

POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 24th March, 2022

10.00 am

**Council Chamber, Sessions House, County Hall,
Maidstone**





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Thursday, 24 March 2022, at 10.00 am
Council Chamber, Sessions House, County
Hall, Maidstone

Ask for: **Theresa Grayell**
Telephone: **03000 416172**

Membership (16)

- Conservative (12): Mr R J Thomas (Chair), Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr T Cannon, Mr N J D Chard, Mr G Cooke, Mr P C Cooper, Mr M Dendor, Mr R C Love, OBE, Mr J P McInroy and Vacancy
- Labour (2): Mr A Brady and Dr L Sullivan
- Liberal Democrat (1): Mr A J Hook
- Green and Independent (1): Mr P Stepto

UNRESTRICTED ITEMS

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes
- 3 Declarations of Interest by Members in items on the Agenda
- 4 Minutes of the meetings held on 19 January and 22 February 2022 (Pages 1 - 12)
- 5 Risk Management: Strategic and Corporate Services (Pages 13 - 44)
- 6 Update from the Contract Management Review Group (CMRG) (Pages 45 - 80)
- 7 Work Programme 2022 (Pages 81 - 86)

- 8 Implementing a new Facilities Management Model (Pages 87 - 110)
- 9 Construction Partnership Framework Commission (Pages 111 - 124)
- 10 Annual Cyber Security Update (Pages 125 - 154)
- 11 Property Accommodation Strategy - Strategic Headquarters: Update and Next Steps March 2022 (Pages 155 - 164)
- 12 22/00031 - Strategic options for Langton Field, Canterbury: Land adjacent to Kent and Canterbury Hospital (Pages 165 - 186)

Motion to exclude the press and public for exempt business

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 paragraphs 3 and 5 of part 1 of Schedule 12A of the Act.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Paragraph 5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

- 13 22/00032 - Works at the Turner Contemporary Gallery, Margate (Pages 187 - 194)
- 14 Kent Holdco - Education Supplies (Pages 195 - 220)

Benjamin Watts
General Counsel
03000 416814

Wednesday, 16 March 2022

KENT COUNTY COUNCIL**POLICY AND RESOURCES CABINET COMMITTEE**

MINUTES of a meeting of the Policy and Resources Cabinet Committee held online on Wednesday, 19 January 2022.

PRESENT: Mr R J Thomas (Chair), Mr R A Marsh (Vice-Chairman), Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr T Cannon, Mr N J D Chard, Mr G Cooke, Mr P C Cooper, Ms M Dawkins (Substitute for Mr A Brady), Mr M Dendor, Mr R C Love, OBE, Mr J P McInroy, Mr P Stepto and Dr L Sullivan

ALSO PRESENT: Mr R W Gough, Mr P J Oakford, Mr H Rayner and Mr B J Sweetland

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mrs A Beer (Corporate Director of People and Communications), Ms Z Cooke (Corporate Director of Finance), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr A Fawley (Principal Investment and Disposals), Ms K Frearson (Head of Property Strategy, Infrastructure), Mr S Hocken (Property Disposals Consultant), Miss K Phillips (Strategic Business Adviser - GET), Mr M Sage (Revenue and Tax Strategy Manager), Mr J Sanderson (Head of Property Operations), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Miss T A Grayell (Democratic Services Officer) and Mr G Romagnuolo (Research Officer - Overview and Scrutiny)

UNRESTRICTED ITEMS**44. Apologies and Substitutes**

(Item 2)

Apologies for absence were received from Mr A Brady and Mr A Hook.

Ms M Dawkins was substituting for Mr Brady and she joined the meeting later.

45. Declarations of Interest by Members in items on the Agenda

(Item 3)

There were no declarations of interest.

46. Minutes of the meeting held on 9 November 2021

(Item 4)

It was RESOLVED that the minutes of the meeting held on 9 November 2021 are correctly recorded and they be signed by the Chair when this can be done safely.

47. Draft Ten Year Capital Programme, Revenue Budget 2022-23 and Medium-Term Financial Plan 2022-25

(Item 5)

1. The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Mr P J Oakford, introduced the report and set out the uncertainty against which the County Council was required to set a balanced revenue budget for the forthcoming year, using the approved net budget for 2021-22 and updating it to show known and forecast changes. He set out the enhanced presentation of the capital programme to show a 10-year horizon covering 2022-32 and changes to the way feasibility costs were accounted for, to ensure a more realistic capital programme with significantly less slippage. He explained that the Council was facing exceptional spending demands for the forthcoming year from a combination of the longer-term impacts of the Covid-19 pandemic as well as the economic impact from rising inflation. Savings plans set out the amounts planned to be achieved over the forthcoming year and 3-year Medium-Term Financial Plan as a combination of full-year effect of current-year savings, roll-out of existing policy and new policy savings. The proposed increase in Council Tax was in line with the Government's referendum principles and the amounts included in Core Spending Power assumptions in the local government finance settlement. All the provisional grant allocations in the provisional settlement had also been included. Whilst the overall funding from a combination of grants and local taxation was increasing, it was not sufficient to fully fund all the spending growth pressures, either for 2022-23 or prudent assumptions for later years, so the Council would have to continue to find savings in order to balance revenue spending each year for the foreseeable future.

2. Ms Cooke was asked how close the Council was to needing to issue a Section 114 notice. Ms Cooke advised the committee that a Section 114 notice was required to be issued by any authority which did not have enough funds to meet its commitments. This requirement had gained increased significance in recent months and was prominent in discussions for several local authorities around the country, which were taking steps to avoid being in that position. Mr Oakford added that the Council had been making hard decisions, for example, about the use of its reserves, to address the challenge and avoid being in a position to have to issue a Section 114 notice. Ms Cooke advised that if the required £38m of savings could not be made, reserves would need to be used, leading to the need for harsher cuts in future years. She added that she was confident that the Council would be clear of needing to issue a Section 114 notice for the next three years.

3. Mr Shipton advised that a key indicator or early warning of such a situation was the ratio of the Council's reserves to its debt. In response to a question about the league table measured using this ratio, he advised that the Council was currently ranked 17th out of 24 councils (where the council rated 24th had the poorest ratio). It was feasible to identify where the Council might have been ranked if different decisions had been made and Mr Shipton undertook to look into providing this additional information for Members.

4. Asked by how much Government funding to the Council had been reduced in the last 10 years, Mr Shipton advised that Government funding had been reduced by £222m and the Council had had to close a funding gap of £750m over the last 10 years. In this period, it had raised extra Council Tax revenue of £280m but needed to cover the remaining gap. He advised that this challenge was shared by many local authorities. Mr Oakford added that local authorities with political leaderships from all parties all wanted more Government funding but needed to be realistic as the impact of the pandemic had reduced the level of funding available. Ms Cooke advised that the Council did not currently need to cover its accumulated deficit but that, if the

current Government arrangement were not extended beyond its planned end date of March 2023, the council would then have to cover this.

5. The Chair thanked Ms Cooke, Mr Shipton and the Finance team for their work in preparing and presenting the budget report and the separate briefing sessions for Members.
6. It was RESOLVED that the draft capital and revenue budgets, including responses to consultation, be noted, with thanks, and the draft be presented to Cabinet on 27 January 2022 and full County Council on 10 February 2022.

48. Covid-19 Financial Monitoring

(Item 6)

1. Mr Shipton introduced the regular monitoring report and highlighted that, due to the timing of reporting and receipt of grant, at the end of 2021 the County Council had had an underspend of its Covid-19 grant.
2. Asked about what household support grant was available from the Council via the Public Health team, and how this was spent, Ms Cooke undertook to provide a detailed written response and circulate this to the committee.
3. It was RESOLVED that the information set out in the report be noted, with thanks.

