

PROPERTY SUB-COMMITTEE

Wednesday, 23rd September, 2015

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

PROPERTY SUB-COMMITTEE

Wednesday, 23 September 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 (7)

Conservative (4): Mr A J King, MBE (Chairman), Miss S J Carey,
Mr L B Ridings, MBE and Mrs P A V Stockell

UKIP (1) Mr R A Latchford, OBE

Labour (1) Mr D Smyth

Liberal Democrat (1): Mrs T Dean, MBE

UNRESTRICTED ITEMS

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

Webcasting Notice

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council.

By entering the meeting room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately.

A - Committee Business

A1 Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

- A2 Declarations of Interest by Members in Items on the Agenda
In accordance with the Members' Code of Conduct, Members are requested to declare any interests at the start of the meeting. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared
- A3 Minutes of the meeting held on 27 March 2015 (Pages 7 - 10)
To consider and approve the minutes as a correct record
- A4 Meeting Dates for 2016-17
To note the dates for meetings of the Property Sub Committee scheduled to take place at 10am on the following dates:

Wednesday 23 March 2016
Thursday 29 September 2016
Tuesday 21 March 2017

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

- B1 Approval to enter into new lease at Rainbow Lodge for the benefit of Wyvern School (Pages 11 - 16)
To consider and endorse, or make recommendations on the Cabinet Member's proposed decision
- B2 Approval to enter into new lease at the Detached Playing Field at the former Chaucer Technology College, Spring Lane, Canterbury for the benefit of Barton Court Grammar School, Canterbury (Pages 17 - 22)
To consider and endorse, or make recommendations on the Cabinet Member's proposed decision

C - Performance Monitoring

- C1 Total Facilities Management - 2nd Biannual Review (Pages 23 - 68)
To receive an update on the performance of the three Total Facilities Management Contractors since the 1st biannual review

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(s) xx of Part 1 of Schedule 12A of the Act.

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

D1 Approval to enter into new lease at Rainbow Lodge, for the benefit of Wyvern School, Ashford

To receive exempt information relating to item B1

D2 Approval to enter into new lease at the Detached Playing Field at the former Chaucer Technology College, Spring Lane, Canterbury for the benefit of Barton Court Grammar School, Canterbury

To receive exempt information relating to item B2

D3 Strategic Acquisition, Maidstone (Pages 69 - 98)

To consider and endorse, or make recommendations on the proposed Cabinet Member decision

Peter Sass
Head of Democratic Services
(01622) 694002

Tuesday, 15 September 2015

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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 A1)

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

38. Declarations of Interest by Members in Items on the Agenda
(Item A2)

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

- (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: Gary Cooke, Cabinet Member for Corporate and Democratic Services
Rebecca Spore - Director of Infrastructure

To: Property Sub-Committee - 23 September 2015

Decision No. 15/00076

Subject: Approval to enter into new lease at Rainbow Lodge, Ashford for the benefit of Wyvern School, Ashford

Classification: For Publication Unrestricted

Past Pathway of Paper: Published on Forward Executive Decision List-

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: Ashford Rural West

Summary: This report seeks approval to enter into a new long lease with the Governing Body of Wyvern School, Ashford.

Recommendation:

The Property Sub-Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to enter into a new lease at Rainbow Lodge and for the Director of Infrastructure to finalise terms and complete the transaction.

1. Introduction

1.1 Wyvern School, Great Chart Bypass, Ashford was built in 2004. The School is an operational Special School.

1.2 Within the grounds of the School, the County Council built Rainbow Lodge, for operational use as a Multi Agency Specialist Hub (MASH). Rainbow Lodge is operated by the County Council independently from the School.

1.3 Wyvern School obtained Foundation Status on 8th April 2013. In accordance with prevailing Statute, the County Council is legally bound to transfer its freehold interest in land and buildings held for or used by the School to its Governing Body.

1.4 Terms for the Transfer to the Governing Body have been agreed and the Transfer is currently being progressed between both parties respective Solicitors.

1.5 Wyvern School have operated their Nursery from one of the rooms located on the ground floor of Rainbow Lodge, under local arrangement with the Lodge staff. The School also occupy an exclusive outdoor play area adjoining the room occupied, and share use of toilet accommodation within the Lodge itself.

