance of the Mid Kent, West Kent, and East Kent TFM contractors during this early bedding in period be noted;
 - (b) The issues which have occurred and actions to resolve these items be noted;
 - (c) The existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management contracts be noted;
 - (d) The three contractors providing the total facilities management solution be invited to the next planned biannual review on the 23 September 2015 to present an update on performance and to enable Members of the Property Sub-Committee to view the whole picture;
 - (e) The attention of other committees, particularly the Commissioning Advisory Board, be drawn to the need for regular Member reviews of performance probably every six months.

From: Peter Sass, Head of Democratic Services
To: Policy and Resources Cabinet Committee –1 July 2015
Subject: **Work Programme 2015**
Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: Standard item

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

Recommendation: The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2015.

1. Introduction

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

2. Terms of Reference

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

3. Work Programme 2015

- 3.1 An agenda setting meeting was held on 20 May 2015 at which items for this meeting’s agenda were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics that they wish to considered for inclusion on the agenda of future meetings.

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

4. Conclusion

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

5. **Recommendation:** The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2015.

6. Background Documents

None.

7. Contact details

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WORK PROGRAMME –2015
Policy and Resources Cabinet Committee

Agenda Section	Items
29 July 2015	
A- Committee Business	<ul style="list-style-type: none"> • Work programme
B - Key or Significant Decisions for Recommendation or Endorsement	<ul style="list-style-type: none"> • Legal Services Procurement
C - Performance Monitoring	<ul style="list-style-type: none"> •
D - Other Items for comment/ recommendation	<ul style="list-style-type: none"> •
10 September 2015	
A- Committee Business	<ul style="list-style-type: none"> • Work Programme
B - Key or Significant Decisions for Recommendation or Endorsement <i>(some of these items may be deferred to later meetings to allow for detailed consideration of the proposed decision relating to Back Office Procurement)</i>	<ul style="list-style-type: none"> • Back Office Procurement • Customer Services Policy (including consultation results and feedback prior to decision) • Voluntary and Community Sector Policy – results of consultation • Property LATC • Renewal of Insurance Contract
C - Performance Monitoring	<ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Work programme
D - Other Items for comment/ recommendation	<ul style="list-style-type: none"> • Spending Review/Emergency Budget for 2016/17 • Partnership Register • Update on delivery of Managed Print Services contract (6-monthly updated requested at P&R Cabinet Committee on 19 Sept 2014) • Live Margate
11 December 2015	
A Committee Business	<ul style="list-style-type: none"> • Work programme
B - Key or Significant Decisions for Recommendation or Endorsement	<ul style="list-style-type: none"> • Transformation update
C - Performance Monitoring	<ul style="list-style-type: none"> • Performance Dashboards • Financial Monitoring • Facilities Management Contract Monitoring • Annual Equalities Report • Lessons learned from review of the consultation and engagement and equalities considerations within the key decision-making process
D - Other Items for comment/ recommendation	<ul style="list-style-type: none"> • Business Planning 2016/15

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From: **Paul Carter, Leader of the Council**

To: **Policy and Resources Cabinet Committee**

1 July 2015

Subject: Facing the Challenge – Legal Services – Report on the Procurement Process

Classification: Non-Exempt with the exception of Appendix 2

Past Pathway of Paper: **N/A**

Future Pathway of Paper: **N/A**

Electoral Division: All

Summary: This report seeks to update the Policy and Resources Cabinet Committee on the process which has been undertaken to conduct a compliant Competitive Dialogue process to secure a commercial partner for KCC to form a joint venture

Recommendation(s):

The Committee is asked to consider and note the details and progress of the competitive dialogue process for Legal services.

1. Introduction

- 1.1 This report outlines the process that has been undertaken to engage with bidders following the decision to proceed to procurement which was taken in July 2014.
- 1.2 The aim of the competitive dialogue process is to explore whether a commercial partner can be secured on beneficial terms to form the Legal Joint Venture, this JV would be delivered as an Alternative Business Structure licensed by the Solicitors Regulation Authority.

2. Preparation for Dialogue - Key Dates

- 2.1 The following table shows the key dates of the procurement process prior to the commencement of the Competitive Dialogue.

Date	Description
8 October 2014	OJEU Notice published
10 November 2014	Deadline for expressions of interest and submission of PQQ (pre-qualification questionnaire)
12 November 2014	PQQ Evaluation/KCC Finance Team checks completed
18 November 2014	Supplier Day held at Sessions House
16 January 2015	ISOS (Invitation to submit outline solution) issued to

Date	Description
	bidders
16 February 2015	ISOS deadline for submission by bidders
2 March 2015	Competitive dialogue process commences

3. Competitive Dialogue Process

3.1 Bidders engaged in dialogue

There are two bidders engaged in the competitive dialogue process. They are both end to end legal practices with a national coverage. Both already have partnerships in place with other organisations with whom they have formed successful Alternative Business Structures.

3.2 KCC Project Team

- 3.2.1. A full list of the KCC project and delivery team, together with their roles and responsibilities is shown in **Appendix 1**.
- 3.2.2 There are three levels of engagement in the Competitive Dialogue, each requiring input from officers or external providers at different stages of the process, and for specialist areas of knowledge:
1. Competitive Dialogue Delivery Team – present at all dialogue sessions
 2. Advisors – present at some dialogue sessions as required
 3. Kent Legal Services advisors – members of the KLS management team who provide information for bidders on the current operation of legal services

3.3 Quality Assurance

- 3.3.1 The initial stages of the legal services review, up to and including the agreement of the Case to Proceed to Procurement was reviewed and approved by the Corporate Portfolio Office.
- 3.3.2 Since the commencement of the dialogue, an independent reviewer has been in place, who reports directly to the Head of Paid Service. He has attended the majority of the dialogue sessions, has observed project team meetings and has had regular debriefing meetings with the KCC Lead Officer and Programme Manager. He will be observing the final evaluation process.
- 3.3.3 A KCC Procurement Category Manager provides quality assurance from a KCC procurement perspective, and will be observing the final evaluation process.
- 3.3.4 KPMG provides procurement guidance and quality assurance during dialogue sessions and also maintains the master action log for the project team.

3.4 Dialogue key dates and actions

- 3.4.1 A full list of all meetings, conference calls and visits with bidders is shown in **Appendix 2 (Exempt)**
- 3.4.2 Closure of dialogue is anticipated at the end of June, with the Invitation to Submit a Final Tender being issued to bidders on 1st July.

4. Member Engagement and Key Decision

- 4.1 Details of the planned engagement with Members, to present both updates and a recommendation paper, leading to a Key Decision is shown in **Appendix 3**.
- 4.2 In addition to these dates, the bidders have met with David Cockburn, Paul Carter and Bryan Sweetland – these meetings are detailed in **Appendix 2 (Exempt)**
- 4.3 A timetable from now until contract award is shown in **Appendix 4**.

5. Recommendation

The Committee is asked to consider and note the details and progress of the competitive dialogue process for Legal Services.

6. Background documents

- Appendix 1 – KCC Team Roles and Responsibilities
- Appendix 2 – Competitive Dialogue Key Dates (**Exempt**)
- Appendix 3 – Member Engagement and Key Decision Dates
- Appendix 4 – Timetable to contract award

7. Contact Details

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APPENDIX 1 – KCC Team Roles and Responsibilities

Legal Services Competitive Dialogue 2015 – KCC Team Roles and Responsibilities

CD Delivery Team	Role
<p>KCC Lead Officer</p> <p><i>Member of Project Team</i></p>	<ul style="list-style-type: none"> • Direct liaison with KCC Head of Paid Service and the Leader of the Council • Chairing CD sessions • Facilitating response to questions via KLS Management and Operational Team • Provision of detailed operational information for suppliers • Attending all sessions with suppliers
<p>KCC Procurement Managers</p> <p><i>Members of Project Team</i></p>	<ul style="list-style-type: none"> • Ensuring procurement compliance – providing advice and guidance and practical input • Assisting Programme Manager with management of procurement timeline and procurement process • Creating required draft and final procurement documents • Managing portal and handling requests and response to and from suppliers • Attending all sessions with suppliers • Maintaining and chasing Master Action log from CD sessions (provided by KPMG)
<p>Procurement Programme Manager</p> <p><i>Chair of Project Team</i></p>	<ul style="list-style-type: none"> • Overall management of the Legal Services Programme and the Competitive Dialogue process – reporting into the overall Facing the Challenge programme • Management of engagement with external providers, e.g. KPMG and TLT • Engagement with other officers in KCC • Reporting as required to KCC boards and committees • Maintenance of master project file and all documents • Creating and presenting business cases, recommendation papers, presentations etc. • Ensuring suppliers and KCC have the information required to progress the dialogue process
<p>KPMG – CD Process Management</p>	<ul style="list-style-type: none"> • Procurement compliance and general procurement advice and guidance • Attending project meetings as required • Attending all CD sessions • Logging action points from CD sessions and passing to KCC Procurement Managers for management and chasing
<p>Independent Observer/Quality Assurance</p>	<ul style="list-style-type: none"> • Attending CD sessions and other meetings mainly as an observer, contributing where appropriate • Independent QA on behalf of KCC – will be submitting a formal report at the appropriate time • Reports directly to Head of Paid Service

APPENDIX 1 – KCC Team Roles and Responsibilities

External Legal Subject Matter Experts – TLT	<ul style="list-style-type: none"> • Attending meeting as required • Assisting KCC to develop legal documents • Providing advice and guidance on compliance
Advisors	Role
KCC – Facing the Challenge Team Manager	<ul style="list-style-type: none"> • FtC Programme Team Management • Support for Programme Manager and Project Team as required • Co-ordination of Member Engagement
Commercial Advisor (external) <i>Member of Project Team</i>	<ul style="list-style-type: none"> • Attending meetings as required in discussion with Programme Manager • Liaison on Pensions, Valuation and other matters with KPMG and TLT • Commercial advice and review as required • Liaison with Director of Finance and Head of Paid Service
KCC – HR Manager <i>Member of Project Team</i>	<ul style="list-style-type: none"> • Attending dialogue sessions as required • Provision of information for suppliers when requested on specialist area • Attending project team meetings • Reviewing HR implications of supplier business plan
KCC – Finance <i>Member of Project Team</i>	<ul style="list-style-type: none"> • Review and input into evaluation criteria, payment mechanism and general financial engagement with KPMG • Attending dialogue sessions • Attending project team meetings • Providing information for suppliers when requested on specialist area
KCC – IT <i>Member of Project Team</i>	<ul style="list-style-type: none"> • Attending dialogue sessions as required • Provision of information for suppliers when requested on specialist area • Attending project team meetings • Reviewing IT solution and IT implications of supplier business plan
KPMG – Company Valuation	<ul style="list-style-type: none"> • External support to develop initial valuation • Liaison with Project Team on any future requirements in this area
KCC - Pensions Team	<ul style="list-style-type: none"> • Input as required on required regarding pensions • Liaison with John Evans to respond to queries from suppliers
KPMG – High Level Commercial Advice	<ul style="list-style-type: none"> • Payment mechanism and evaluation criteria development and agreement • Liaison with KCC Finance • General advice and guidance as required
KLS Key Clients	<i>Service Delivery perspective</i> <ul style="list-style-type: none"> • Specialist Children’s Services