49. Strategic and Corporate Services Performance Dashboard

(Item 7)

1. Ms Kennard introduced the report and responded to comments and questions from the committee. The Cabinet Member for Communications, Engagement, People and Partnerships, Mr B Sweetland, added that figures now available for December's performance showed that some indicators listed in the report as red or amber had since moved to green. He placed on record his thanks to the staff involved for their work in supporting good performance.
2. Ms Kennard and Mr Sage responded to comments and questions from the committee, including the following:-
 - a) the Chair emphasised that the targets set were as important as the performance achieved;
 - b) asked if data about call centre staff absence (target CS04) was able to distinguish between those who were absent due to sickness and those who were isolating in accordance with Government guidelines, and if the two reasons could be recorded in future reports, Mrs Beer advised that some staff working from home could continue to work despite having Covid-19, if their symptoms were not too severe, while others working in the community would be unable to continue working. These categories were monitored by the County Council and it was expected that Agilisys, who ran the call centre, would also monitor them;

- c) in response to a question about dealing with complaints and the learning opportunities offered by them, Ms Beer emphasised the importance of dealing with complaints promptly, ensuring that staff were trained and confident to deal with them effectively and that business processes were reviewed, where necessary, to improve practice and build in learning arising from complaints;
 - d) asked about the seemingly high levels of debt to the Council (target FN06), Mr Sage advised that some large invoices, for example, for Section 106 contributions in relation to an ongoing development, were issued and paid in six-monthly stages. The preparation of the dashboard data had recorded a large invoice between it being issued and being paid and hence showed it as a sizeable debt;
 - e) in response to a concern about developers' ability to pay invoices in difficult financial times, Ms Cooke reassured the committee that she had no concerns about the level of debt to the Council. She undertook to provide a written reply to the committee about specific current developments; and
 - f) asked about levels of customer satisfaction with Property services, Mrs Spore advised that customer satisfaction surveys in the past year had given good feedback. Reactive tasks, logged via the helpdesk, could include any issue with building maintenance and a good range of general materials was kept in stock to ensure that requested repairs could be carried out as promptly as possible.
3. It was RESOLVED that the performance position for Strategic and Corporate Services be noted, with thanks.

50. Annual Equality and Diversity Report 2020-21 (Item 8)

1. The Leader of the County Council, Mr R W Gough, introduced the report and highlighted that the pandemic had had a greater impact on some sectors of society than others.
2. Mr Whittle advised that the committee was being asked to approve the report and highlighted that much work had been put in to making equality impact assessments easier to prepare in future. He thanked the officer team – Karla Phillips, Debbie Turner and Paul Robinson – for the innovative work they had done in developing an EqIA app which would guide users to key issues they needed to cover when undertaking equality analysis.
3. Mr Whittle and Mr Watts responded to comments and questions from the committee, including the following:-
 - a) asked about accountability and how the Council would ensure that its view of equality and diversity issues was fully promoted and taken seriously, Mr Whittle advised that the Council's duty to promote equality and diversity was a core part of management responsibility at all levels. It also had a duty to put in place, measure and report on corporate equality objectives and consider equality impacts sufficiently in making key and significant

decisions, otherwise it could potentially face legal challenge, including from the Equality and Human Rights Commission who acted as a *de facto* regulator. Mr Watts added that Members had an opportunity to influence policy and decision making in this area. The Members' Code of Conduct was being updated and would be considered by the Standards Committee late in the spring of 2022. He advised that the Member Development Steering Group would be happy to answer detailed questions sent to it;

- b) a view was expressed that perceptions of equality were largely influenced by a person's culture or frame of mind, and people would place different degrees of importance on different parts of it;
 - c) asked if the new app could be protected by intellectual property rights, Mr Whittle explained that the app had been built on a standard Microsoft platform but would explore the matter further and advise the committee if intellectual property rights could be applied;
 - d) asked about the impact of equality and diversity issues in the Council's arms-length companies, and how they would be covered, either by the Council's or their own policies, Mr Watts advised that such issues would be addressed by the Governance and Audit Committee; and
 - e) Ms Phillips advised that each Directorate had an Equalities Working Group and was embedding equality and diversity issues in its policy development, for example, in the Making a Difference Every Day initiative in the Adult Social Care and Health Directorate. Mrs Beer added that the issue would not just be the subject of an annual report but would become an integral part of the Council's culture.
3. It was RESOLVED that the Annual Equality and Diversity Report for 2020-21, attached as Appendix A to the report, be approved, with one abstention.

51. Information Governance Update (Item 9)

1. Mr Watts introduced the report and presented a series of slides (emailed to Members in advance of the meeting) which set out additional information requested by the committee following his previous presentation on 22 September 2021 and the most up-to-date statistical dashboard in relation to the current performance. The dashboard supplemented the appendix to the report which detailed a range of information over a fifteen-year period and gave a fuller picture of compliance in the medium- and longer-term. He asked Members to confirm what information they wanted to have in future reports.

- a) the information set out in the presentation was welcomed;
- b) asked if Freedom of Information (FOI) requests to some Directorates had a seasonal pattern, and if temporary staff could be taken on at appropriate times to address seasonal peaks, Mr Watts advised that several graduates had been taken on across Directorates to undertake research and respond to FOI requests. He reminded Members that, because the public could find basic information about the County Council's work from its website, the FOI

requests submitted were now more complex and hence took more staff time and resource to respond to;

- c) it was suggested that a 'Frequently Asked Questions' page on the Council's website could be established to set out the answers to issues frequently raised as the subject of FOI requests;
- d) asked if Councils were able to make a charge for information provided in response to FOI requests, as some organisations would charge for information which the Council had provided to them at no cost, Mr Watts advised that the Council was permitted to charge for a request which it considered to be vexatious or unreasonable, however, administering a charge might involve more administration than it took to process the request itself, and generally it was difficult to charge for something which was a statutory duty of the Council;
- e) asked if the increased complexity of FOI requests might warrant additional staff to respond to them, Mr Watts advised that the Governance, Law and Democracy Directorate had no additional staff and undertook to advise Members outside the meeting about the comparative position in other Directorates; and
- f) asked if a summary of requests could be reported to the relevant Cabinet Committee, so Members would have the opportunity to question the Cabinet portfolio holder about them, Mr Watts suggested that the information could be included in the dashboard and undertook to liaise with Ms Kennard to explore how this could be achieved. It was asked if this could include the number of cases in which the Council was unable to respond, either in full or in part, or was permitted not to provide information which qualified as being exempt from publication under the Local Government Act 1972.

2. It was RESOLVED that the information set out in the report and presentation and given in response to comments and questions be noted, with thanks.

52. Work Programme 2022

(Item 10)

1. The committee considered the work programme and made the following comments:
 - digital inclusion could be included in the Cyber Security item listed for the March meeting. Ms Cooke undertook to look into this.
 - Members should have an early opportunity to scrutinize decisions being made about County Council properties being declared 'surplus to requirements' as part of proposed property disposals. Mr Oakford advised that, as part of the Council's Strategic Reset Programme, which included the future use of buildings, an all-Member briefing about the process would be arranged.
2. Taking account of the above, it was RESOLVED that the committee's planned work programme for 2022 be agreed.

53. Motion to exclude the press and public for exempt business

Members had expressed a wish to debate the information set out in the exempt appendices to agenda items 11 to 13. Accordingly, the discussion of these items took place entirely in closed session.

The committee RESOLVED 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 paragraphs 3 and 5 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(open access to minutes)

54. Total Facilities Management Bi-Annual Review *(Item 11)*

1. Mr Sanderson introduced the report and advised that the performance of the current contracts was stable. Mr Sanderson, Mrs Spore and Mr Oakford responded to comments and questions of detail from the committee, including the relationship between preventative and reactive maintenance and hard and soft maintenance and how each was managed within contracts, concern about the length of time available for Members to discuss these details before the contract was to be re-let, the extent to which staff were engaged for feedback on performance of the current contracts, a comparison of arrangements under Total Facilities Management with what existed before that, incentives for contractors to address and improve their infrastructure and the maintenance issues currently facing the County Council in relation to its strategic headquarters buildings.
2. The committee was advised that details of the new tenders and contracts would be reported to its March meeting.
3. It was RESOLVED that the current performance of the Total Facilities Management contractors be noted, with thanks.