1.6 In accordance with prevailing Statute, as the School were using the accommodation at their Incorporation Date of 8th April 2013, the Governing Body are legally entitled to retain use of the Nursery accommodation within Rainbow Lodge. This principle is accepted, as the County Council have retained similar rights at many Schools which have changed status during the past 25 years for continued operation of non-school related functions (such as a library, landscape depot, adult education centre, staff housing)

1.7 In accordance with delegated authority provisions, a 20 year lease has been formally offered to the School. However, the Governing Body have requested a longer term. The details of which are set out in the exempt report (Approval to enter into new lease at Rainbow Lodge, for the benefit of Wyvern School, Ashford).

2. Facing the Challenge and Corporate Objectives

2.1 The granting of the lease will enable the School's Nursery to remain operational and the presence of a formal lease will provide the County Council with greater control in respect of its property. The granting of the lease will also assist with the following Supporting Outcomes as part of the Strategic Outcome to ensure children and young people get the best start in life:-

- provision of a strong and safe environment to successfully raise children and young people,
- keep vulnerable people out of crisis,
- all children, irrespective of background, are ready for school at age 5,
- children and young people have better mental health,
- all children are engaged, thrive and achieve their potential through academic and vocational education.

3. Consultations

3.1 No Local Member consultations have taken place with regard to the granting of the proposed lease.

4. Conclusion

The granting of the lease will form part of the Statutory legal formalities required in conjunction with the conversion of the School from Community to Foundation status. The granting of the lease will not compromise the operational requirements of Rainbow Lodge, as Wyvern School have been in occupation of the accommodation since the Centre first opened. The School and the Lodge have enjoyed a good working relationship since the Lodge was first built within the School grounds.

5. Recommendation

Recommendations:

The Property Sub-Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to enter into a new lease as set out in the exempt report (Approval to enter into new lease at Rainbow Lodge, for the benefit of Wyvern School, Ashford) and for the Director of Infrastructure to finalise terms and complete the transaction.

6. Contact details

Report Author:

Andrew White, Estates Surveyor
03000 416825 / 07500 080069
Andrew.White@kent.gov.uk

Relevant Director:

Rebecca Spore, Director of Infrastructure
03000 416716
Rebecca.Spore@kent.gov.uk

Appendix 1 – Proposed Record of Decision

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Gary Cooke - Cabinet Member for Corporate and Democratic Services

DECISION NO:

15/00076

For publication

Key decision*

*Affects more than 2 Electoral Divisions
Expenditure or savings of > £1m*

Subject: Rainbow Lodge, Ashford – Granting of a long lease of part of accommodation to the Governing Body to Wyvern School, Ashford

Decision:

As Cabinet Member for Corporate and Democratic Services, I agree to the County Council granting of a lease for a term in excess of 20 years to the Governing Body to Wyvern School, Ashford, on terms to be finalised by the Director of Infrastructure.

Reason(s) for decision:

To put in place a lease to allow the continuation of nursery provision provided by the Wyvern School.

Cabinet Committee recommendations and other consultation:

To be entered after the meeting and considered by the Cabinet Member when taking the decision.

Any alternatives considered:

Consideration could have been given by the Governing Body to retaining the freehold interest in the accommodation, particularly as it is located at ground floor level and directly adjacent to the freehold land used exclusively for the School. The Governing Body will accept a long lease, and this is a consistent approach with leases taken by the County Council for protection of non-school related operational properties which are located on Schools changing status.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

.....
signed

.....
date

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
Rebecca Spore - Director of Infrastructure

To: Property Sub-Committee - 23rd September 2015

Decision No. 15/00077

Subject: Approval to enter into new lease at the Detached Playing Field at the former Chaucer Technology College, Spring Lane, Canterbury for the benefit of Barton Court Grammar School, Canterbury

Classification: For Publication

Past Pathway of Paper: Published on Forward Executive Decision List

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: Canterbury

Summary: This report seeks approval to enter into a new long lease with the Governing Body to Barton Court Grammar School, Canterbury.

Recommendation(s):

The Property Sub-Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to enter into a new lease at the detached playing field to the former Chaucer Technology College and for the Director of Infrastructure to finalise terms and complete the transaction.

1. Introduction

- 1.1** Chaucer Technology College was a maintained School, which entered the former grant-maintained sector on 1st September 1993. The Transfer of the County Council's land to the Governing Body of the College was completed on 5th May 1995. The College became a Foundation School on 1st September 2009.
- 1.2** Most of the land which transferred to the Governing Body comprised of the traditional College building site in Spring Lane, Canterbury. A small part of a large detached playing field in Spring Lane also transferred to the Governing Body, as this was both held for and used by the College. The portion of playing field has an area of approximately 2 acres.
- 1.3** The remainder of the detached playing field transferred to the Governing Body to Barton Court Grammar School, Canterbury, as this School also entered the former grant maintained sector on 1st September 1993. Barton Court Grammar School has since converted to a Foundation School and an Academy.
- 1.4** Chaucer Technology College formally closed on 31st August 2015. It is anticipated that the land and property owned by the Governing Body will revert

back into the County Council's ownership, in its capacity as former maintaining authority. A formal notification to this effect is currently awaited from the Department for Education.