APPENDIX 1 – KCC Team Roles and Responsibilities

	<ul style="list-style-type: none"> • Others as required
KCC Procurement Category Manager	<ul style="list-style-type: none"> • Oversight of procurement process • QA role • Support for Programme Manager, Project Team and Procurement Managers
KCC Communications Team	<ul style="list-style-type: none"> • Internal and External Communications as required • Liaison with Programme Manager and KCC Lead Officer • Management of communications process
KCC Property	<ul style="list-style-type: none"> • Liaison with Programme Manager on any areas relating to Property
KLS Advisors	Role
Kent Legal Services Management Team	Advisors on KLS as required – At the request of Programme Manager and KLS Lead Officer
Key	Role in Competitive Dialogue
CD Delivery Team	Present at all CD Sessions
Advisors	Present at some relevant CD Sessions – by invitation from Programme Manager
KLS Advisors	Invited to provide input as required on the current operation of Kent Legal Services but not present at CD Sessions

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

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APPENDIX 3 – Member Engagement and Key Decision Process

Member Group	Activity	Comments	Date
Conservative Transformation Group	Bidders present to Members an introduction to the company and a high level overview of their proposal	45 minute presentation - not part of the evaluation process	15th June (pm)
Cross Party Group + Open to all Members	Bidders present to Members an introduction to the company and a high level overview of their proposal	45 minute presentation - not part of the evaluation process	16th June (pm)
Policy and Resources Cabinet Committee	Paper for the P&R Cabinet Committee that describes the procurement process	Details for Members of the actions and meetings that have taken place during the Competitive Dialogue procurement process	1st July (Issued 23rd June)
Conservative Transformation Group	Paper to present the recommendation	Following completion of the evaluation a recommendation paper will be presented by the Project Team	20th July
Opposition Party Leaders	Paper to present the recommendation	Following completion of the evaluation a recommendation paper will be presented by the Project Team	21st July
Policy and Resources Cabinet Committee	Paper to present the recommendation	Following completion of the evaluation a recommendation paper will be presented by the Project Team	29th July (Issued 21st July)
Cabinet Meeting - Key Decision	Paper to present the recommendation	For Key Decision	31st July

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Appendix 4 – Timetable to Contract Award

Date	Activity Type	Description
12 June	Procurement	Issue Draft ISFT with Guidance Notes
15 June	Member	Presentations by bidders to Conservative Group
16 June	Member	Presentations by bidders to Cross Party Group
26 June	Procurement	Deadline for completion of ancillary meetings/phone calls/workstreams
30 June	Procurement	Competitive Dialogue Session 4
1 July	Procurement	Competitive Dialogue closes. Final ISFT Issued
1 July	Member	P & R Cabinet Committee Update on procurement process
13 July	Procurement	Deadline for receipt of Final ISFT
15 July	Procurement	Evaluation and scoring of Final ISFT
16 July	Procurement	Finalise Recommendation and Report
16/17 July	S151 Officer	S151 Review
17 July	Procurement	Brief Head of Paid Service
20 July	Member	Conservative Group
21 July	Member	Leaders of Opposition Parties
29 July	Member	P&R Cabinet Committee
31 July	Member	Cabinet - Decision
31 July – 10 Aug	Procurement	Alcatel Period
10 August	Procurement	Contract Award

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From: Paul Carter, Leader of the Council

Covering the following Directorates:

John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement

Gary Cooke, Cabinet Member for Corporate and Democratic Service

Bryan Sweetland, Cabinet Member for Commercial and Traded Service

To: Policy and Resources Cabinet Committee – 1st July 2015

Subject: **Facing the Challenge — Back Office Procurement Project including the following services; HR, Finance, ICT, EduKent, Contact Point and Digital Communications**

Classification: **non-exempt**

Past Pathway of Paper: n/a

Future Pathway of Paper: Education Cabinet Committee

Electoral Division: All

Summary: This report builds on previous updates to the committee to provide a detailed account of the back office procurement process and documents the journey of the Customer Services (Contact Point and Digital Communications), Finance, HR, ICT and EduKent procurement project which is part of Phase 1 of Facing the Challenge (FtC).

Recommendation:

The Cabinet Committee is asked to note and endorse the progress to date and the next steps. Separate reports will be brought to the Policy and Resources Committee at the appropriate time in the procurement process.

1 Introduction

- 1.1 In September 2013, the County Council agreed that Customer Services, Finance, HR and ICT Divisions should be included in Phase 1 of the FtC Service Review and Market Engagement work stream together with Edukent.
- 1.2 Following this decision, the first four stages of the review process explained in section 2.4 of this report were completed. This then led to the decision by the County Council in May 2014 to move to a procurement for transactional services.
- 1.3 The *Facing the Challenge: Phase 1 Service Review and Market Engagement Outturn Report* agreed by the County Council in May 2014 noted that the preferred option for

the Finance, HR and ICT review was to move to an integrated service offer and explore opportunities to work with an external partner by assessing the market further through a procurement exercise.

- 1.4 The integration of the transactional functions was already planned by the three services involved and so this approach will be applied irrespective of whether it is provided in-house or externally. As such, the three services are being taken forward as a joint review with a shared preferred option. The outcomes of the procurement will be benchmarked against an integrated services cost comparator.
- 1.5 In the same paper, the preferred option for Customer Services (Contact Point and Digital Communications) and the EduKent Service was to include them in the same procurement exercise and as a result of this, the procurement project commenced in June 2014.
- 1.6 The primary objective of this exercise was to explore the market and identify a potential solution that can reduce costs, provide growth from selling services, maintaining or improving current standards where possible and maintaining and creating jobs in Kent.

2 Review background

- 2.1 KCC support services have to make a contribution to the significant financial challenges facing KCC and ensure overheads are reduced. There is also a need to model the services provided, whether in-house or through use of external providers, to be sufficiently flexible to respond effectively as the organisation changes and directly employed staff numbers are reduced.
- 2.2 As a result of the FtC decision and being mindful of the need to reduce the overheads and become more flexible, work has been continuing on the three key components fundamental to the market engagement and service review:
 - The procurement project, which is being managed by the FtC team.
 - The work on establishing the Business Service Centre which brings together transactional activities from these services into a single integrated unit. This work will deliver 2015/16 savings and the outcome will provide the internal integrated services cost comparator.
 - Ensuring that the three Divisions and the Customer Services function have clear and robust commissioning and client functions to enable effective management of the commissioned services, wherever they are delivered

2.3 Targeted Benefits

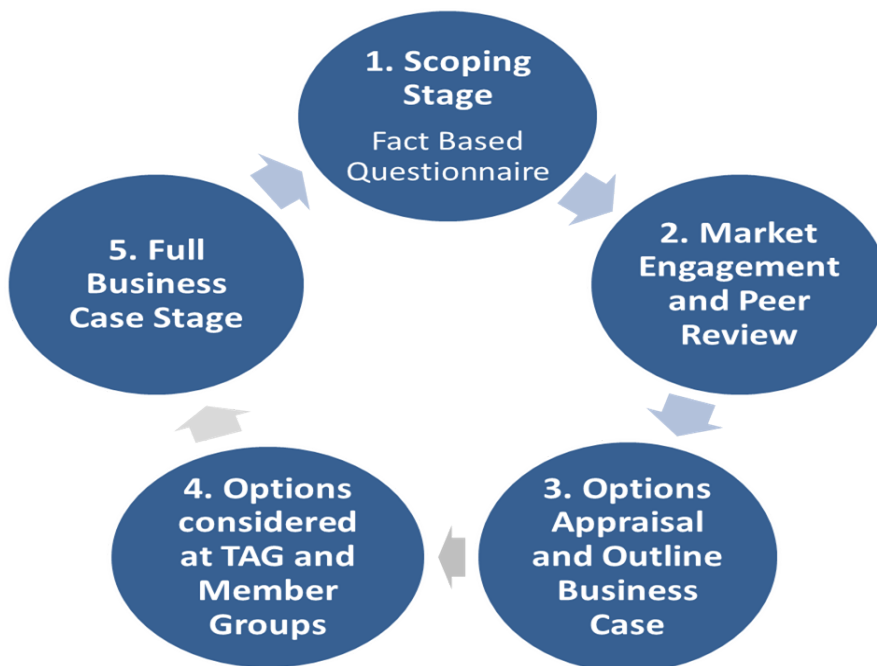
- 2.3.1 As part of the process, the following targeted benefits and desirable features will be considered against the proposed delivery model(s) and have also been captured within the evaluation of the tenders discussed later within this report. This is in line with the primary objectives of the review.

1. Reduction in cost
2. Growth and margin from selling services
3. Maintaining or improving standards
4. Creating jobs in Kent

2.4 The Process Explained (the detail)

2.4.1 The review process consists of five steps and is illustrated in the diagram below as has been explained in previous reports but repeated here for ease of reference.

2.4.2 **Stage 1** - Initially, each service was considered in isolation and a scoping



document was drafted for each that described the functions that were included in the review process and highlighted those that were not. This was agreed with the Service Leads and communicated to Officers and Members through various Groups.

2.4.3 **Stage 2** - A key part of the initial activity included talking to other Local Authorities, external providers and suppliers by submitting a Prior Information Notification (PIN) and also in depth desktop research looking at and assessing different models which, in turn, informed the detailed options appraisal and Outline Business Case.

2.4.4 As this stage progressed, greater opportunities and synergies were identified by considering the services in clusters. This was established through learning from the market engagement and the peer reviews and also from our external independent expert advisors as well as already agreed internal plans to integrate the transactional services into a business service centre. Following discussions with Officers and Members including Executive Cabinet Members Meeting, Transformation Cross Party Board and Transformation Advisory

Board, and also at Corporate Directors Meetings, it was accepted that the services would be considered in the following clusters.

Back Office Service Review	EduKent Service Review	Customer Services Service Review
HR	All services for schools provided through the EduKent window and others	Contact Point
ICT		Digital Communications
Finance		

*please note: not all of the functions in the services described in the table above are included in the procurement exercise.

2.4.5 Through the PIN Notification, over 100 organisations expressed an interest in working with KCC to explore opportunities to introduce different models to drive efficiencies and growth. From this, KCC invited providers in and tested their ideas, to gain a clear understanding of how feasible the business models were to achieve and to realise the tangible benefits that they identified.

2.4.6 During this stage we also engaged with over twenty local authorities and analysed their models to assess both good and bad practices from their experiences. This assisted us in understanding potential savings opportunities by introducing alternative service delivery models by introducing a commercial partner.

2.4.7 **Stage 3** - An Options Appraisal and Outline Business Case was then drafted, informed by the market engagement and peer review activity as well as advice from external experts. From this, we moved into **Stage 4** where the recommendation was presented to the Cabinet Members, Transformation Cross Party Board and Transformation Advisory Board as well as Policy and Resources Cabinet Committee and for decision in May 2014. The recommendation to continue with more detailed market engagement and to test further the option to seek a commercial partner to deliver the services with and on behalf of KCC was endorsed. This then led to the initiation of the procurement project.

2.4.8 **Stage 5** – The outcome of the procurement project is to create a full business case for the in-scope services, reflecting the evidence from the procurement exercise and making a recommendation for Members and Officers to consider. This will be written and provided in the form of a ‘recommendation report’ and will also include a s151 Officer value for money assessment. The drafting of this document will take place once the competitive dialogue process is completed and is due in September 2015. This process will inform the key decision.

2.5 In Scope Services and Lot Design

2.5.1 The services have been divided into specific ‘Lots’ for procurement consideration and are illustrated in the diagram overleaf. This structure was advised and established through the early market engagement exercise carried out within stage 2 described above.