55. 21/00122 - Disposal of Wayfarers Care Home, Sandwich, CT13 0AW *(Item 12)*

1. Mr Oakford advised the committee that the site was surplus to the County Council's requirements and had received many expressions of interest. Mr Fawley responded to comments and questions of detail from the committee, including about possible future use of the site, comparative options for disposal and the rationale supporting the open market method chosen, to achieve best value, and the Council's policy about using income from such disposals as part of its capital programme.
2. Mr Fawley advised that bids would be assessed not just on the basis of the sum bid but on the deliverability of the proposal, including a comparison of bids which were unconditional or conditional upon planning permission for change of use.
3. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to

agree to complete the disposal of the building and land at Wayfarers Care Home, St Barts Road, Sandwich, CT13 0AW, and delegate authority to:

- a) the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the contractual terms of the disposal; and
 - b) the Director of Infrastructure, to authorise the execution of necessary contractual and land agreements required to implement the above,
- be endorsed.

56. 21/00121 - Disposal of 50 Gibson Drive, Kings Hill, ME19 4AF
(Item 13)

1. Mr Oakford advised the committee that the site was surplus to the County Council's requirements and had received many expressions of interest. Mr Fawley responded to comments and questions of detail from the committee, including concerns about the Council being able to realise best value for the site and avoid a buyer later re-selling the site at a profit. He assured the committee of officers' confidence in the chosen agent and that a contract of sale would include clauses to avoid this.
2. Mr Fawley advised that bids would be assessed not just on the basis of the sum bid but on the deliverability of the proposal, including a comparison of bids which were unconditional or conditional upon planning permission for change of use.
3. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to agree to complete the disposal of the building and land at 50 Gibson Drive, Kings Hill, Maidstone, ME19 4AF, and delegate authority to:
 - a) the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the contractual terms of the disposal; and
 - b) the Director of Infrastructure, to authorise the execution of necessary contractual and land agreements required to implement the above,

be endorsed.

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held online on Tuesday, 22 February 2022

PRESENT: Mr R J Thomas (Chair), Mr R A Marsh (Vice-Chairman), Mr Baker (Substitute for Mr N J D Chard), Mr P V Barrington-King, Mr P Bartlett, Mr T Bond, Mr A Brady, Mr T Cannon, Mr G Cooke, Mr M Dendor, Mr R C Love, OBE, Mr J P McInroy, Mr P Stepto and Dr L Sullivan

ALSO PRESENT: Mr P J Oakford and Mr H Rayner

IN ATTENDANCE: Mrs R Spore (Director of Infrastructure), Mr H D'Alton (Investment and Disposal Surveyor), Mr B Watts (General Counsel), Mr G Singh (Barrister), Miss T A Grayell (Democratic Services Officer) and Hayley Savage (Democratic Services Officer)

UNRESTRICTED ITEMS

57. Apologies and Substitutes

(Item 2)

Apologies for absence had been received from Mr N J D Chard and Mr A Hook.

Mr N Baker was present as a substitute for Mr Chard.

58. Declarations of Interest by Members in items on the Agenda

(Item 3)

There were no declarations of interest.

59. 22/00013 - Use of s203 powers in respect of Land in Sevenoaks contained in titles TT47148 and K971987. Implementation of planning consent KCC/SE/0045/2021

(Item 4)

The Chair asked Members if they wished to refer to the information included in the exempt Appendix F to the report. No Member expressed a wish to do so and the discussion of the item took place entirely in open session.

1. The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Mr P J Oakford, introduced the item and explained that the issue was being brought to the committee to give them an opportunity to consider and hopefully support the proposed course of action. The County Council needed to overcome restrictive covenants on the land to allow the development of much-needed playing fields and sporting facilities for use by the adjoining schools and local community.

2. Mr D'Alton added that most of the information being presented to Members was in an unrestricted report as the Council wanted to be as open as possible about

the matter and the proposed decision. He explained that restrictive covenants existed across the Wildernesse Estate which limited the type of development which could take place, and that all landowners were simultaneously burdened and benefit from the covenants. These covenants were relevant to the land owned by the County Council. The Council had identified and consulted over 280 potential beneficiaries and received 54 responses, most of which noted the Council's right to use statutory powers but sought to secure an additional legal agreement to reinstate covenants for the future protection of the land, should it cease to be used for the purposes set out in the planning consent. He explained that s203 of the Housing and Planning Act 2016 gave the Council the power to override the covenants in relation to a specific planning consent, but not to extinguish the covenants, and the covenants would still be enforceable should an alternative use be proposed for the site in the future. Mr D'Alton then responded to comments and questions from the committee, including the following:-

- a) the Chair and other Members welcomed and commended the fullness of the information presented and the consultation and preparatory work undertaken by officers;
 - b) the Vice-Chairman of the committee, who was also the Chairman of the Council's Planning Applications Committee, agreed that the explanation of the covenant and the Council's powers under s203 made the issue clear for the committee and provided reassurance that it had been properly handled;
 - c) it was pointed out that, in June 2021, the Children's, Young People and Education Cabinet Committee had discussed and supported the principal of extending local playing fields to benefit the local schools;
 - d) asked about the significance of the different-coloured shading on the plans presented, Mr D'Alton advised that Land Registry plans included additional information which was not relevant to the issue in hand. He clarified that the school sites concerned were those edged in red on the plans presented with the report; and
 - e) it was emphasised that the schools' need to use the land as playing fields would be long-term and that it seemed very unlikely that any other future use would arise. Local residents had supported the schools' need for additional playing fields, which would also provide a useful local amenity for the community.
3. It was RESOLVED that the decision proposed to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services:
- a) to exercise the Council's powers granted by section 203 of the Housing and Planning Act 2016 to override restrictive covenants relating to Land on the South Side of Seal Road (TT47148) and adjacent site occupied by Trinity School and Tunbridge Wells Grammar School (K971987), as necessary to facilitate the implementation of planning permission ref KCC/SE/0045/2021:
"New external sports facilities - comprising of two multi-use games areas and two all-weather floodlit pitches on the existing school playing

fields, and change of use of an area of land to the east of the school site to grass playing field, together with associated landscaping and access works”;

- b) to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to formalise terms and authorise the execution of any necessary or desirable legal documentation to give effect to the above decision; and
- c) to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise the terms of any compensation agreement in relation to Kent County Council exercising its statutory powers to override the restrictive covenants in relation to the implementation of the planning permission,

be endorsed, with two abstentions.

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From: Roger Gough, Leader of the Council
David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy & Resources Cabinet Committee – 24th March 2022

Subject: **Risk Management: Strategic and Corporate Services**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper presents the strategic risks relating to the Strategic and Corporate Services directorate, in addition to the risks featuring on the Corporate Risk Register for which the Corporate Directors are the designated 'Risk Owners'.

Recommendation(s):

The Cabinet Committee is asked to consider and comment on the risks presented.

1. Introduction

- 1.1 Risk management is a key element of the Council's Internal Control Framework and the requirement to maintain risk registers ensures that potential risks that may prevent the Authority from achieving its objectives are identified and controlled. The process of developing the registers is therefore important in underpinning service delivery planning, performance management and operating standards. Risks outlined in risk registers are taken into account in the development of the Internal Audit programme for the year.
- 1.2 Directorate risks are reported to Cabinet Committees annually and contain strategic or cross-cutting risks that potentially affect several functions across the Strategic and Corporate Services directorate, and often have wider potential interdependencies with other services across the Council and external parties.
- 1.3 Strategic and Corporate Services Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register. The Directors in the Strategic and Corporate Services directorate are designated 'Risk Owners' (along with the rest of the Corporate Management Team) for several corporate risks.