- 1.5 Barton Court Grammar School is likely to be expanding by another 1 Form Entry (1FE) in 2017 in line with the commissioning plan. To provide the School with enough playing field to meet prevailing Regulation requirements, the School have expressed interest in taking a lease of the portion of playing fields previously owned by the College's Governing Body, on the terms set out in the exempt report (Approval to enter into a new lease at the Detached Playing field at the Former Chaucer Technology School, Spring Lane, Canterbury, for the benefit of Barton Court Grammar School, Canterbury).

2. Facing the Challenge and Corporate Objectives

- 2.1 The granting of the lease will enable the Grammar School to expand and deliver its physical education function in accordance with prevailing Regulation requirements.
- 2.2 Granting the proposed lease will assist with the following Supporting Outcomes as part of the Strategic Outcome to ensure children and young people in Kent get the best start in life:-
 - provision of a strong and safe environment to successfully raise children and young people,
 - children and young people have better physical and mental health,
 - all children are engaged, thrive and achieve their potential through academic and vocational education.
- 2.3 The proposed decision does not relate to a plan or strategy set out in the Council's Policy Framework.

3. Consultations

The Local Member has not been formally consulted with regard to the granting of the proposed lease.

4. Conclusion

The granting of the lease will enable the Grammar School to operate with playing fields of a size which will comply with prevailing Regulation requirements.

It should be noted that the granting of the lease is conditional upon the former Chaucer site reverting to the County Council's ownership. An oral update in respect of this will be supplied to Members at the meeting prior to this Report being considered.

5. Recommendation

Recommendations:

The Property Sub-Committee is asked to consider and either endorse or make recommendations on the Cabinet Member for Corporate and Democratic Services on the proposed decision that subject to the County Council becoming owners of the playing field, to enter into a new lease at the detached playing field at the former Chaucer Technology College, Canterbury and for the Director of Infrastructure to finalise the selected purchaser and terms of the proposed sale.

6. Contact details

Report Author:

Andrew White, Estates Surveyor

03000 416825 / 07500 080069

Andrew.White@kent.gov.uk

Relevant Director:

Rebecca Spore, Director of Infrastructure

03000 416716

Rebecca.Spore@kent.gov.uk

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Gary Cooke - Cabinet Member for Corporate and Democratic Services

DECISION NO:

15/00077

For publication

Key decision*

*Affects more than 2 Electoral Divisions
Expenditure or savings of > £1m*

Subject: Detached Playing Field at the former Chaucer Technology College, Canterbury – Granting of a long lease to the Governing Body of Barton Court Grammar School Canterbury.

Decision:

As Cabinet Member for Corporate and Democratic Services, I agree to the County Council to enter into a new lease of the detached playing field to the former Chaucer Technology College and for the Director of Infrastructure to finalise terms and complete the transaction

Reason(s) for decision:

The County Council is supportive of Barton Court Grammar School expanding by a further Form Entry within the next two years, and inclusion of the playing field will ensure their total exclusive playing fields will comply with prevailing Regulation requirements. Use of the playing field by another School could create safeguarding problems to Barton Court Grammar School, who own and use the large playing field directly adjacent to the former Chaucer School playing field

Cabinet Committee recommendations and other consultation:

To be entered after the meeting and considered by the Cabinet Member when taking the decision.

Any alternatives considered:

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

.....
date

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

To: The Property Sub Committee

Decision No: N/A

Subject: **Total Facilities Management – 2nd Biannual Review**

Classification: **Unrestricted**

Past Pathway of Paper: none

Future Pathway of Paper: none

Electoral Division: All

Summary: This 2nd biannual report seeks to update the Property Sub Committee on the performance of the three Total Facilities Management (TFM) contractors since the 1st biannual review. The TFM contractors and their areas are - Mid Kent with Amey, West Kent with Skanska, and East Kent with Kier.

This report includes the Performance Deductions of the Mid, West and East Kent TFM contractors since the 1st biannual review, a summary of preference, the issues encountered by KCC services and management action taken.

This approach is in line with the commissioning cycle principles as set out in the County Council Paper on the 15th May 2014 titled Facing the Challenge: Towards a Strategic Commissioning Authority, with a view to providing wider scrutiny of the contracts performance.