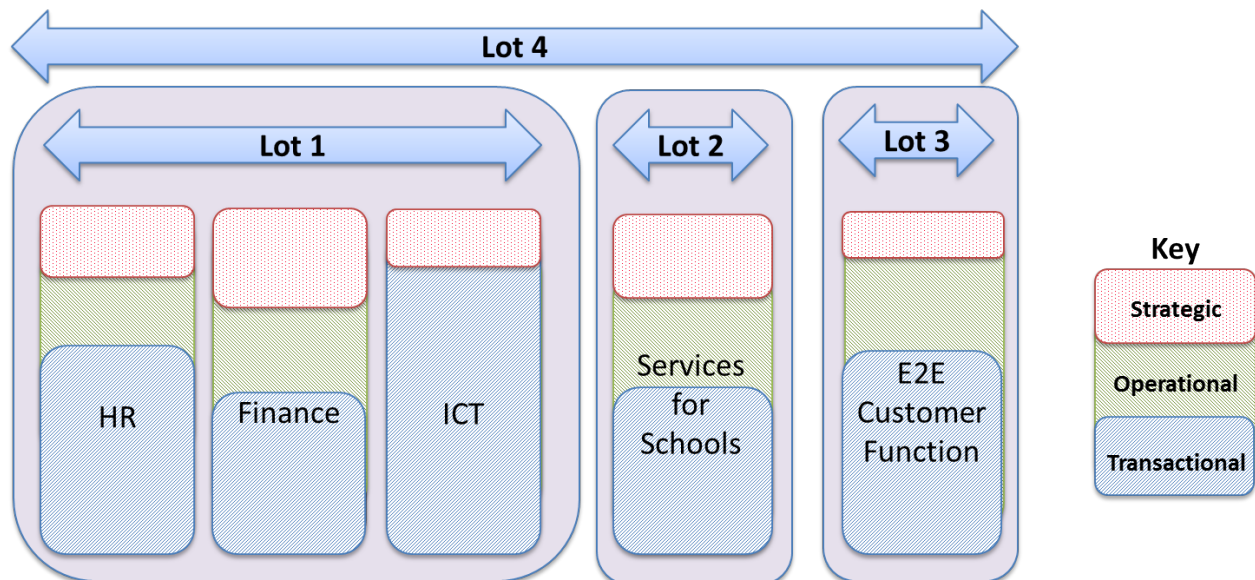


Diagram not to scale

Lot 1 = HR, ICT, FIN

Lot 2 = Services for Schools (EduKent)

Lot 3 = Customer Functions – Contact Point and Digital

Lot 4 = HR, ICT, FIN, Customer Functions, Services for Schools (EduKent)

2.5.2 A fourth lot was introduced following the providers assertions that there were greater scale synergies in combining Lots 1, 2 and 3, in order to test this theory.

2.5.3 An **OJEU Notice** was posted in June 2014 inviting suppliers to submit their interest in working with KCC and over sixty such expressions of interest were received. All interested providers were invited to attend a supplier day with twenty-nine actually attending to hear KCC outline its vision and expectations for the process moving forward.

2.5.4 The anticipated services in scope are:

2.5.4.1 End-to-end Customer Services

These services include the provision of direct contact and fulfilment with KCC. This lot is deliberately broad in scope to allow possible future partners/providers to use innovation to transform the entire customer experience.

2.5.4.2 Finance

Finance services include all of the transactional finance functions such as the payment of invoices, all aspects of income and debt, and the administration of the pension and insurance funds. There is the possibility of a further tranche of services following a further procurement exercise as an expansion to this contract, such as the support to budget managers. It does not include the KCC 's financial strategy work, nor its treasury management and investment activities.

2.5.4.3 Human Resources

Human Resources include the standard range of HR transactional services including staff and pensioners' payrolls, recruitment, learning and development and personnel administration. A further tranche of functions including HR advisory services and staff care services may be in scope as an optional service included in this contract whereas strategy and policy functions will remain in-house.

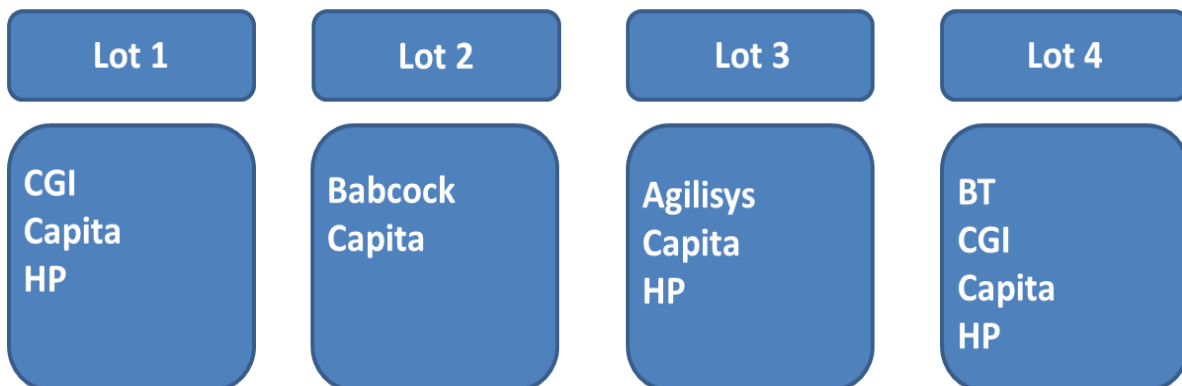
2.5.4.4 Information and Communication Technology

ICT includes the provision of ICT technical and professional support to the County Council as well as provision of voice and data services. ICT manages and supports the development of ICT services and applications across the Council. Out of scope will be strategic and policy functions.

2.5.4.5 Services for schools

Services for Schools includes a range of discretionary services that schools can purchase from KCC which support schools in their daily operations but do not include core curriculum content, policy or education strategy. This includes but is not limited to HR advice and support, Finance advice and support, ICT technical and professional and support, teacher and Governor Development, extra-curricular and enrichment services and additional student support.

2.5.5 KCC then received ten formal **Pre-Qualification Questionnaire (PQQ)** responses from organisations that all have a history of providing services to local government, within this industry. The PQQ stage evaluated bidders' financial standing and examined their track record in undertaking a contract of this nature. At this stage, the bidders were shortlisted to six, to go through to the Competitive Dialogue stage. These are shown in the illustration below.



2.5.6 Early in the Competitive Dialogue Process, four of the providers left the procurement due to commercially sensitive issues therefore the remaining providers are as follows:

- Lot 1 – CGI
- Lot 2 – there are no providers who have bid for this lot alone
- Lot 3 – Agilisys
- Lot 4 – CGI

3 Procurement Background

3.1 The procurement is being undertaken in accordance with the Public Contracts Regulations 2006 using the most suitable of the available procedures namely the Competitive Dialogue Procedure (CDP).

3.2 CDP is best able to accommodate the complexity of the procurement and enable a solution to be developed which best meets KCC's needs.

3.3 CDP is specifically designed for complex contracts where there is a need for contracting authorities to discuss all aspects of the proposed contract with Bidders. The main features of CDP are: dialogue is allowed with selected suppliers to identify and define solutions to meet needs and requirements of the contracting authority; the award is made only on the most economically advantageous tender criteria.

3.3.1 CDP has allowed KCC to debate potential solutions with the Bidders and to test their thinking further in terms of how they would deliver those services on behalf of KCC. During this process KCC has challenged the Bidders to provide outline solutions and discuss those solutions in light of KCC's current and future challenges. As a result, the service specifications have been amended, within the initial scope, to reflect these discussions.

3.3.2 The remaining Bidders will shortly be asked to produce a draft final submission, based on their initial submission and on what has been discussed and explored further during the dialogue sessions. This is called the Draft ISFT (Invitation to Submit Final Tender).

3.3.3 Once dialogue has closed; Bidders will then produce their **final tenders** which will be evaluated throughout August, in line with our internal procurement policies and procedures and also the Public Sector Procurement Regulations.

3.4 The procurement is viewed as a strategic procurement (high value, high risk) and therefore in arriving at a weighting for the evaluation criteria a split between Quality and Commercial Criteria of 40:60 was agreed in accordance with best practice principles.

3.5 This approach should ensure that KCC receives a tender that meets its short and long terms needs, the design of which can be seen in the table below.

Evaluation Criteria	Description and Weighting	Base Points	Range Score	Maximum points
Technical / Quality 40%	Technical & Service Delivery Proposals			
	Service design and planning (6%)	6	0-10	60
	Resourcing & transitional arrangements (8%)	8	0-10	80
	Structure & process (6%)	6	0-10	60
	Performance and compliance to standards (8%)	8	0-10	80
	Innovation & continuous improvement (6%)	6	0-10	60
	Customer & stakeholder Management (6%)	6	0-10	60
Commercial 60%	Financial (35 - 40%)			350 - 400
	Business Development & Vision (10 – 15%)			150 - 100
	Legal & Commercial (5%)	5	0-10	50
	Proposal Integrity (5%)	5	0-10	50
				1000

3.6 Approach Explained

3.6.1 Each sub criteria has allocated points (weighting) and will be scored and rated on a scale of 0 – 10 from unacceptable to excellent.

3.6.2 The ratings relate to consistency, clarity, quality and robustness of proposals and the likely performance in achieving the desired and required outcomes.

3.6.3 There are robust requirements to score at least satisfactory (4) against the criteria in each of the service areas. It is anticipated that this will have been facilitated through the CDP including the Draft Final Tender Submission from Bidders prior to the Final Tender.

3.7 The Value for Money Test

3.7.1 The design of the evaluation and award criteria enables the contract to be awarded on the basis of the most economically advantageous tender. When there is just one Bidder left in the competition, this assessment will be made by comparing the integrated services cost comparator with the tender submissions for Lots 1, 2, 3 and 4, where the assessment will compare the solution that delivers the best value for money. The sub process has been designed in consultation with external advisors and the s151 Officer.

3.7.2 The integrated services internal baseline that is being developed alongside the procurement activity will identify the actions necessary to achieve the savings target set out for each of the services, in the line with the Medium Term Financial Plan (MTFP) and will act as a 'plan b' option should the contract not be awarded.

4 Project Support and Partners - Assurance and Governance

- 4.1 The project is governed by a Commissioning Group which is made up of the Directors for each of the Services included in the process, the Director of Transformation and internal and external business advisors. This Group meet regularly and offers support and challenge to the process as well as allows for any key risks or issues to be escalated and where possible mitigated. It is responsible for making recommendations, based on the Programme Manager's report, to the Decision Group.
- 4.2 Richard Hallett has been appointed as the 'Senior Responsible Officer' (SRO) for the project and is taking a lead on ensuring that KCC get the best deal from the provider, should the contract be awarded. Richard is also the main contact for the bidders within the KCC team and is ensuring any decisions required are managed and escalated where required.
- 4.3 The project delivery team is headed by a Project Manager, with functional leads from each service working alongside external specialists, who offer direct support to the service leads, particularly with designing and creating the service specifications.
- 4.4 The FtC team have also engaged KPMG to offer additional advice and guidance required and, importantly, to validate the process, including the internal baseline comparator, as we move through each of the milestones.
- 4.5 There is also a nominated 'Service Lead' from within each of the services who have represented the individual services throughout the process who have assisted in the writing and specifying key contractual and process documents as well as offering expert advice and guidance in the dialogue sessions to help shape the contract as well as colleagues from our internal procurement and legal teams and other support services.