- 1.4 The majority of these risks, or at least aspects of them, will have been discussed in depth at relevant Cabinet Committee(s) throughout the year, demonstrating that risk considerations are embedded within core business.
- 1.5 A standard reporting format is used to facilitate the gathering of consistent risk information and a 5x5 matrix is used to rank the scale of risk in terms of likelihood of occurrence and impact. Firstly, the current level of risk is assessed, taking into account any controls already in place to mitigate the risk. If the current level of risk is deemed unacceptable, a 'target' risk level is set and further mitigating actions introduced, with the aim of reducing the risk to a tolerable and realistic level. If the current level of risk is acceptable, the target risk level will match the current rating.
- 1.6 The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management action. Further information on KCC risk management methodologies can be found in the risk management guide on the 'KNet' intranet site.

2. Strategic and Corporate Services (ST) directorate led Corporate risks

- 2.1 The Coronavirus pandemic has had a significant impact on KCC's risk profile, with the majority of corporate risks still rated as high risk, although several have reduced slightly in severity. Recently, at a national level, the Government has published its plan for living with Covid, and various Government White Papers relating to Levelling Up, Social Care Reform, Health and Social Care Integration etc. have been emerging. Alongside this, a "Second Jolt" of rising inflation, geo-political uncertainty, soaring energy prices and other macro challenges arising from the Covid-19 pandemic is putting pressure on organisations and individuals.
- 2.2 The Strategic and Corporate Services directorate currently leads on nine corporate risks. A brief summary, including changes over the past year, is outlined below, with more detail of the risks and their mitigations contained in appendix 1.

Risks being added to the Corporate Register

- 2.3 Supply chain and market factors - a key theme arising from risk management discussions has been external factors affecting KCC's supply chain and markets. A specific risk remains on the corporate register that focuses on the sustainability of the care market. However, workforce shortages are being experienced in key areas across the council, which presents significant challenges, alongside shortages of materials that are driving associated cost inflation. Therefore, a strategic risk covering supply chain factors, to complement more specific service risks across the council, has been considered by CMT.

- 2.4 Impacts on performance and fulfilment of statutory duties due to capital programme affordability. The corporate register has contained risks relating to specific elements of the capital programme, such as Basic Need grant shortfall to enable sufficient school place provision, as well as maintenance and modernisation of the KCC estate. These risks are now being included in a broader risk relating to the affordability of the capital programme and the potential implications for the fulfilment of statutory duties or achievement of performance standards. This considers important service areas not explicitly covered before such as highways infrastructure. The risk has been discussed by the Corporate Management Team and further detail is being developed in conjunction with officers in Finance and Infrastructure teams.

Changes to Existing Risks

- 2.5 CRR0009 - Future financial and operating environment for local government: The Government's Spending Review in autumn 2021 gave the local government sector more certainty in terms of funding over 3 years, although the local government finance settlement for individual councils only covered the one-year period of 2022-23. The risk rating was reduced slightly in light of the Government Spending Review and Local Government Settlement, but is still rated as High.
- 2.5.1 One of the main aspects of this risk now is whether spending growth pressures facing services across the council can be contained within the Council's core spending power over the medium term. This is particularly pertinent in light of external environmental factors such as inflation and rising energy prices. Revenue inflation was identified as a key budgetary risk in the Budget Risk Register presented to County Council in February 2022.
- 2.6 Risk ratings for two other risks risks have reduced slightly (CRR0004 - Simultaneous Emergency Response and Resilience; CRR0049 – Fraud and Error) reflecting the fact that while the risks still require close management, the risk exposure is not deemed quite as high as at the height of the Covid-19 pandemic.
- 2.7 CRR0014 - Technological resilience and Information Security. The risk has been broadened from a cyber security risk, to reflect the importance of ensuring our technology infrastructure remains fit for purpose as an enabler for the achievement of our Technology Strategy, as well as resilient in light of the ever-increasing dependency on technology to conduct day-to-day business. Cyber-attacks remain a significant area of threat for the council.

3. Strategic and Corporate Services (ST) directorate risk profile

3.1 There are currently two directorate risks featured on the Strategic and Corporate Services directorate risk register (summarised below), both currently rated as high risk. The directorate register is underpinned by risk registers for each division that are considered for escalation in accordance with KCC's Risk Management Policy.

ST0023	Workforce capacity across the directorate, capability and wellbeing	High (16)	Medium (12)
<p>This risk provides a Strategic & Corporate Services view of the KCC corporate risk, which has been adapted and given a narrower scope, focusing specifically on capacity to maintain day-to-day delivery while also supporting service changes across the Authority. As mitigation, resource requirements are reviewed regularly in light of projected workloads and project-based approaches are adopted and resource mapping takes place as required in order to aid capacity planning.</p> <p>In addition, as part of the KCC Strategic Reset Programme, expected resource requirements of corporate services from major change activity are being highlighted to enable conversations regarding what support can realistically be offered within timescales.</p>			
ST0027	Payment card data security standards	High (16)	Medium (12)
<p>Payment Card Industry Data Security Standard (PCI-DSS) is a compliance requirement for all environments, people, processes, and technologies that store, process or transmit cardholder data. If cardholder data were to be exposed KCC could be subject to a significant fine and reputational damage. This risk has been recently escalated to the directorate register from the Finance divisional register as this matter impacts the directorate and potentially wider organisation. The Strategic Reset Programme has recently approved funding for twelve months for a specialist role within the Compliance and Risk Team to undertake compliance scoping exercise across the organisation.</p>			

4. Key Divisional Risks

4.1 Underpinning the corporate and directorate risks, there are a number of divisional risks across the ST directorate, typically of a more operational nature, for which the Directorate Management Team have regular oversight, such as:

- Compliance with legislative duties and associated requirements
- Construction inflation, material and labour shortages
- Workforce and succession planning
- Co-dependencies with the voluntary sector

- Resource availability and capacity in individual divisions to discharge their functions in a timely fashion.
- ICT resilience

5. Recommendation

Recommendation:

The Policy & Resources Cabinet Committee is asked to consider and comment on the risks presented.

6. Background Documents

- 6.1 KCC Risk Management Policy and associated risk management toolkit on KNet intranet site. <https://kentcountycouncil.sharepoint.com/sites/KNet>

7. Contact details

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KCC Corporate Risk Register Strategic and Corporate Services led risks

FOR PRESENTATION TO POLICY & RESOURCES COMMITTEE – 24/03/22

Corporate Risk Register - Summary Risk Profile

Low = 1-6 Medium = 8-15 High =16-25

Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since March 2021
CRR0004	Simultaneous Emergency Response and Resilience	High (20)	Medium (15)	↓
CRR0009	Future financial and operating environment for local government	High (20)	High (16)	↓
CRR0014	Technological resilience and information security threats	High (20)	High (16)	Revised Risk
CRR0039	Information Governance	High (20)	Medium (12)	↔
CRR0045	Maintaining effective governance and decision making in a challenging financial and operating environment for local government	Medium (10)	Low (5)	↔
CRR0049	Fraud and Error	Medium (12)	Low (6)	↓
CRR0051	Maintaining or Improving workforce health, wellbeing and productivity	High (16)	Medium (8)	↔
CRR0053	Impacts on performance or fulfilment of statutory duties due to Capital Programme affordability	NEW risks – details of controls and ratings being devised by Risk and Control Owners		
CRR0054	Supply Chain and market factors			

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Corporate Register. Therefore, there will be some 'gaps' between risk IDs.