Recommendation(s): The Property Sub-Committee is asked to:

- (1) Note the performance of the Mid Kent, West Kent, and East Kent TFM contractors since the 1st biannual review.
- (2) Note the issues which have occurred and actions to resolve these items.
- (3) Note the existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management Contracts.

1. Introduction

- 1.1 On the 27 September 2012, the Policy and Resources Cabinet Committee considered a review of how Facilities Management Services are delivered across the County. The report set out a range of options which had been considered to deliver services to KCC's Corporate Landlord buildings and it was proposed that KCC implement a Total Facilities Management solution across the council's estate. Following discussion, the Cabinet Member responsible for this portfolio took the decision on the 11 January 2013 (Decision No. 12/01838) to proceed with the implementation of a Total

Facilities Management solution. A competitive procurement process has been undertaken and contracts have now been signed as follows –

Mid Kent

Contractor - Amey

Contract Signature - 29th August 2014

Contract Start Date – 31st October 2014

West Kent

Contractor – Skanska

Contract Signature – 1st September 2014

Contract Start Date – 31st October 2014

East Kent

Contractor – Kier

Contract Signature – 1st December 2014

Contract Start Date – 21st January 2015

This report is intended to update members on the performance of these contracts since the 1st biannual review, and to provide members with assurance that management and monitoring of the three TFM contracts is in place.

2. Financial Implications

- 2.1 A proportion of the property services savings identified in the MTP was dependent on the consolidation of Facilities Management Support across the building stock. This is the equivalent of £1 million revenue savings.

3. Bold Steps for Kent and Policy Framework

- 3.1 The implementation of a Total Facilities Management solution directly relates to the delivery of the benefits from implementing a corporate landlord model as part of the change to keep succeeding plans, ensuring that our buildings are able to support front line service delivery and the delivery of the financial position as set out in the medium term financial plan.

4. The Report

- 4.1 As outlined in section 1.1, an independent service review was commissioned to consider the way that Facilities Management Services are currently delivered and future delivery options.
- 4.2 The scope of the Facilities Management service includes building support services to all council properties currently within the property corporate

landlord portfolio. Building support services include the full range of soft and hard services. Following discussion at the Policy and Resources Cabinet Committee, a formal decision was taken and a competitive dialogue procurement process has been undertaken to select three total facilities management providers (mid, east and west). The Cabinet Member for Corporate and Democratic Services oversaw with the Director of Property and Infrastructure Support the procurement process and the final evaluation of the tenders received to provide assurance to the executive. The Mid Kent and West Kent contracts were awarded and signed, and commenced on the 31st October 2014.

With respect to the East Kent contract, the preferred bidder Interserve, withdrew from the procurement process at short notice. KCC then appointed Kier as the new preferred bidder. The East Kent contract was signed on the 1st December 2014, and commenced on the 21st January 2015.

4.3 The principles behind the contracts are:

- The delivery of outcomes. The authority's requirements are set out in the Output Specification. Bidders have then provided solutions which they intend to implement to deliver the outcomes required by the council. Bidders take the risk on how they deliver the required outcomes.
- Performance in the delivery of outcomes is measured against a set of Key Performance Indicators (KPIs). This is supported by a performance regime where deduction penalties are made for poor performance. The contracts are for 5 years with an option to extend for 2 years and are designed to foster a partnering relationship.

4.4 As with all substantial contracts (approximately £10 million spend per annum across the three contracts) there is a need to ensure that there is a robust client function and contract management process in place to manage performance. On a day to day basis, Property has put in place a number of contract managers and support officers who will manage and monitor activity. This will be supported by monthly performance review meetings with the Director of Infrastructure and a quarterly review with the Cabinet Member for Corporate and Democratic Services.

4.5 In order to ensure that members have oversight as to the ongoing performance of this contract, it has been agreed that a biannual performance review is undertaken by the Property Sub-Committee on behalf of the Policy and Resources Cabinet Committee. This approach is in line with the commissioning cycle principles set out in the County Council Paper on the 15 May 2014 titled Facing the Challenge: Towards a Strategic Commissioning Authority, with a view to providing wider scrutiny of the contracts performance.

4.6 The 1st biannual performance review was undertaken on the 27th March 2015, following the submission of a briefing paper by the Interim Director of Property and Infrastructure Support (the Director's title at that time). It was also agreed that at the 2nd biannual review the three TFM contractors would attend the committee to provide a presentation and answer member's questions. Further briefing papers and reviews are then to be planned for every September and March.