5 Member Engagements

- 5.1 As part of the journey towards the key decision, the Project Team (have and) will continue to engage and have scheduled to attend the following Committees/Groups:
 - Tuesday 16th June - Prospective bidders presented their solution to the Commissioning Advisory Board
 - Wednesday 1st July - Policy and Resources Cabinet Committee to receive a report on the procurement process to date
 - Wednesday 8th July - Education Cabinet Committee to receive a report on the procurement process to date
 - Tuesday 2nd September – present the details of the final tender and the recommendations paper to the Commissioning Advisory Board

- Thursday 10th September - present the details of the final tender and the recommendations paper to the Policy and Resources Committee
- Monday 21st September - Cabinet Meeting to take the key decisions on how to proceed

6 Next Steps

- 6.1 Competitive Dialogue will continue through August 2015 to refine the solution and iron out any issues or concerns with the Bidders' solutions. During this time, we are on schedule to receive a draft solution (ISFT) whereby at this stage, we will get full visibility of the price and the quality documentation that form the Bidders' draft response.
- 6.2 After discussions to refine the draft proposals are completed, KCC will receive a final proposal from the Bidders for KCC to then evaluate. At this stage, we will go into a period of 'lock down' whereby service leads, procurement and legal colleagues as well as a very robust Financial team will read, review, understand and score, using the criteria discussed above, the submitted proposals. Clarifications may be sought during this time.
- 6.3 Upon completion of this very intense period of evaluation, a recommendation report will be written that will also include a financial assessment report from the s151 Officer for Members to consider as part of the key decision process.
- 6.4 This paper will then be used to inform Members of this Committee and others of the output of the process as described throughout this report. It is then assumed that the key decision on how KCC wish to proceed will be taken by the Cabinet at the end of September.
- 6.5 Should the KCC decide to accept the Bidder's proposals, it is anticipated that the contract would commence in January 2016 with a period of mobilisation and transition from contract award in October 2015, to contract start . However, this timetable is dependent on the completion of the CDP.

7 Recommendation

Recommendation:

The Cabinet Committee is asked to note and endorse the progress to date and the next steps. Separate reports will be brought to the Policy and Resources Committee at the appropriate time in the procurement process.

8 Background Documents

Facing the Challenge: Phase 1 Service Review and Market Engagement
Outturn Report – County Council – 15 May 2014

Facing the Challenge - Customer Services, Finance, HR and ICT - To note a report that provides an update on the current progress of the Customer Services, Finance, HR and ICT service reviews being undertaken as part of Facing the Challenge - Policy and Resources Cabinet Committee
Friday, 19th September, 2014 10.00 am

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
John Simmonds, Cabinet Member for Finance and Procurement
Bryan Sweetland, Cabinet Member for Commercial and Traded Services
David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 1 July 2015

Subject: Strategic and Corporate Services Directorate Dashboard

Classification: Unrestricted

Summary:

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

Recommendation(s):

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

1. Introduction

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

2. Directorate Dashboard

- 2.1. The Strategic and Corporate Services Performance Dashboard is attached at Appendix 1.
- 2.2. The Dashboard includes results up to the end of April 2015 (unless otherwise stated) for the Key Performance Indicators (KPIs) included in this year's Directorate Business Plan.
- 2.3. The Dashboard includes thirty-one (31) KPIs.
- 2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.

- 2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.
- 2.6. Within the report, of the 31 KPIs included, current performance is Green for twenty-six indicators Amber for three indicators, and one indicator is Red. Data is not yet available for the one remaining indicator.
- 2.7. The net Direction of Travel for the latest results was positive for twelve KPIs, stable for nine (with six of these at 100%) and there were nine indicators showing lower results.

3. Recommendation(s):

The Policy and Resources Cabinet Committee is asked to NOTE the performance position for the Directorate.

4. Background Documents

The Strategic and Corporate Services Directorate Business Plan

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

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Strategic and Corporate Services Performance Dashboard

Financial Year 2015/16

Results up to April 2015

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Produced by Business Intelligence

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Guidance Notes

Key Performance Indicators

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

RAG ratings are based on Targets and Floor Standards set out at the start of the year in the Strategic Priority Statements.

RAG Ratings

GREEN	Performance has met or exceeded the current target
AMBER	Performance at acceptable levels, below the target but above the floor standard
RED	Performance is below the floor standard

DoT (Direction of Travel) Alerts

↑	Performance has improved in the latest month
↓	Performance has fallen in the latest month
↔	Performance is unchanged this month

Activity Indicators

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

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

Service Area	Director	Cabinet Member
Customer Engagement (EODD)	Amanda Beer	Bryan Sweetland

The Customer Engagement team, within the Engagement, Organisation Design and Development division delivers the communications, customer and engagement functions for the authority.

Key Performance Indicators - Results up to April 15

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
CS01	Percentage of callers who rate the advisors in Contact Point as good	98%	GREEN	↑	98%	GREEN	95%	90%	97%
CS02	Percentage of callers who rate their overall experience with KCC as good	77%	GREEN	↑	77%	GREEN	70%	60%	72%
CS03	Percentage of customers using Gateway who rated the experience as good	75%	GREEN	↓	75%	GREEN	75%	65%	76%
CS04	Percentage of calls to Contact Point answered	98%	GREEN	↑	98%	GREEN	90%	85%	90%
CS05	Percentage of calls to Contact Point answered in 40 seconds	88%	GREEN	↑	88%	GREEN	80%	70%	67%
CS06	Percentage of complaints acknowledged within timescale (quarterly)	99%	GREEN	↑	93%	GREEN	90%	85%	97%
CS07	Percentage of complaints responded to within timescales (quarterly)	87%	GREEN	↑	84%	AMBER	85%	80%	83%
CS11	The percentage of customers satisfied with their visit to the KCC website	69%	GREEN	↑	69%	GREEN	65%	55%	New Indicator
CS13	The percentage of regional media coverage which is positive or neutral	88%	GREEN	↓	88%	GREEN	80%	70%	89%

CS06 and CS07 are reported quarterly, and latest results shown above are for the quarter to March 2015.

Service Area	Director	Cabinet Member
Customer Engagement (EODD)	Amanda Beer	Bryan Sweetland

The Customer Engagement team, within the Engagement, Organisation Design and Development division delivers the communications, customer and engagement functions for the authority.

Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	In expected range	Expected Activity		Prev. yr YTD
				Upper	Lower	
CS04a	Number of calls handled by Contact Point (000s)	61	Yes	66	58	63
CS07b	Number of complaints responded to					
CS09	Average call handling time (in seconds)	186	Low	228	206	228
CS12	Number of visits to the KCC website, kent.gov (000s)	386	Yes	434	367	411
CS14	Positive mentions in the national media reflecting KCC priorities	30	Low	83	75	96

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CS07b is reported quarterly and results are not yet available for this year.

Division	Director	Cabinet Member
Finance and Procurement	Andy Wood	John Simmonds

Finance and Procurement manages the authority's financial resources in accordance with the council's financial regulation, setting a balanced budget and delivering the Medium Term Financial Plan savings.

Key Performance Indicators - Results up to April 15

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
FP01	Pension correspondence processed within 15 working days	98%	GREEN	↓	98%	GREEN	98%	95%	98%
FP02	Retirement benefits paid within 20 working days of all paperwork received	95%	AMBER	↓	95%	AMBER	98%	95%	99%
FP03	Invoices received by Accounts Payable within 20 days of KCC received date	84%	AMBER	↓	84%	AMBER	85%	80%	82%
FP04	Invoices received on time by Accounts Payable processed within 20 days	95%	GREEN	↓	95%	GREEN	90%	83%	95%
FP05	Percentage of sundry debt due to KCC outstanding under 60 days old	91%	GREEN	↑	Snapshot data		75%	57%	71%*
FP06	Percentage of sundry debt due to KCC outstanding over 6 months old	5%	GREEN	↑	Snapshot data		10%	15%	20%*

* Same month previous year

Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	Prev. yr YTD
FP01b	Pension correspondence processed	375	135
FP02b	Retirement benefits paid	165	111
FP03b	Number of invoices paid by KCC	12,023	14,020
FP05b	Value of debt due to KCC	£17.0m	£20.7m

Division	Director	Cabinet Member
Governance and Law	Geoff Wild	Gary Cooke

Governance and Law provides high quality legal and procedural advice for the authority and are responsible for providing Democratic Services support to 84 elected Members. The Division also ensures KCC meets its requirements on information governance and transparency.

Key Performance Indicators - Results up to April 15

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
GL01	Council and Committee papers published at least five clear days before meetings	100%	GREEN	↔	100%	GREEN	100%	96%	98%
GL02	Freedom of Information Act requests completed within 20 working days	88%	AMBER	↓	88%	AMBER	90%	85%	91%
GL03	Data Protection Act Subject Access requests completed within 40 calendar days	100%	GREEN	↑	100%	GREEN	90%	85%	80%

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Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	Prev. yr YTD
GL01b	Committee meetings	14	16
GL02b	Freedom of Information requests	175	188
GL03b	Data Protection Act Subject Access requests	11	35

Last financial year, KCC processed 2,298 Freedom of Information Requests, up by 8.6% compared to the financial year 2013/14.

Division	Director	Cabinet Member
Human Resources (EODD)	Amanda Beer	Gary Cooke

Human Resources, within the Engagement, Organisation Design and Development division are responsible for employment practice and policy, organisation design and workforce development.

Key Performance Indicators - Results up to April 15

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
HR01	Satisfaction with the resolution of people-management cases rated Good or above	100%	GREEN	↔	100%	GREEN	90%	80%	99%
HR02	Manager satisfaction with learning outcomes rated 4 or above						90%	80%	86%
HR03	Overall satisfaction with HR Connect rated as Good or above	98%	GREEN	↔	98%	GREEN	75%	65%	96%
HR04	Satisfaction with the response to H&S Advice Line enquiries rated Good or above	100%	GREEN	↔	100%	GREEN	80%	70%	100%
HR07	Satisfaction that Support Line counselling helped 'somewhat' or 'a great deal'	100%	GREEN	↔	100%	GREEN	80%	75%	98%

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HR02 is reported in arrears and data is not yet available for April.

Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	Prev. yr YTD
HR01b	Feedback responses provided on people management cases	22	16
HR02b	Feedback responses provided by managers on training		199
HR03b	Feedback responses provided on HR Connect	341	27
HR04b	Feedback responses provided for Health and Safety advice line	37	73
HR07b	Feedback responses provided on Support Line	4	38

Division	Director	Cabinet Member
ICT (Infrastructure)	Rebecca Spore	Gary Cooke

ICT within the Infrastructure Division develops information and technology solutions to support new ways of working, both within KCC and with our partners.

Key Performance Indicators - Results up to April 15

Ref	Indicator description	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
ICT01	Calls to ICT Help Desk resolved at the First point of contact	73%	GREEN	↓	73%	GREEN	70%	65%	72%
ICT02	Positive feedback rating with the ICT help desk	98%	GREEN	↔	98%	GREEN	95%	90%	99%
ICT03	Working hours where Kent Public Sector Network is available to staff	100%	GREEN	↔	100%	GREEN	99.8%	99%	99.9%
ICT04	Working hours where ICT Service available to staff	99.9%	GREEN	↑	99.9%	GREEN	99%	98%	99.5%
ICT05	Working hours where Email are available to staff	100%	GREEN	↔	100%	GREEN	99%	98%	100%

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Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	Prev. yr YTD
ICT01b	Calls to ICT Help Desk	5,224	6,495
ICT02b	Feedback responses provided for ICT Help Desk	403	817

Division	Director	Cabinet Member
Property (Infrastructure)	Rebecca Spore	Gary Cooke

Property within the Infrastructure Division provides strategy Property services, developing assets to support new ways of working, both within KCC and with our partners.