** Risk rating to be reviewed after local government finance settlement is confirmed.

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Likelihood & Impact Scales					
Likelihood	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Minor (1)	Moderate (2)	Significant (3)	Serious (4)	Major (5)

Risk ID	CRR0004	Risk Title	Simultaneous Emergency Response, Recovery and Resilience			
Source / Cause of Risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
<p>The County Council, along with other Category 1 Responders in the Kent, has a legal duty to undertake risk assessment and planning to reduce the likelihood and impact of major incidents and emergencies. This includes responses associated with the Government's Counter-terrorism Strategy (CONTEST).</p> <p>Ensuring that the Council works effectively with partners to plan for, respond to, and recover from, emergencies and service disruptions is becoming increasingly important in light of climate change impacts, national and international security threats, severe weather incidents, threats of 'cyber attacks' and uncertainties around implications of the future UK/EU relationship.</p> <p>The response to, and recovery from the Covid-19 pandemic is putting significant strain on organisational capacity and resources.</p>	<p>Failure to deliver suitable planning measures, respond to and manage these events when they occur.</p> <p>Critical services are unprepared or have ineffective emergency and business continuity plans and associated activities.</p> <p>Lack of resilience in the supply chain hampers effective response to incidents.</p> <p>Focus on Covid-19 response and recovery and post UK/EU transition contingency planning means less opportunity to progress other aspects of emergencies and resilience agenda.</p> <p>Future wave(s) of pandemic / winter pressures put further strain on capacity and resource.</p>	<p>Potential increased harm or loss of life if response is not effective.</p> <p>Serious threat to delivery of critical services.</p> <p>Significant harm to the natural and build environment of Kent.</p> <p>Increased financial cost in terms of recovery and insurance costs.</p> <p>Damage and disruption to local businesses and the Kent economy.</p> <p>Potential for public unrest and reputational damage.</p> <p>Legal actions and intervention for failure to fulfill KCC's obligations under the Civil Contingencies Act or other associated legislation.</p>	<p>On behalf of CMT: Rebecca Spore, Director of Infrastructure</p> <p>Responsible Cabinet Member(s): On behalf of Cabinet: Mike Hill, Community & Regulatory Services</p>	<p>Likely 4</p> <p>Target Residual Likelihood Possible (3)</p>	<p>Major (5)</p> <p>Target Residual Impact Major (5)</p>	

Control Title	Control Owner
Management of financial impact to include Bellwin scheme	Cath Head, Head of Finance (Operations)
Kent Resilience team in place bringing together personnel from KCC, Kent Police and Kent Fire and Rescue Service in an integrated and co-located team to deliver enhanced emergency planning and business continuity in Kent	Lisa Guthrie, Head of Kent Resilience Team
On-going programme of review relating to ICT Disaster Recovery and Business Continuity arrangements. ICT resilience improvements are embedded as part of the ICT Transformation Programme.	Dave Lindsay, Interim Head of ICT Strategy and Commissioning
Local multi-agency flood response plans in place for each district/borough in Kent, in addition to overarching flood response plan for Kent	Andy Jeffery , KCC Manager, Kent Resilience Team
Review of Kent Resilience Forum Local Authorities Emergency Planning group's mutual aid arrangements with District Councils and other councils across the region undertaken.	Andy Jeffrey, KCC Manager, Kent Resilience Team
Local procedures have been and are being continually reviewed and refined for occasions the national threat level increases to 'critical'. This includes an update of the Corporate Business Continuity Plan.	Tony Harwood, Resilience and Emergencies Manager
KCC has a Major Emergency Plan that is refreshed regularly	Tony Harwood, Resilience and Emergencies Manager
Ensure business continuity governance arrangements focus on directorate issues and complement KCC's cross directorate resilience groups and forum	Tony Harwood, Resilience and Emergencies Manager
Multi-agency recovery structures are in place	Tony Harwood, Resilience and Emergencies Manager
Emergency planning training rolled out at strategic, tactical and operational levels. Resilience and Emergency planning service business plan in place	Tony Harwood, Resilience and Emergencies Manager
KCC and local Kent Resilience Forum partners have tested preparedness for chemical, biological, radiological, nuclear and explosives (CBRNE) incidents and communicable disease outbreaks in line with national requirements.	Tony Harwood, Resilience and Emergencies Manager / Allison Duggal, Interim Director of Public Health

Work programme implemented to deliver Kent County Council compliance with the Radiation (Emergency Preparedness and Public Information) Regulations 2019, including amendments to the Dungeness Offsite Emergency Plan	Tony Harwood, Resilience and Emergencies Manager
KCC Business Continuity Management Policy and overarching Business Continuity Plan in place, underpinned by business continuity plans at service level.	Rebecca Spore, Director Infrastructure
Legally required multi-agency Kent Resilience Forum in place, with work driven by risk and impact based on Kent's Community Risk Register. Includes sub-groups relating to Health and Severe Weather. KCC Strategic Prevent Lead is now chair of Kent Resilience Forum Delivery Board which reports into Kent Resilience Forum Delivery Group.	Rebecca Spore, Director Infrastructure
KRF and KCC Command and Control structures planned and in place to deal with simultaneous events	Rebecca Spore, Director Infrastructure
Kent & Medway Prevent Duty Delivery Board established (chaired by KCC) to oversee the activity of the Kent Channel Panel, co-ordinate Prevent activity across the County and report to other relevant strategic bodies in the county	Richard Smith, Corporate Director ASCH
The Director of Public Health works through local resilience forums to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health.	Anjan Ghosh, Director of Public Health
Kent and Medway Channel Panel (early intervention mechanism providing tailored support to people who have been identified as at risk of being drawn into terrorism) established at district and borough level.	Nick Wilkinson, Prevent and Channel Strategic Manager
Ongoing development of a PREVENT counter-terrorism risk assessment	Nick Wilkinson, Prevent and Channel Strategic Manager
The annual assurance statement is a self-declaration approved by the Chief Executive/Head of Paid Service which captures the Authority's compliance with the requirements of the Counter Terrorism Act. Actions identified within the annual assurance statement are transferred to the Kent and Medway Action Plan. Kent and Medway Board for PREVENT have oversight of action progress.	Nick Wilkinson, Prevent and Channel Strategic Manager
Implementation of Kent's Climate Adaption Action Plan	Stephanie Holt-Castle, Director of Growth and Communities

Fire Safety Guidance provided by KCC reviewed and updated	Amanda Beer, Corporate Director People and Communications	
Ensure all 13 key Emergency Plans are regularly updated and validated with exercises	Tony Harwood, Resilience and Emergencies Manager	
Ensure 24/7 Emergency Planning cover and response, including a 24/7 Duty Emergency Planning Officer (DEPO), Duty Director, and Recovery Director function, and fully equipped County emergency Centre (CEC)	Tony Harwood, Resilience and Emergencies Manager	
Maintain and support relevant KRF and KCC groups, including KCC Horizon Scanning Group, Cross Directorate Resilience Forum, and Directorate Resilience Groups	Tony Harwood, Resilience and Emergencies Manager	
Action Title	Action Owner	Planned Completion Date
Continued preparations for, and response to, implications of future UK/EU relationship in relation to border friction, regulatory change etc. (cross-reference to CRR0042)	Simon Jones, Corporate Director GET	Ongoing up to July 2022

Risk ID	CRR0009	Risk Title	Future financial and operating environment for Local Government			
Source / Cause of risk	Risk Event	Consequence	Risk Owner (s)	Current Likelihood	Current Impact	
<p>The Government Spending Review in October 2021 has set out the 3-year picture for local government. However, the local government finance settlement announced in December 2021 only provided detailed allocations for 2022-23 to allow scope to update the data and methodology for allocations in later years, which presents a risk (or possible opportunity) for the Council, depending on the nature of the changes.</p> <p>Over the medium term the only additional funding for future spending growth within the settlement comes from council tax, other than for reforms to social care charging, where a separate grant was made available in the settlement for the reforms to social care charging (with further amounts outlined for 2023-24 and 2024-25), with uncertainty as to its sufficiency.</p> <p>The overall settlement for 2022-23 was insufficient to fully fund forecast demand and cost growth pressures facing services across</p>	<p>Levels of spending and price / growth pressures (e.g. revenue inflation) across services outstrip the Council's core spending power, threatening the financial sustainability of KCC, its partners and service providers.</p> <p>In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.</p> <p>Continued delays and uncertainty surrounding review of local government funding impacts on KCC's medium term financial planning.</p>	<p>Unsustainable financial situation, ultimately resulting in s114 notice.</p> <p>Failure to delivery statutory obligations and duties or achieve social value.</p> <p>Potential for partner or provider failure – including sufficiency gaps in provision.</p> <p>Reduction in resident satisfaction and reputational damage.</p> <p>Increased and unplanned pressure on resources.</p> <p>Decline in performance.</p> <p>Legal challenge resulting in reputational damage to the Council.</p> <p>Impact on Council Tax.</p>	<p>On behalf of CMT:</p> <p>Zena Cooke, Corporate Director Finance (Section 151 Officer)</p> <p>Responsible Cabinet Member(s):</p> <p>All Cabinet Members</p>	<p>Likely (4)</p> <p>Target Residual Likelihood Likely (4)</p>	<p>Major (5)</p> <p>Target Residual Impact Serious (4)</p>	

the council (even after setting challenging targets to bear down on future cost growth). Background inflation pressures are also a relevant factor.