4.7 Biannual reviews will form part of the following contract governance in place, managed by the contract management team within the Infrastructure directorate –

- Daily monitoring of contractors' performance through discussions with contractors and stakeholders
- Daily monitoring of Helpdesk performance through scrutiny of the contractors CAFM system (computer aided facilities management)
- Site visits and discussions with stakeholders
- Regular planned Stake holder meetings
- Weekly, monthly and ad hoc contractors meetings
- Monthly contract review meetings
- Review of contractors' monthly reports against KPIs
- Review of contractors' annual plans against KPIs
- Review of monthly invoices.
- Budget management

5. Performance Review

5.1 This is the 2nd biannual review and this has been undertaken now that the 3 TFM contractors are outside of their 3 month bedding in period. All contractors have continued to work hard since contract commencement and deliver facility management services to over 300 KCC premises, and continue to work successfully in partnership with KCC.

A summary of each contractors performance is included within the following exempt Appendix 1.

- Mid Kent Performance Dashboard
- West Kent Performance Dashboard
- East Kent Performance Dashboard

The level of financial performance deductions are shown for each contractor within the following exempt appendices (please note for East Kent, deduction have been applied from April 2015 following their bedding in period).

- Mid Kent Performance Deductions. February 2015 to July 2015 – Please see exempt appendix. 2
- West Kent Performance Deductions. February 2015 to July 2015 - Please see exempt appendix. 2
- East Kent Performance Deductions. April 2015 to July 2015 – Please see exempt appendix. 2

5.2 The exempt appendices show the areas where Performance Deductions have been identified and applied.

5.3 The contract management teams of both KCC Property and the TFM contractors have worked hard to actively manage the contracts. Actions have included –

- Meetings arranged and attended with area managers and stakeholders from the services that have raised concern with the new service. These meetings are also used to explain the TFM services and service matrix.

- The KCC Property team being the point of escalation for service users if a request has not been actioned or is unresolved.
- The use by the TFM contractors of KCC's Health and Safety, Incident, and complaints procedures for consistency across all three areas.
- Daily clarification to site users at meetings, by phone and email, on the scope of individual works.
- Daily contact between both teams to resolve items which require contractual clarification.
- As per item 4.7 weekly meetings with contractors to review issues and services and management and monitoring of the contracts. These include monthly contract review meetings and Monthly Performance/KPI meetings.
- Partnership meetings now in place.
- New TFM contractor management staff to help resolve and deliver improved performance.
- The right staff within the right job.
- Improvement plans agreed with the contractors.
- Software improvements on their CAFM systems.
- Quarterly meetings held with each TFM contractor by the Cabinet Member for Corporate and Democratic Services and the Director of Infrastructure.

6. Conclusions

- 6.1 During this 6 month period the three TFM contractors have faced many challenges in providing the services to KCC which have generally been actioned and resolved, or plans agreed to help resolve these issues.

Overall, these three TFM contracts are still reasonably new to KCC (especially the East Kent contract with Kier). Taking into account there are over 300 sites to be managed by the three contractors across the three areas of Kent, the transfer of a large number of staff (both KCC and third party) to their new companies, the short mobilisation timescale, new team structures required, and the cancellation of many small contracts which were in place before corporate landlord, it would be reasonable to expect that there would be a period where the service establishes itself. Generally the three TFM contractors have managed to provide a reasonable service to most of the Corporate Landlord estate. Firm management action has been taken where appropriate to address issues.

- 6.2 The three TFM contractors will be attending this Policy and Resources Property Subcommittee and will present to members an update on their performance, service delivery and future plans, and will answer any member's questions.

7. Recommendation(s)

Recommendation(s):

The Policy and Resources Property Sub Committee is asked to:

- (1) Note the performance and of the Mid Kent, West Kent, and East Kent TFM contractors since the 1st biannual review.

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| <p>(2) Note the issues which have occurred and actions to resolve these items.</p> <p>(3) Note the existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management Contracts.</p> |
|--|

8. Background Documents

- 8.1 Policy and Resources Cabinet Committee Report 27 September 2012
- 8.2 Record of Decision No: 12/01838
- 8.3 Attachments Exempt Appendices – Appendix 1 – Mid Kent Performance Dashboard, West Kent Performance Dashboard, and East Kent Performance Dashboard. Appendix 2 - Summary Sheets of Performance Deductions for Mid Kent and West Kent TFM contractors from February 2015 to July 2015, and East Kent from April 2015 to July 2015.

9. Contact details

- Rebecca Spore
- Director of Infrastructure
- 03000 416716

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