Key Performance Indicators - Results up to April 15

Ref	Indicator	Latest Month	Month RAG	DoT	Year to Date	YTD RAG	Target	Floor Standard	Previous Year
PI01	Percentage of rent due to KCC outstanding at 60 days	2%	GREEN	↑	Snapshot data		5%	15%	10%
PI02	Property Service Desk call out requests responded to within specified timescales	86.9%	RED	↓	86.9%	RED	95%	90%	84%

PI02 - There is a lower than normal sample for the month of April. This is in part due to the school Easter holidays. Only one request was confirmed as out of timescale, with ten jobs returned from contractors with completion data not recorded, which are assumed to be out of timescale.

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Annual Performance Indicators – Latest Forecast as at April 15

Ref	Indicator	Latest Forecast	RAG	DoT	Previous Forecast	Target	Floor Standard	Previous Year
PI03	Percentage of annual net capital receipts target achieved	100%	GREEN	↔	100%	100%	90%	138%

Activity Indicators - Results up to April 15

Ref	Indicator description	Year to date	Prev. yr YTD
PI01b	Total rent outstanding (£'000s)	1,573	1,275
PI02b	Number of service desk requests responded to	84	139

From: John Simmonds, Deputy Leader and Cabinet Member for
Finance and Procurement

To: Policy and Resources Cabinet Committee – 1 July 2015

Subject: Provisional Financial outturn report for 2014-15

Classification: Unrestricted

Summary:

The Cabinet Committee is asked to note the draft financial outturn for 2014-15

Recommendation:

The Policy and Resources Cabinet Committee is asked to note the provisional revenue and capital outturn for the Council for 2014-15.

1. Introduction

- 1.1 Finance staff are currently involved in finalising the outturn position for 2014-15. The figures below are provided from the accounting system and should be very close to the final outturn position. Any amendments will be as a result of internal management reviews and external audit findings.

The final outturn report was presented to Corporate Board on 22 June and will be presented to Cabinet on 6 July and will provide further detail behind this very satisfactory outcome against a very challenging budget.

2. REVENUE

- 2.1 The current net revenue position is -£10.746m. This is detailed by directorate in the table below and details of the main movements will be provided in the outturn report:

Directorate	Net Budget £000s	Provisional Outturn £000s	Net Variance £000s	Variance per last report £000s	Movement £000s
Education & Young People's Services	65,938.0	57,263.8	-8,674.2	-6,271.0	-2,403.2
Social Care, Health & Wellbeing (SCH&W) - Specialist Children's Services	127,517.0	128,871.8	1,354.8	+2,418.0	-1,063.2
SCH&W - Asylum	280.0	1,409.3	1,129.3	+1,686.0	-556.7
SCH&W - Special Operations	0.0	1,028.8	1,028.8	+981.0	+47.8
<i>Sub Total SCH&W - Specialist Children's Services</i>	127,797.0	131,309.9	3,512.9	+5,085.0	-1,572.1
SCH&W - Adults	338,595.6	337,188.3	-1,407.3	-2,873.0	+1,465.7
SCH&W - Public Health	0.0	0.0	0.0	0.0	0.0
Growth, Environment & Transport	179,972.3	177,597.0	-2,375.3	-80.0	-2,295.3
Strategic & Corporate Services	83,102.0	81,154.2	-1,947.8	-2,051.0	+103.2
Financing Items	158,686.7	158,831.9	145.2	-2,463.0	+2,608.2
TOTAL (excl Schools)	954,091.6	943,345.1	-10,746.5	-8,653.0	-2,093.5
<i>Schools (E&YP Directorate)</i>	<i>0.0</i>	<i>-1,554.1</i>	<i>-1,554.1</i>	<i>+11,265.0</i>	<i>-12,819.1</i>
TOTAL	954,091.6	941,791.0	-12,300.6	2,612.0	-14,912.6
Variance per table above (excl schools)			-10,746.5	-8,653.0	-2,093.5
roll forwards			+867.9	+544.0	+323.9
- committed					
- re-phased			+3,825.8	+3,048.0	+777.8
- bids			+87.6	+25.0	+62.6
Total roll forward requirements			+4,781.3	+3,617.0	+1,164.3
uncommitted balance			-5,965.2	-5,036.0	-929.2

2.2 In total, schools underspent against their delegated budgets by £2.626m, which has been transferred to school reserves. This includes a £2.332m drawdown from school reserves as a result of 33 schools converting to new style academy status, which allows them to take their reserves with them, a £0.038m drawdown as a result of school closures and a £4.996m underspend against delegated budgets for the remaining Kent schools. In addition, there was £1.072m of overspending on the unallocated schools budget for schools related items, giving a £1.554m underspend in total against the delegated schools budget line in table 1.

2.3 In addition, as a result of variances within the non-delegated education budgets, the unallocated schools budget reserves have increased by £6.725m. This is due to an underspend on Early Years Education of £9.153m because of lower than affordable levels of parental demand, particularly for places for two year olds; partially offset by a net overspend on High Needs Education budgets of £2.428m. Both Early Years and High Needs Education are funded by Dedicated Schools Grant, so any under or overspending must be carried forward, via the unallocated schools budget reserve, in accordance with Government regulations.

2.4 As a result of paragraphs 2.2 and 2.3 above, schools reserves have increased by £8.3m in 2014-15, a movement of +£14.4m since the January monitoring report. This includes an increase in schools committed reserves of £1m, an increase in schools uncommitted reserves of £1.7m and an increase in the unallocated schools budget reserve of £5.6m. Further details will be provided in the outturn report.

- 2.5 The provisional outturn position shown in table 1 includes some underspending which is requested to roll forward. Roll forward of £4.781m is requested, as shown at the bottom of table 1, and relates to:
- i) legally committed items, where we have no choice but to incur this spend in 2015-16,
 - ii) projects which are re-phasing into 2015-16, and
 - iii) bids for roll forward, for example to pump-prime delivery of 2015-16 budgeted savings.
- This will leave an uncommitted balance of £5.965m.

Details of the committed roll forwards, re-phased projects and bids will be provided in the outturn report.

- 2.6 It is suggested that the uncommitted balance of £5.965m is used as follows:

- £2m to be earmarked for Find and Fix programme of pothole repairs;
- the balance of £3.965m to be transferred to reserves to help balance the 2016-17 budget gap.

Cabinet will be asked to approve these in the July meeting.

3. CAPITAL

- 3.1 The Capital Programme 2014-15 has a working budget of £260.765m (excluding Schools and PFI). The expected outturn on capital expenditure for this financial year is expected to be £205.767m, giving a variance of -£54.998m, the vast majority of which relates to re-phasing of projects.

Table 2: 2014-15 Provisional Capital Outturn by directorate

Directorate	2014-15 Budget £000s	2014-15 Provisional Outturn £000s	2014-15 Variance £000s
Strategic & Corporate Services	25,803	18,217	-7,586
Social Care, Health & Wellbeing - Children's Services	1,958	801	-1,157
Social Care, Health & Wellbeing - Adults Services	6,775	4,654	-2,121
Education & Young People's Services	94,959	80,594	-14,365
Growth, Environment & Transport	131,270	101,501	-29,769
TOTAL (excluding Schools & PFI)	260,765	205,767	-54,998

Details of the major variances will be provided in the outturn report.

4. CONCLUSIONS

- 4.1 For the 15th consecutive year the Council is able to demonstrate sound financial management by containing its revenue expenditure within the budgeted level (excluding schools). In the context of a savings requirement of around £81m in 2014-15 and on the back of delivering approximately £270m of savings in the previous three years, together with the continued high demand for services such as social care and waste, an overall underspending position is a considerable achievement.

5. RECOMMENDATIONS

- 5.1 The Policy and Resources Cabinet Committee is asked to note the provisional revenue and capital outturn for 2014-15.

6. CONTACT DETAILS

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From: Paul Carter, Leader
David Cockburn, Head of Paid Service

To: Policy and Resources Cabinet Committee, 1 July 2015

Decision No: N/A

Subject: Schedule of commissioning activity

Classification: Unrestricted

Electoral Division: All

Summary:

A schedule of commissioning activity across KCC over the next three years has been developed. This schedule will allow Members to have oversight of significant service delivery decisions in advance.

Recommendation:

The Cabinet Committee is asked to note the schedule of commissioning activity and the issues raised in the covering paper.

1. Introduction

- 1.1 To allow Members to have oversight of significant service delivery decisions in advance, a schedule of commissioning activity across KCC has been prepared. The information contained in the schedule of commissioning activity has been taken from the recently approved directorate business plans and from contracts information held on the Kent Business Portal.
- 1.2 This schedule of commissioning activity is intended to support Cabinet Committees to select the activity that they wish to consider in more detail so it can be programmed onto the forward agendas. The review in Autumn 2015 will consider the future involvement of the Commissioning Advisory Board in commissioning activity.

2. Financial Implications

- 2.1 The schedule of commissioning activity includes known procurement activity of £1 million and over that will be undertaken in the years 2015-16 to 2016-17. It includes contracts of this value that are due to be let, re-let, extended or that expire in this timeframe.
- 2.2 One of the aims of our approach to becoming a strategic commissioning authority is to allow for greater member scrutiny of commissioning decisions that will commit KCC to significant spend, to ensure that the organisation is using its resources efficiently to achieve our strategic outcomes. The schedule of commissioning activity could help to achieve this by supporting Members in identifying items that they wish to look at in detail.

3. Strategic Statement and Policy Framework

- 3.1 The information in the schedule of commissioning activity is largely taken from the directorate business plans, which outline how the directorates will deliver the outcomes contained in the Strategic Statement: *Increasing Opportunities, Improving Outcomes*.

4. The Report

- 4.1 The four directorate business plans for 2015-16 identify major service redesign, commissioning and procurement exercises expected over a rolling three-year period. 'Major' was defined as any redesign, commissioning or procurement that would require a Key Decision.
- 4.2 The information provided in this section of the directorate business plans 2015-16 (where provided) has been the basis for the development of the schedule of commissioning activity which has been produced by the Strategy, Policy, Relationships and Corporate Assurance division (Appendix 1).
- 4.3 The schedule aims to capture commissioning activity for the years 2015-16, 2016-17 and 2017-18, although the majority of the activity that has been identified is in the first year (this is discussed below).
- 4.4 As well as the specific section of the directorate business plans referenced above, information in the schedule was also gathered by working through the narrative of each directorate business plan to identify commissioning activity, or activity likely to lead to commissioning or decisions around service delivery. This included service reviews, development of strategies and response to major national changes affecting services. This broad definition has been applied to help identify commissioning activity well in advance of decisions being formed and made.
- 4.5 The information from the directorate business plans has been cross-checked with contracts information held on the Kent Business Portal. The Kent Business Portal (www.kentbusinessportal.org.uk) is KCC's online contracts register. Each contract that KCC holds with a provider is logged on the Portal and this information can be sorted and extracted. Contracts due to expire in the years 2015-16, 2016-17 and 2017-18 of £1 million and over in total value were identified. Where not already referenced in the directorate business plan this information has been added to the schedule because commissioning activity will be required in advance of the end of the contract.
- 4.6 Developing the schedule of commissioning activity has raised some issues about the way in which KCC plans future commissioning activity, which will need to be addressed as we continue to move towards becoming a strategic commissioning authority.
- 4.7 Firstly, despite being asked to identify commissioning, procurement and service redesign activity over the next three years in the directorate business plans, the vast majority of activity identified is in 2015-16, with very little tangible activity set out for 2016-17 and 2017-18. This one-year focus

suggests that managers may need in some cases to plan further ahead to ensure full strategic oversight of the future delivery of their services.