Uncertainty also applies to services funded via ring-fenced specific grants. Of particular concern is the special educational needs and disability (SEND) provision funded by the Dedicated Schools Grant (DSG). The high needs block of DSG has not kept pace with the substantial increase in demand for SEND (see CRR0044) resulting in deficit accruing on DSG spending.

Control Title	Control Owner
Processes in place for monitoring delivery of savings and challenging targets to bear down on future cost growth, as well as the budget as a whole.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Regular analysis and refreshing of forecasts to maintain a level of understanding of volatility of demand and cost pressures, which feeds into the relevant areas of the MTFP and business planning process.	Richard Smith, Corporate Director ASCH / Matt Dunkley, Corporate Director CYPE / Simon Jones, Corporate Director GET
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation.	Zena Cooke, Corporate Director Finance (Section 151 Officer)

Financial analysis conducted after each budget statement	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	
Ensure evidence of any additional KCC spend required to cover impacts relating to new burdens imposed, e.g. EU exit, Supporting Families grant.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	
Continued engagement with Government regarding High Needs funding concerns	Matt Dunkley Corporate Director (CYPE) / Christine McInnes, Director of Education / Dave Shipton, Head of Finance (Policy, Strategy and Planning)	
Engagement with CCN, Society of County Treasurers and other local authorities and Government of potential opportunities and issues around devolution and public service reform	David Whittle, Director SPRCA	
KCC Interim Strategic Plan and Strategic Reset Framework developed, outlining how the Council will operate in future, taking into account implications of the Covid-19 pandemic.	David Whittle, Director SPRCA / Amanda Beer, Corporate Director People & Communications	
KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet.	Rachel Kennard, Chief Analyst, KCC	
Ongoing monitoring and modelling of changes in supply and demand in order to inform strategies and service planning going forward.	Rachel Kennard, Chief Analyst, KCC	
Action Title	Action Owner	Planned Completion Date
Assess impact of and respond to Government plans for the future of social care, including Health and Social Care Integration White Paper. To include assessing and quantifying the costs of social care reforms to analyse sufficiency of additional funding over the medium term to cover the cost of the reforms.	Richard Smith, Corporate Director ASCH / Zena Cooke, Corporate Director Finance	July 2022 – (dependent on further information from Government)
Assessing impact of Government ‘Levelling Up’ White Paper agenda.	David Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance	March 2022 – (review)

<p>Ensuring the achievement of challenging targets in 2022-23 to bear down on future cost growth, particularly in areas of complex / volatile demand, identifying management action where necessary.</p>	<p>Richard Smith, Corporate Director ASCH / Matt Dunkley, Corporate Director CYPE / Simon Jones, Corporate Director GET</p>	<p>March 2023</p>
<p>Outcomes Based Budgeting approach being developed to strengthen links between outcomes and funding, using robust analysis and evidence.</p>	<p>Zena Cooke, Corporate Director Finance</p>	<p>March 2022 (review)</p>

Risk ID	CRR0014	Risk Title	Technological Resilience and Information Security			
Source / Cause of Risk	Risk Event	Consequence	Risk Owner(s)	Current Likelihood	Current Impact	
<p>The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent</p> <p>It should also ensure confidentiality, integrity, availability of its information assets</p> <p>The shift to remote/flexible working, and changes in how services are offered increases need for, and dependency on, resilient IT systems.</p> <p>KCC's ICT Strategy is moving the Authority's technology to cloud based services. It is important to harness these new capabilities in terms of both IT security and resilience, whilst emerging threats are understood and managed.</p> <p>Attempts to gain access to secure networks and servers are increasing nationally and becoming more sophisticated and damaging when they succeed.</p> <p>In information terms the other factor is human. Technology can only provide a level of protection. Our staff must have a strong</p>	<p>Information security incidents (caused by both human error and / or system compromise) resulting in loss of data or breach of privacy / confidentiality.</p> <p>Business information is lost, stolen, copied, or otherwise compromised (a breach)</p> <p>Significant business interruption caused by a successful cyber security attack.</p> <p>Successful cyber-attack (e.g., 'phishing' scam or ransomware attack) leading to loss or unauthorised access to sensitive business data.</p>	<p>Data Protection breach and consequent Information Commissioner's Office (ICO) sanction.</p> <p>Damages claims.</p> <p>Reputational Damage.</p> <p>Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.</p> <p>Loss or corruption of data.</p> <p>Loss of key systems potentially impacting ability to deliver statutory services.</p> <p>Partners unable to discharge their duties</p> <p>Complaints</p>	<p>Lisa Gannon Director of Technology</p> <p>Ben Watts, General Counsel and KCC Data Protection Officer</p> <p>Amanda Beer, Corporate Director People and Communication s</p> <p>Responsible Cabinet Member(s): Peter Oakford, Finance, Corporate and Traded Services</p> <p>Bryan Sweetland Communication s, Engagement,</p>	<p>Likely (4)</p> <p>Target Residual Likelihood Likely (4)</p>	<p>Major (5)</p> <p>Target Residual Impact Serious (4)</p>	

awareness of their responsibilities in terms of IT and information security.	People and partnerships
Control Title	Control Owner
Changes and additions to security controls remains an on-going theme as the authority updates and embraces new technologies.	Dave Lindsay, Interim Head of ICT Strategy and Commissioning
Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place	Dave Lindsay, Interim Head of ICT Strategy and Commissioning
Staff are required to abide by IT policies that set out the required behaviour of staff in the use of the technology provided. These policies are reviewed on an annual basis for appropriateness.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Procedures to address data breaches from KCC 'client-side' perspective are covered within the Infrastructure business continuity plan	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Further training introduced relating to cyber crime, cyber security and social engineering to raise staff awareness and knowledge.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
External reviews of the Authority's security compliance are carried out to maintain accreditation and confirm best practice is applied.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Monthly updated remediation plans produced for the Director of Infrastructure and Senior Information Risk Owner. Quarterly reporting to the Directorate Management Team.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer

Service Partners / Providers liaised with to ensure clarity regarding support available and respective responsibilities to address data breaches should they occur.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Persistent monitoring of threats, network behaviours and data transfers to seek out possible breaches and take necessary action.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Systems are configured in line with best practice security controls proportionate to the business information being handled. Systems are risk assessed and reviewed to ensure compliance is maintained.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
A Cyber incident response and management policy has been developed which strengthens the responsibilities and accountabilities across the Authority.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Procedure for incident management being reviewed and updated and responses to liaison picked up under consolidated action plan.	James Church, Interim Head of ICT Compliance and Risk and Digital Accessibility Compliance Officer
Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. Progress rates monitored regularly.	Ben Watts, General Counsel and KCC Data Protection Officer / Amanda Beer, Corporate Director People & Communications
Additional messages warning staff of cyber threats are being sent out regularly.	Diane Trollope, Service Manager OD and Engagement
Messages to encourage increased awareness of information security amongst staff are communicated to align with key implementation milestones of the ICT Transformation Programme.	Diane Trollope, Service Manager OD and Engagement

Action Title	Action Owner	Planned Completion Date
Implementation of actions within the Consolidated Security Action Plan, including continuation of roll out of Microsoft and Compliance Package.	Dave Lindsay, Interim Head of ICT Strategy and Commissioning	April 2022 (review)
Business case for a cloud-native security information and event manager for approval by March 2022. Planned implementation date of end of 2022.	Dave Lindsay, Interim Head of ICT Strategy and Commissioning	December 2022

Risk ID	CRR0039	Risk Title	Information Governance			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
<p>The Council is required to maintain the confidentiality, integrity and proper use, including disposal of data under the Data Protection Act 2018, which is particularly challenging given the volume of information handled by the authority on a daily basis.</p> <p>The Council has regulatory obligations into the management of SAR/FOI/EIR requests</p> <p>United Kingdom General Data Protection Regulations (UK GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.</p> <p>The Covid-19 pandemic has introduced new risks e.g. staff adapting to new ways of working and increasing information security threats.</p> <p>There is insufficient resource available to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.</p>	<p>Failure to embed the appropriate processes, procedures and behaviours to meet regulations.</p> <p>Failure to meet regulatory reporting deadlines</p> <p>Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality.</p> <p>Council accreditation for access to government and partner ICT data, systems and network is withdrawn.</p> <p>Providers processing KCC data fail to embed the appropriate processes and behaviours.</p>	<p>Information Commissioner's Office sanction (e.g., undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).</p> <p>Serious breaches under UK GDPR could attract a fine of c£17m.</p> <p>Increased risk of litigation.</p> <p>Reputational damage.</p>	<p>Ben Watts, General Counsel and Data Protection Officer in collaboration with David Whittle, Senior Information Risk Owner</p> <p>Responsible Cabinet Member(s):</p> <p>Roger Gough, Leader</p> <p>Bryan Sweetland Communications, Engagement, People and Partnerships</p> <p>Peter Oakford, Deputy Leader and Cabinet</p>	<p>V. Likely (5)</p> <p>Target Residual Likelihood Possible (3)</p>	<p>Serious (4)</p> <p>Target Residual Impact Serious (4)</p>	

<p>There is a critical dependency on the Council's Local Authority Trading Companies (CBS) and other material third parties to support Information Governance compliance for the KCC systems and network.</p> <p>KCC services' requirement for non-standard systems creates vulnerabilities.</p>	<p>Member for Corporate and Traded Services</p>
<p>Control Title</p>	<p>Control Owner</p>
<p>Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum.</p>	<p>Ben Watts, General Counsel and KCC Data Protection Officer / Amanda Beer, Corporate Director People and Communications</p>
<p>Senior Information Risk Owner for the Council appointed with training and support to undertake the role.</p>	<p>David Whittle, Director SPRCA</p>
<p>ICT Commissioning function has necessary working/contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit.</p>	<p>Rebecca Spore, Director Infrastructure</p>
<p>Caldicott Guardian appointed with training and support to undertake the role</p>	<p>Richard Smith, Corporate Director ASCH</p>
<p>Corporate Information Governance group to allow for effective management of information governance risks and issues between the DPO, SIRO and Caldicott Guardian.</p>	<p>Ben Watts, General Counsel and KCC Data Protection Officer</p>
<p>A number of policies and procedures are in place including KCC Information Governance Policy; Information Governance Management Framework; Information Security Policy; Data Protection Policy; Freedom of Information Policy; and Environmental Information Regulations Policy all in place and reviewed regularly. Data Protection Officer in place to act as a designated contact with the ICO.</p>	<p>Ben Watts, General Counsel and KCC Data Protection Officer</p>
<p>Management Guide/operating modules on Information Governance in place, highlighting key policies and procedures.</p>	<p>Ben Watts, General Counsel and KCC Data Protection</p>

		Officer
Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated		Caroline Dodge, Team Leader Information Resilience & Transparency
Information Resilience and Transparency team in place, providing business information governance support.		Caroline Dodge, Team Leader Information Resilience & Transparency
Cross Directorate Information Governance Working Group in place.		Michael Thomas-Sam, Strategic Business Adviser Social Care
Corporate Information Governance Group established, chaired by the DPO and including the SIRO and Caldecott Guardian acting as a point of escalation for information governance issues and further escalation to the Corporate Management Team if required		Ben Watts, General Counsel and KCC Data Protection Officer
Action Title	Action Owner	Planned Completion Date
Continuation of roll out of Microsoft Security and Compliance Package	Dave Lindsay, Interim Head of ICT Strategy and Commissioning	April 2022 (review)
Detailed action plan is being prepared for changes to the recording of data breaches and identification.	Ben Watts, General Counsel and KCC Data Protection Officer	March 2022
Working from Home Information Governance and Records Management audit implementation of recommendations	Ben Watts, General Counsel / David Whittle, Director SPRCA	March 2022
Each directorate is responsible for carrying out data mapping exercises to find out what personal data is held and to understand how the information flows through the organisation	Michael Thomas-Sam, Chair of Cross-Directorate Information Governance Working Group	March 2022

Risk ID	Risk Title	Maintaining effective governance and decision making in a challenging financial and operating environment for local government			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
<p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and decision making as well as robust internal control mechanisms. Examples from other local authorities has shown the impact that ineffective decision making can have on financial resilience. KCC's constitution explicitly references the demarcation of Member and Officer roles which consequently places dependency on the effectiveness of the member governance of the Council. Elected Members may require additional training and expertise to enable capability of effective challenge.</p>	<p>Members are unwilling or unable to agree necessary policy (service) decisions to deliver a legally balanced budget and sustainable medium-term financial plan (MTFP).</p>	<p>Decisions challenged under judicial review on the appropriateness of the decision-making within KCC.</p>	<p>David Cockburn, Head of Paid Service</p>	<p>Unlikely (2)</p>	<p>Major (5)</p>
	<p>Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in-year overspends.</p>	<p>Monitoring Officer / Head of Paid Service statutory report to Council.</p>	<p>Zena Cooke, Corporate Director Finance (s151 Officer)</p>	<p>Target Residual Likelihood</p> <p>V. Unlikely (1)</p>	<p>Target Residual Impact</p> <p>Major (5)</p>
	<p>Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision-making.</p>	<p>Reputational damage to the Council.</p> <p>S114 Notice issued by the S151 Officer.</p>	<p>Ben Watts, General Counsel and Monitoring Officer</p> <p>Responsible Cabinet Member(s):</p> <p>Roger Gough, Leader of the Council</p> <p>Peter Oakford, Deputy Leader and Cabinet Member for Corporate and Traded Services</p>		

Control Title	Control Owner
Interim Strategic Plan agreed by County Council and published setting out objectives and priorities for the Council in 2021/22.	Roger Gough, Leader of the Council
Medium Term Financial Plan and Budget Book agreed by Full Council and support/briefings provided for all political groups by officers on budget development options	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Governance reviews from across the Local Government sector are analysed to identify any lessons learned and reported to relevant stakeholders, including Governance & Audit Committee.	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Appropriate officer development and training programme in place and overseen by CMT	Amanda Beer, Corporate Director People and Communications
Appropriate and effective corporate risk management procedures in place for the Council	David Whittle, Director SPRCA
Informal governance arrangements authorised by the KCC Constitution have been published on KNet as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities.	David Whittle, Director SPRCA
Operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively.	David Whittle, Director SPRCA
Key and significant decision-making process in place for Executive decisions and appropriately published Forward Plan of Executive Decisions	Ben Watts, General Counsel and KCC Data Protection Officer
Annual Governance Statement (AGS) arrangements in place with returns made across both senior and statutory officers	Ben Watts, General Counsel and KCC Data Protection Officer