- 4.8 Secondly, there appear to be some inconsistencies between the information included in the directorate business plans on commissioning activity and the information on the Kent Business Portal that identifies when contracts are due to expire. This is being investigated to understand why in some cases the business plans have not referenced activity to prepare for the upcoming expiry of contracts. Where contracts are due to expire, commissioning activity must be planned well in advance so that the best delivery option for the service can be properly considered and agreed. This planned activity should be documented in the business plan.
- 4.9 These issues will be considered in the review of the 2015-16 business planning process, which will report to Policy and Resources Cabinet Committee in September 2015. This report will suggest improvements to the business planning process for 2016-17, and further recommendations will be made to ensure a comprehensive and forward-looking planning of commissioning, procurement and service re-design activity.

5. Conclusion

- 5.1 The schedule of commissioning activity has been developed as a tool to support more effective forward agenda planning and to allow members to have oversight of significant service delivery decisions in advance. This is an important step in becoming a strategic commissioning authority.

6. Recommendation

Recommendation:

The Cabinet Committee is asked to note the schedule of commissioning activity and the issues raised in the covering paper.

7. Background Documents

- 7.1 Directorate business plans 2015-16: <http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/business-plans>
- 7.2 Report to Policy and Resources Cabinet Committee on 12 December 2014 – Business Planning 2015/16: <https://democracy.kent.gov.uk/documents/s50169/Item%20D3%20-%20Business%20Planning%202015%2016%20PR%20committe%20v1%204.pdf>

8. Contact details

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Commissioning Schedule - 2015-16 to 2017-18

Activity	Description / detail	Date
2015-2016 Quarter 1 (April – June 2015)		
Transformation of fostering services (SCHWB)	As part of the 0-25 transformation programme, work will be done with Kent's foster carers to maximise the capacity and quality of the fostering service, including development of a clear strategy to support recruitment activity	Mar – Aug 2015
Transformation of residential placements for children (SCHWB)	As part of the 0-25 transformation programme, improvements will be made to the way in which residential placements for children and young people are commissioned, with the aim of placing young people in the most appropriate placement to meet their needs, and providing these placements quickly and with value for money, building relationships with the marketplace. This will include a standardised and controlled Request for Quote process and targeted provider engagement	Mar – Jun 2015
Transformation of care leavers placements (SCHWB)	As part of the 0-25 transformation programme, improvements will be made to the support provided to Care Leavers and Looked After Children in order to promote independence, and to ensure we are discharging our corporate parenting responsibilities. This will include developing a typical pathway for Care Leavers to aim towards, targeted service changes and individual pathway planning to support independence	Mar – Jun 2015 (set up) Jun 2015 – Feb 2016 (roll out)
Economic Development service redesign (GET)	Service redesign project initiated in March 2015, implementation planned for April-May 2015	Apr – May 2015 (implementation of service redesign)

Activity	Description / detail	Date
Replacement of grants for mental health services with new contracts (SCHWB)	Replacement of 66 grants totalling £3.6m with four contracts	Apr – May 2015 (commissioning decision)
Development of the Kent and Medway Growth and Infrastructure Framework (GET)	Will identify and cost the infrastructure necessary to facilitate growth planned to 2031. Will identify funding gaps and feed into Infrastructure Delivery Plans being developed by districts and to negotiate with developers and districts for appropriate s106/CIL contributions. Will also provide evidence base to engage with Government in discussions on funding and development of the London Plan. £70,000 contract value for consultancy services to develop the Framework	April – Jun 2015 (procurement of consultancy services to develop GIF) Future development phases of the GIF to be determined
Waste treatment and final disposal commissioning (GET)	Commissioning of the £47m waste treatment and final disposal contracts	April – Jun 2015 (commissioning)
Safety Camera equipment contract (GET)	5 year contract for Safety Camera Partnership equipment for £5.5m	April – Jun 2015 (procurement)
Intelligent Traffic System contract (GET)	Commissioning of ITS Traffic Systems term maintenance contract to maintain all traffic signals across the county – minimum 5 years at £1.5m per year	April – Jun 2015 (commissioning) Jan – Mar 16 (procurement)
Commissioning for Broadband Delivery Programme Phase 2 (GET)	Commissioning for the delivery of Phase 2 (Phase 1 has been delivered by BT). Contract value is TBC	April – Jun 2015 (commissioning)
Rail Journey Time Improvement Ramsgate procurement (GET)	Procurement of provider for Rail Journey Improvement in Ramsgate Phase 1 for £4.6m	April – Jun 2015 (procurement)
Outcome of the Library Review (GET)	Respond to the outcome of the Facing the Challenge review of Library Services. Development of a service specification that ensures the service is protected and determines how the buildings can be developed as a valued shared community resource	From May 2015 (commissioning)

Activity	Description / detail	Date
Drug treatment in prisons contract extension (SCHWB)	Decision whether to extend the current contract for delivery of drug treatment in prisons	May 2015
Integrated Community Equipment service redesign (SCHWB)	Development of a redesigned Integrated Community Equipment service	May – Jun 2015
Extension of contract for children's accommodation for children in care and care leavers (SCHWB)	Extension of accommodation contract for children in care and care leavers (see also care leavers placements transformation activity as part of 0-25 programme)	May – Jun 2015
Transformation of Early Help services (SCHWB)	As part of the 0-25 transformation programme, work to improve Early Help services will include a simplified process of utilising commissioned services, an Early Help surgery, joint working with Early Help units, Commissioned Services and Open Access facilities. The vision is that every family that could benefit from Early Help and is willing to give consent will receive that service	May 2015 – Jan 2016
Transformation of services for adolescents (specialist children's services) (SCHWB)	As part of the 0-25 transformation programme, services are being redesigned including development of a specialist team of social workers holding all high care risk adolescent cases to provide intensive support where required, and additional resource of social workers as part of a team to provide support at crisis. The vision is that all adolescent service users will receive a consistent, outstanding service across the county, including response to all high risk adolescent referrals and crisis calls within 24 hours	May 2015 – Jan 2016
EU Procurement Directive Opportunities (ST)	Responding to the EU Procurement Directive changes and Social Value Act review to reduce burdens and maximise opportunities for small and medium sized businesses and the voluntary sector in our procurement processes	Spring 2015
Asbestos Services Framework Procurement (ST)	Procurement for £2.8m revenue and £9m capital contract for Asbestos services framework	Spring 2015

Activity	Description / detail	Date
2015-16 Quarter 2 (July – September 2015)		
Delivering the Commissioning Framework Implementation Plan (ST)	Delivering the Commissioning Framework Implementation Plan	Summer 2015
Review of support for children with Special Educational Needs and Disability (SEND) (EYP)	The Children and Families Act 2014 brings significant reform to the provision of assessment and support for children with Special Educational Needs. The entire SEN service is being reviewed as part of Facing the Challenge Phase 2 to assess progress in implementing the required changes. The SEND Strategy implementation will also be reviewed to support the changes and expand SEND provision	Summer/Autumn 2015
Kent Legal Services Review Response (ST)	Respond to the outcomes of the Facing the Challenge review of Kent Legal Services (June 2015)	June 2015
Transfer of responsibility for Health Visiting (SCHWB)	Transfer of responsibility for Health Visiting to KCC from NHS England including commissioning. Work around integrating the Health Visiting and Family Nurse Partnership services with the wider Early Help service offer across the county, culminating in a decision on how the new services will be managed. Decisions will be required on the extension of the contract for School Nursing and Health Visiting, which need to be retendered in October 2016	July 2015 (decision) October 2015 transfer of responsibility October 2016 (retendering of contracts)
Development of Public Health Delivery Plan and Commissioning Strategy (SCHWB)	Development of a plan to deliver public health outcomes and priorities, alongside a commissioning strategy to transform services to meet changing needs. New longer-term commissioning view being taken	July 2015 (decision)
Agreement of Suicide Prevention Strategy (SCHWB)	Finalisation and agreement of a strategy to reduce the number of suicides in Kent	July 2015

Activity	Description / detail	Date
Kent Support and Assistance Service contract extension (SCHWB)	A decision is due on whether to re-let the KSAS contract. This is being taken through Adult Social Care Cabinet Committee on 10 July 2015, with a decision expected shortly afterwards	July 2015
EduKent (services for schools) procurement (EYP)	EduKent (services for schools) is included in the Back Office Procurement Project – market testing is taking place for all 14 EduKent services as well as developing an in-house comparator. Procurement decision due in July, which will impact on future business model	July 2015
Community Learning and Skills service review (EYP)	Response to the Facing the Challenge review of CLS including planning for the growth of the service in order to become a successful LATCo. A Growth Strategy for CLS is being developed	July 2015
Back Office Procurement Project Decision (ST)	Responding to the outcome of the Facing the Challenge Back Office Procurement Project, including potential service redesign for transactional finance, HR and IT services, Contact Centre and Digital Services	July 2015
Implementation of the Customer Services Policy (ST)	Agreement and implementation of the Customer Services Policy to raise standards across the authority and engage customers throughout the commissioning of services	July 2015 (decision)
Commissioning of health improvement services (SCHWB)	Decisions on contract extensions required for smoking cessation, Health Trainers, healthy weight and health checks to bring the contracts all into line so they can be retendered together (new contract required to start October 2016)	From July 2015
Young people's drug and alcohol service (SCHWB)	Decision required to extend the current contract to end Sept 2016 and then re-tender along with the School Nursing and Health Visiting contracts starting from October 2016	From July 2015
Older Persons and Residential and Nursing contracts (SCHWB)	The current older persons nursing and residential care home contracts expire on 31 March 2016. The current contracts are worth £60m (Older Person Residential) and £45m (Dual Residential and	From July 2015

Activity	Description / detail	Date
	Nursing and Nursing Care only). A Commissioning Strategy is being developed, and will need to take account of the changes being brought in by the Care Act	
Extend or re-procure the Highways Term Maintenance Contract with Amey (GET)	Decision required to extend the current contract for 5 years (at £50m per year) or re-tender if extension not agreed	Jul – Sept 2015 (Procurement)
Identify options for the funding of Subsidised Bus Services (GET)	Review of contracts and bus service operators' grants, with the aim of implementing changes from April 2016. Contracts and grants ending at various dates throughout the year. Kent Karrier and Dial a Ride contracts also under review throughout the year. Contract values £1.8 million plus £150,000 for Kent Karrier / Dial a Ride	Jul – Sept 2015 (commissioning)
Maidstone Gyrotory Improvement Scheme commissioning (GET)	Commissioning of scheme design works for Maidstone Gyrotory Improvement Scheme for £4.5m	Jul – Sept 2015 (commissioning) Procurement in 2016/17
Bulk Waste to Allington Plant commissioning (GET)	Bulk waste reception, handling and haulage to Allington energy from waste Plant from Thanet and Canterbury for £3.1m	Jul – Sept 2015 (commissioning)
Review Soft Landscape Contracts provision (GET)	Review the provision for Soft Landscape Contracts and make a decision on our countrywide approach to procurement for urban grass, shrubs, rural grass swathe, hedges, weed treatment and tree cutting for £2.5m	Jul – Sept 2015 (commissioning) Procurement in 2017/18
Tonbridge High Street Regeneration commissioning (GET)	Commissioning and procurement for regeneration of Tonbridge High Street phase 1 (for £1.25m) and phase 2 (for £1.4m)	Jul – Sept 2015 (commissioning) Procurement for Phase 2 in 2016/17
Highways condition services contract extension (GET)	Decision whether to extend the current contract with HSL for highways condition services for £1m	Jul – Sept 2015 (procurement)

Activity	Description / detail	Date
Library Management Systems contract commissioning and procurement (GET)	Commissioning and procurement for the Library Management IT Systems Contract which ends March 2016, for £1.25m	Jul – Sept 2015 (commissioning) Oct – Dec 2015 (procurement)
Libraries book supply commissioning and procurement (GET)	Commissioning and procurement of book supply for libraries for £1m pa	Jul – Dec 2015 (commissioning) Jan – Mar 2016 (procurement)
Response to review of Country Parks and Countryside Management (GET)	Deliver the recommendations of the Facing the Challenge review on Country Parks and Countryside Management – PID to be developed for the next phase of the review	PID by August 2015
Highways, Transportation and Waste service redesign (GET)	Service redesign project initiated in December 2014, implementation to be complete by August 2015	August 2015 (implementation of service redesign complete)
Environment, Planning and Enforcement service redesign (GET)	Service redesign project initiated in December 2014, implementation to be complete by August 2015	August 2015 (implementation of service redesign complete)
Customer Service Review (GET)	Internal review to deliver consistent customer service in line with the Customer Service Policy. Will develop a business case for a directorate-wide approach to customer services. Evidence gathering focuses on Speed Awareness, Coroners Service, Highways fault reporting, online licences and GET Priority Response Enquiries	September 2015 (business case to GET Portfolio Board)
Development of new Early Help and Preventative Services commissioning framework (EYP)	Major transformation programme underway in EHPS – all contracts end in March 2016 to enable a review of performance and to reshape the commissioning intentions in line with the revised ways of working brought about by the service's restructure. Work is progressing with	September 2015 (Refresh of strategic requirements and needs assessment complete)

Activity	Description / detail	Date
	partners to refresh the strategic requirements and assess the needs of vulnerable children and young people. Total commissioning spend for EHPS is c.£12.5m p/a. There is only one contract over £1m (CXK)	To be implemented from April 2016
Integration of community safety functions with partners (GET)	Working with District Councils, Kent Police and Kent Fire and Rescue to integrate our community safety functions and develop new volunteer programmes to support local community safety including Community Wardens. Particular focus on supporting older and vulnerable residents at risk of social isolation and becoming victims of fraud and scams	Sept 2015 to March 2016
2015-16 Quarter 3 (October – December 2015)		
Developing the Education Commissioning Plan (EYP)	Developing the new 'Education Commissioning Plan', particularly focusing on growth in primary school places with the Basic Need Programme (£97m national funding)	Autumn 2015
Delivery of new Integrated 0-25 Early Help Services structure and delivery model (EYP)	Review of Early Help and Preventative Services in 2014 has resulted in the redesign of 0-25 integrated services. Service will be fully operational in July 2015 following a restructure. The service is also converting the existing 1 year Early Help Action Plan into a 3 Year Early Help Action Plan by the Autumn	Autumn 2015
Establishing the Property LATCo (ST)	Establishing the Property LATCo, following the Facing the Challenge review of Property Services	Autumn 2015
Review and refresh of the Kent Environment Strategy (GET)	Will be refreshed to show how we will work with partners to grow the green economy and protect and sustain the physical and environmental fabric of the county	Autumn/Winter 2015
Developing the Voluntary and Community Sector Policy (ST)	Development and implementation of the Voluntary and Community Sector Policy, including our approach to grants	October 2015 (decision)

Activity	Description / detail	Date
LED Street Lighting (GET)	Delivery of LED street lighting to reduce energy cost and impact on the environment for £40m	Oct - Dec 2015 (procurement) Implementation planned for Dec
Review of Passenger Transport Services (GET & EYPS)	Phase 2 FTC review looking at the procurement and route optimisation of Special Educational Needs (SEN) transport Infrastructure Service and Social Care transport services. Also introducing a Dynamic Purchasing System for flexible procurement. Passenger Transport Services contract value is £10m	Oct - Dec 2015 (procurement) Full Business Case by Oct and pilot implementation in Easter 2016
Rathmore Road Improvement Scheme commissioning (GET)	Commissioning of scheme design for Rathmore Road Improvement Scheme for £10m	Oct – Dec 2015 (commissioning)
Resurfacing contract extension decision (GET)	Decision whether to extend the current contract for Resurfacing with current provider Eurovia (maximum 2 years) for £10m	Oct – Dec 2015 (procurement)
M20 J4 eastern overbridge widening commissioning (GET)	Commissioning of scheme design for M20 junction 4 eastern overbridge widening for £4m	Oct – Dec 2015 (commissioning)
Wood waste contract extension decision (GET)	Decision whether to extend the current contract for the processing and recycling of wood waste for 5 years with current provider Countrystyle for £3.9m	Oct – Dec 2015 (commissioning)
A26 junction improvement commissioning (GET)	Commissioning for A26 London Road / Speldhurst Road / Yew Tree Road junction improvement for £2m	Oct – Dec 2015 (commissioning)
Commissioning of additional adult social care assessment function (SCHWB)	Commissioning additional capacity to help with the anticipated demand for assessment of self-funders in relation to the commencement of the cap on care brought in through the Care Act	October 2015 (commissioning decision)
Building Community Capacity Initiative (SCHWB)	Co-development with the VCS to support a greater number of people without necessarily being subject to formal assessment or ongoing support from Adult Social Care. Decisions will be required around service redesign as a result	Oct – Dec 2015 (decisions)

Activity	Description / detail	Date
Commissioning of Drug and Alcohol Services for adults (SCHWB)	Commissioning of drug and alcohol service (separate from commissioning of drug and alcohol service for young people)	December 2015 (contract award)
Refresh the Growth Strategy (GET)	Refresh the Kent & Medway LEP Growth Strategy to reflect the priorities of local partners	December 2015
2015-16 Quarter 4 (January – March 2016)		
Young Healthy Minds retendering (SCHWB)	Decision required on retendering the contract	Jan 2016 (pre-tender, for Oct 16 start)
Thanet Parkway design and build procurement (GET)	Procurement of design and build for Thanet Parkway for £8m+	Jan – Mar 2016 (procurement)
New integrated commissioning strategy for children's social care (SCHWB)	A new integrated commissioning strategy will be delivered. The aim is to develop joint commissioning arrangements with the CCGs	Jan – Mar 2016
Learning Disability supported living service improvements (SCHWB)	One of the strands of the Adults Transformation Programme Phase 2 is to develop supported living options for people with learning disabilities by working to reshape the market. There is a savings target of £6.77m attached to this activity in 2015/16	Jan – Mar 2016 (service redesign decisions)
Enablement service improvements (SCHWB)	One of the strands of the Adults Transformation Programme Phase 2 is to review and make improvements to the Enablement service, with the overall aim of providing access to enablement service for all service users regardless of referral route and provide standardised effectiveness across the service. This will include outsourcing enablement and extensive market testing is taking place. There is a savings target of £7.77m attached to this activity in 2015/16	Jan – Mar 2016 (outsourcing decisions)

Activity	Description / detail	Date
Reduction in need for short-term beds for older people and those with physical disability (SCHWB)	As part of the Adults Transformation Programme Phase 2, work is ongoing to reduce the number of short term beds that we will need to purchase by providing other ways in which to meet clients' needs	Jan-Mar 2016
Carers short break service contract (SCHWB)	The current contract for the Carers Short Break Service expires on 31 March 2016. The current contract is worth £2.2m	Contract expires end March 2016
Disabled Children's Short Break Weekend/Overnight Service contract (SCHWB)	The current contract for the Disabled Children's Short Break Weekend/Overnight Service (Weekend Fun Club) service expires on 31 March 2016. The current contract is worth £1.15m	Contract expires end March 2016
Building Maintenance Consultancy Services (ST)	The current contract for Building Maintenance Consultancy Services expires on 31 March 2016. The current contract is worth £19m	Contract expires end March 2016
Joint commissioning with public health (GET)	Identifying joint commissioning priorities with Public Health and CCG's to improve public health outcomes, including through the Kent Nature and Countryside Working Group, e.g. commissioning a Greenspace Needs Assessment	Greenspace Needs Assessment by March 2016 Joint priorities: Ongoing
2015-16 ongoing		
Targeted Public Health Campaigns (SCHWB)	Deliver a programme of targeted public health campaigns aimed at reducing harm in specific areas including smoking in pregnancy, reducing suicides, encouraging safer sexual practices and increasing the flu vaccine uptake. A calendar of campaigns planned throughout the year is available	2015-16
Deliver the Health Needs Service (EYP)	Deliver the new Health Needs Service and improve outcomes for pupils with mental health needs	2015-16
Reduce the rising cost of SEN Transport (EYP)	Including through making more efficient use of DSG funding by reducing the costs of SEN pupils being placed out of county, as well as working with schools at risk of deficit budgets to ensure there are clear improvements by 2016	2015-16

Activity	Description / detail	Date
National free childcare requirements (EYP)	Responding to changing national requirements for expanding free early years childcare provision by 2017	2015-16
Developing Demand Management (0-25) (EYP)	Developing demand management with Newton Europe, as part of the 0-25 Portfolio transformation programme	2015-16
Further use of District Data Packs to inform the local curriculum and training offer in line with employers' needs (EYP)	EYP produce Data Packs which are used by local 14-19 partnerships to develop the local curriculum and training offer, progression opportunities and work based training opportunities. They summarise key legislative changes that impact on qualifications, provision and learning, provides analysis of district economies, review changes made to the curriculum and set the scene for developing the 2015-16 curriculum	2015-16
Working with a 'live cohort' of young offenders (EYP)	This year the service will work with a "live cohort" of young offenders to understand the characteristics of their reoffending. The findings will determine future interventions, increasing their effectiveness and reducing re-offending	2015-16
Contract Management for Total Facilities Management (ST)	Ongoing contract management for three 5 year Total Facilities Management contracts worth £9.5m pa	2015-16
Defining robust intelligent client functions (ST)	Defining robust intelligent client functions to enable effective contract management, governance and stakeholder management for commissioned services	2015-16
Developing our customer intelligence approach (ST)	Developing our customer intelligence approach to inform better commissioning	2015-16
Accommodation strategy implementation (SCHWB)	Shifting from residential provision to the development of more extra care services. This will involve 14 capital projects and the redesign of 40 operational services	2015-17
Establishment of new adoption agency (SCHWB)	Establishment of a new voluntary adoption agency in partnership, in the context of the new Education and Adoption Bill introduced in the Queen's Speech in May 2015	2015-17

Activity	Description / detail	Date
Develop phase 2 Troubled Families programme (EYP)	Develop phase 2 of the programme and ensure it is integrated into the models of family support provided through Early Help. Future procurement arrangements for the commissioned services will also be considered (current contracts for the commissioned elements end March 2016)	2015-2020
Recommissioning for Unified Communications (ST)	Unified Communications contract expires in 2016, providing solutions to 350 KCC sites and 9000 users	2016
Recommissioning for Cloud Contract (ST)	£290k Cloud Contract (supporting the Contact Centre) due for re-commissioning in 2016	2016
2016/17		
Green waste composting procurement (GET)	Procurement for green waste composting for £5.7m	2016 – 17 (procurement)
Inward investment (Locate in Kent) procurement (GET)	Procurement of provider for inward investment for £625k pa plus £150k pa (FDI) currently provided by Locate in Kent	2016 – 17 (procurement)
Visitor economy (Visit Kent) procurement (GET)	Procurement of provider for visitor economy for £280,000 pa currently provided by Visit Kent	2016 – 17 (procurement)
Recommissioning of Independent Advocacy Services (Adults) (SCHWB)	Re-commissioning of £1.5m independent advocacy services for adults covering all care groups	April 2016
Developing a cultural commissioning model (GET)	Facilitate the development of the cultural and creative industries through greater promotion and take-up of commissioning opportunities, building on the work of the industry and KCC in developing the cultural commissioning model in the public health agenda	June 2016 (three year cultural commissioning programme)

Activity	Description / detail	Date
Development of a new Waste Management Strategy (GET)	New strategy will reflect aspirations for growth within the county. Will identify opportunities to consult with residents to gain customer insight and inform the way services should be procured and delivered	September 2016
Thin Client ICT contract (ST)	The current contract for Thin Client ICT infrastructure expires on 9 October 2016. The current contract is worth £2.067,982	Current contract expires 9 Oct 2016
Sexual health services contract extension (SCHWB)	Decision whether to extend the current contract for sexual health services	November 2016
Independent Fostering Framework (SCHWB)	The current Independent Fostering Framework arrangement expires on 31 January 2017. It is a framework of independent foster providers that KCC and other SE7 authorities can use to commission fostering services. The current framework is worth £15m. Commissioning for a new framework or other solution will need to take place	Framework expires end January 2017
Children's Services Case Management and Information System contract (SCHWB)	The current contract for the Children's Services Case Management and Information System expires on 29 March 2017. This provides software and associated technical implementation services for the support of children's social care. The current contract is worth £1m	Contract expires end March 2017
Smartcard Back-Office Systems and Smartcard Provision (Young Person's Travel Pass and Council's English National Concessionary Travel Scheme) (GET)	The current contract for Smartcard Back-Office Systems and Smartcard Provision, which provides the smartcard technology for the Young Person's Travel Pass, expires on 31/03/17. The current contract is worth £1.5m and is with Euclid Ltd	Contract expires end March 2017 with potential extension to March 2019

Activity	Description / detail	Date
2017/18		
National pensions administration software contract (ST)	The current contract for national pensions administration software expires on 14 October 2017. The current contract is worth £30m. It is a framework for the provision of software solutions to administer the LGPS, Police and Fire Pension Schemes by KCC and various other Local Government Administering Authorities (with KCC acting as Lead Authority)	Current contract expires 14 October 2017
Technical and Environmental Services contract (GET)	The current Technical and Environmental Services contract expires March 2018 with a potential extension end date of March 2023. The current contract is worth £50m and is with Amey.	Contract expires March 2018, with potential extension to March 2023

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From: **Gary Cooke, Cabinet Member for Corporate and Democratic Services**

Rebecca Spore, Director of Infrastructure

To: **The Policy and Resources Cabinet Committee – 1 July 2015**

Decision No: **Not applicable**

Subject: **Basic Need Delivery Update and Outturn Costs**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This report seeks to update the Policy and Resources Cabinet Committee on the Basic Need Outturn Costs and a delivery update of the Basic Need Programme, consisting primary and secondary school expansions and new primary school provision.

1. Introduction

- 1.1 The Basic Need Programme is built up from the County Council's Commissioning Plan for Education Provision in Kent. The Plan sets out the future plans as Strategic Commissioner of Education Provision across all types and phases of education in Kent. The 2015 to 2019 Commissioning Plan was presented to Education and Young People's Services Cabinet Committee on 24 September 2014 and the Cabinet on 13 October 2014.
- 1.2 The aim of the Basic Need Programme is to provide new educational provision in Kent as identified in the Commissioning Plan for Education.
- 1.3 In Kent, we have seen a 25% increase in the number of births between 2002 and 2012. We will continue to see a significant increase in pupil numbers in our schools, and consequently a need for new provision as the larger cohorts work through the system. In 2013-14 we created 12.2 permanent forms of entry (FE) in Primary schools and 2.85FE in Secondary schools, together with 380 temporary places to cover short-term pressures for Reception aged pupils.
- 1.4 The number of Primary age pupils is expected to continue rising significantly from 114,275 in 2013-14, to 129,338 in 2018-19, which is more than 15,000 extra pupils, or the equivalent of 500 extra classes or 71.5FE over the next five years. The number of pupils continues to rise slightly further until the start of the next decade, following which they are expected to decline in all District, except Dartford. There will be a need to continue to make new provision available in some Districts on both a permanent and temporary basis.
- 1.5 The number of Secondary age pupils (Years 7-11) in Kent schools is expected to rise significantly from 78,222 in 2013-14 to over 94,000 in 2023-24. Beyond this point the longer term strategic forecasts indicate a slight fall in pupil numbers,

although this estimate is heavily influenced by projections of new housing development beyond 2026.

2. Governance

- 2.1 To ensure a co-ordinated approach, three levels of governance have been put in place; a Programme Board, Steering Group and Regular meetings with the relevant Area Education Officers.
- 2.2 There are two distinct processes which need to be followed to enable the additional places to be provided. The first is the formal Education consultation process which relates to obtaining the proper permissions to permanently expand the operations of a school. This process requires individual consultations being undertaken by the Area Education Officers for each school. Where expansion of an academy is proposed, the process involves a business case being sent to the Secretary of State for Education, rather than a public notice being issued, as he is the decision maker.
- 2.3 The second and parallel process is the procurement process and the formal permissions required to enter contract for the building work. This includes submissions to Procurement Board, Project Approvals Group (PAG), Strategic Property Asset Forum (SPAF) and Policy & Resources Committee followed by Member sign off as applicable prior to entering contract.
- 2.4 The timing is very tight for a number of schemes and it is noted that on the majority of schemes, initial design work, obtaining planning permission and detailed work is being undertaken in parallel or ahead of the education consultation process.

3. What has been achieved to date

- 3.1 The current Basic Need Programme consist of 85 projects over the period 2013/14 to 2015/16, one of the largest capital programmes the County Council have had to deliver. The programme is broken down as follows:
 - 2013/14 – Successfully delivered all 35 primary expansion projects
 - 2014/15 – Continue to successfully deliver all 36 expansion projects which consists of 35 primary and 1 secondary school expansions. Although some works are ongoing as some of these projects reflect the more permanent physical expansion of schools and increase the school by a full form of entry (210 pupils in seven year groups in a Primary school all 36 schools had the provision of accommodation to receive the additional class that started in September 2014.
 - 2015/16 – Continue to deliver 14 projects which consists of 8 primary expansions and 6 new brand new primary schools.

3.2 Kent County Council will have provided over 300 new classrooms to provide education for over 9,300 children as a result of this Basic Need Programme 2013/14 to 2015/16.
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4. Achieving Value for Money

- 4.1 It has been increasingly crucial to look at how we design and deliver the school expansions and new schools to be able to deliver the basic need programme, within the resources available in time for each new academic year but still providing quality educational facilities.
- 4.2 A benchmarking exercise by KCC and other Local Authorities in the SE7 grouping along with the Education Building and Design Officers Group (EBDOG) has been undertaken to benchmark KCC and SE7 build costs against the National Average. It is worth noting that the sample projects chosen include projects delivered by a variety of different procurement routes that have been used.

The benchmarking showed the follows:

4.2.1 National vs SE7

- The national rates varied from £2,073 to £3,970 for New build costs which averaged out (across 61 schools) as a GROSS cost of £2,531.
- The SE7 rates varied from £2,156 to £3,201, averaging out across 25 schools as £2,653 – over £120psqm more expensive when compared to the national average.

4.2.2 KCC vs SE7 and National

- KCC rates compare very favourably to those of both the SE7 and National rates.
- KCC average gross build rate across 6 new schools is £1,887psqm which is
- 28.7% less than the average SE7 rate and 25.5% lower than the national average rate.

- 4.3 Kent County Council have been able drive some significant benefits over the last two years including the reduction of programme delivery times throughout the lifecycle of a project from inception to completion as well as reducing costs, whilst still achieving quality educational facilities. Primarily, this has been achieved by:
- Working collaboratively with consultants, contractors and stakeholders to ensure that buildings are not over specified and are in line with the Education Funding Agency (EfA) guidelines;
 - Procuring strong and experienced consultants and contractors;
 - Implemented a standardised school and project delivery process;
 - Effectively managing the market ensuring the right contractors are delivering the right product for the right cost;
 - Education and Property working extremely closely, particularly around the early planning stages to ensure the right schools are chosen to be delivered, from both an education and buildability aspect.

5. Other benefits realised

- 5.1 There are mandatory KPIs in the national construction frameworks that have been used to deliver a proportion of the Basic Need Programme which included time and cost predictability, defects at completion, health and safety, client satisfaction (both product and service), waste management, employment and skills plan targets

achieved, local spend and local employment. Some key examples are given as follows:

- 92% of project spend within 20 miles of a primary school expansion in Sevenoaks
- 57% of labour from within 20 miles & 95% within 40 miles of a primary school expansion in Sevenoaks
- 9 local apprentices/graduates taken on by the National Minor Framework contractor in 2013/14.

5.2 To deliver the 85 projects, Kent County have supported the local economy by delivering over 68% of the projects through the County Councils Approved Contractor List, as well as delivering a further 28% through the two National Construction frameworks with two contractors whose delivery office are based in Kent.

5.3 KCC have been working with contractor organisations such as National Federation of Builders, which many of the Kent SME contractors are part of, to encourage partnership working and upskilling, for example, we have undertaken Building Information Modelling (BIM) seminars, workshops and training courses on different forms of contract.

5.4 In addition, we have sought to identify opportunities to use the build project as an opportunity to engage with the learning experience, by involving children, staff and parents by holding opening days, school assemblies, interview days run by the children, escorted site visits, time capsules as well as providing information boards throughout the schools showing progress and key activities.

5.5 Overall, the programme has been delivered on time and has meant that not a single child has missed a day's education even when faced with some extremely challenging timeframes.

6 The next phase of the Basic Need Programme

6.1 Since the current Basic Need Programme was approved, Education and Young People Services has reviewed the previous Commissioning Plan (2013 to 2018) and the published Plan (2015 to 2019) demonstrates a higher need for new school places.

6.2 EYPS and P&IS have been working together to establish the next phase of the Basic Need Programme. EYPS have confirmed that over 70 projects require deliver in 2015/16 (additional to what is reported in section 2), 2016/17 and 2017/18. Projects consist of further primary school expansions, secondary school expansions and new primary schools.

7. Financial Implications

7.1 The Basic Need Programme is funded primarily from Central Government allocations, made up of Basic Need and Targeted Basic Need allocations, capital receipts, developer contributions and a small amount of prudential borrowing.

- 7.2 On 12 February 2015, the Department announced an extra £92 million has been allocated to KCC by the Department for Education to help it meet the need for more school places across the county over the next three years.
- 7.3 This funding from the Basic Need Allocations is in addition to the £27.5million already promised for 2015-17.
- 7.4 It follows vigorous efforts by KCC to gain increased schools funding because of anticipated demand through population growth, housing developments and inward migration.
- 7.5 Kent's allocation from the Basic Need Allocations is the highest for any local authority in the country, the second highest being Manchester's £84.9 million. Kent's figures are as follows:
- 2015/16 top-up of £16.25 million in addition to £13.4 million already allocated;
 - 2016/17 top-up of £34.62 million in addition to £14.1 million already allocated;
 - 2017/18 allocation of £38.55 million, plus an extra £2.27 million for new primary schools
- 7.6 Although these funding allocations are very positive, it is envisaged there will be continued pressures on the budget. The budgets are being revised based on these allocations and will be taken to Cabinet Committee for approval in due course.

8. Increasing Opportunities, Improving Outcomes

- 8.1 *'Increasing Opportunities, Improving Outcomes'* replaces *'Bold Steps for Kent'* as the Strategic Statement for KCC and the delivery of the Basic Need Programme supports the achievement of two of the three strategic outcomes; Children and young people in Kent gets the best start in life and also that Kent Communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.

7. Recommendation(s)

Recommendation(s):

The Policy and Resources Committee is asked to:

- (1) Note the achievements to date on the delivery of the Basic Need Programme

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