Democratic Services support effective Committee governance and scrutiny arrangements	Ben Watts, General Counsel and KCC Data Protection Officer	
Member and Officer codes of conduct in place and robustly monitored and enforced	Ben Watts, General Counsel and KCC Data Protection Officer	
Member development and training programme in place and overseen by Selection and Member Services Committee	Ben Watts, General Counsel and KCC Data Protection Officer	
Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution	Ben Watts, General Counsel and KCC Data Protection Officer	
Appropriate performance reporting of service and corporate performance to Cabinet, Cabinet Committee and Full Council	David Cockburn, Head of Paid Service	
Transformation plans and/or business cases for strategic change underpinning MTFP shared with non-executive members through Cabinet Committees as part of the executive decision-making arrangements	David Cockburn, Head of Paid Service	
Action Title	Action Owner	Planned Completion Date
Review of KCC Policy and Control Framework and Operating Standards	David Whittle, Director SPRCA	September 2022 (review)

Risk ID	CRR0049	Risk Title	Fraud and Error			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
<p>As with any organisation, there is an inherent risk of fraud and/or error that must be acknowledged and proactively managed.</p> <p>The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector.</p> <p>It is critical that management implements a sound system of internal control and demonstrates commitment to it at all times, and that investment in fraud prevention and detection technology and resource is sufficient.</p> <p>This includes ensuring that new emerging fraud/error issues are sufficiently risk assessed.</p>	<p>Failure to prevent or detect significant acts of fraud or error from internal or external sources, in that within any process or activity there are:</p> <ul style="list-style-type: none"> - false representations are made to make a gain or expose another to a loss - failure to notify a change of circumstances to make a gain or expose another to a loss - abuses their position, in which they are expected to safeguard to make a gain or expose another to a loss. 	<p>Financial loss leading to pressures on budgets that may impact the provision of services to service users and residents</p> <p>Reputational damage, particularly if the public see others gaining services or money that are not entitled to, leading to resentment by the public against others.</p>	<p>On behalf of CMT:</p> <p>Zena Cooke, Corporate Director Finance (Section 151 Officer)</p> <p>Responsible Cabinet Member(s):</p> <p>Peter Oakford, Finance, Corporate and Traded Services</p>	<p>Possible (3)</p> <p>Target Residual Likelihood</p> <p>Unlikely (2)</p>	<p>Serious (4)</p> <p>Target Residual Impact</p> <p>Significant (3)</p>	
Control Title				Control Owner		
KCC is part of the Kent Intelligence Network (KIN), a joint project between 12 district councils, Medway Council, Kent Fire & Rescue and Kent County Council which analyses and data matches financial and personal information to allow fraudulent activity in locally administered services to be detected more proactively within Kent				Nick Scott, Operations Manager, Kent Intelligence Network / James Flannery, Counter-Fraud Manager KCC		

Training and awareness raising is conducted periodically	Amanda Beer, Corporate Director People and Communications / James Flannery, Counter-Fraud Manager
An agreed Memorandum of Understanding is in effect with partners (District Councils, Police and Fire Service) outlining the minimum standards expected to be applied by collection authorities (District Councils) to address fraud and error relating to council tax and business rates. Additional work jointly funded to identify and investigate high risk cases based on each authority's share of the tax base.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)
Internal Audit includes proactive fraud work in its annual audit plan, identifying potential areas where frauds could take place and checking for fraudulent activity.	Jonathan Idle, Head of Internal Audit
Whistleblowing Policy in place for the reporting of suspicions of fraud or financial irregularity	James Flannery, Counter-Fraud Manager
Preventing Bribery Policy in place, presenting a clear and precise framework to understand and implement the arrangements required to comply with the Bribery Act 2010.	James Flannery, Counter-Fraud Manager
Anti-fraud and corruption strategy in place and reviewed annually	James Flannery, Counter-Fraud Manager
Counter Fraud Manager liaises with CMT regarding all new policies, initiatives and strategies to be assessed for the risk of fraud, bribery and corruption through engagement with the Counter Fraud Team.	James Flannery, Counter-Fraud Manager
Systems of internal control which aim to prevent fraud and increase the likelihood of detection	Statutory Officers / Corporate Management Team
Fraud risk assessments have been developed by the Counter-Fraud team and are being considered by service directorates to aid awareness and facilitate appropriate mitigations.	Directorate Management Teams
Commissioning standards reviewed, including rules relating to "Spending the Council's Money", which have been clarified.	Clare Maynard, Interim Strategic Commissioner

Risk ID	CRR0051	Risk Title	Maintaining or Improving workforce health, wellbeing and productivity			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
The council's workforce is substantially adapting the way it operates and delivers services.	Lack of managerial capacity and / or capability to deliver in new environment	Increased absence levels	On behalf of CMT:	Likely (4)	Serious (4)	
Hybrid/flexible working in the delivery of services brings with it opportunities to accelerate programmes of change, improve productivity, wellbeing and promote our employer brand, but also, in the short term at least, risks that require close monitoring and management.	Staff mental and physical fatigue due to prolonged period of response and recovery, while adapting to a new working environment.	Impact on productivity (could be positive or negative)	Amanda Beer, Corporate Director People and Communication s	Target Residual Likelihood	Target Residual Impact	
Staff across the organisation continue to work under significant operational pressures and capacity constraints.	Lack of depth / resilience of key personnel or teams.	Recruitment and retention challenges.		Unlikely (2)	Serious (4)	
	Insufficient capacity should future wave of winter pressures materialise.		Responsible Cabinet Member(s):			
			Bryan Sweetland Communication s, Engagement, People and Partnerships			
Control Title			Control Owner			
Regular engagement with recognised trades unions.			Paul Royel, Head of HR and OD			
KCC's Organisation Design principles have been refreshed to ensure they remain fit for purpose.			Paul Royel, Head of HR and OD			
Comprehensive resources and tools available for staff to access, including Support Line counselling services, I-resilience tool, mindfulness and wellbeing sessions, tailored to staff groups as appropriate.			Amanda Beer, Corporate Director People and Communications			

Additional guidance for staff on Display Screen Equipment self-assessments when working from home on a semi-permanent basis.	Amanda Beer, Corporate Director People and Communications	
Health & Safety team support for services, including updated Covid-19 related advice and guidance e.g. with Task Safety Analysis and supporting use of premises safety during response and recovery.	Amanda Beer, Corporate Director People and Communications	
Working and Wellbeing Surveys conducted, to build understanding of current picture and inform future planning and action with managers, alongside regular reviews of a suite of management information.	Diane Trollope, Head of Engagement and Consultation	
Refocused medium-term Organisation Development Plan	Diane Trollope, Head of Engagement and Consultation	
Intranet site contains dedicated Covid-19 area, with latest advice and guidance - including staff FAQs, Keeping Well, Comfort and Safety and Remote Working.	Diane Trollope, Head of Engagement and Consultation	
Promoting even more regular communications between managers and their teams while working remotely via "Good Conversations" tools etc.	Diane Trollope, Head of Engagement and Consultation	
KCC's values, behaviours and culture embedded by managers, linked to KCC Strategic Reset programme.	Diane Trollope, Head of Engagement and Consultation	
Action Title	Action Owner	Planned Completion Date
Development of a new People Strategy for 2022-2027.	Paul Royel, Head of HR and OD	April 2022

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From: Peter Oakford, Deputy Leader
Clare Maynard, Interim Strategic Commissioner

To: Policy and Resources Cabinet Committee

Date: 24th March 2022

Subject: Update from the Contract Management Review Group (CMRG)

Classification: Unrestricted

Summary:

An update on the new Terms of Reference, including membership, for the Contract Management Review Group, and the approach to future meetings

Recommendation(s):

Policy and Resources Cabinet Committee is asked to **consider** this update and **note** the report.

1. Introduction

- 1.1 The Contract Management Review Group (CMRG) was convened in September 2016. In recognition of the time lapsed since the original Terms of Reference were drafted, and the fact that, following Council Elections in 2021, both chairmanship and wider membership needed review, the Commissioning Standards Team have drafted revised Terms of Reference (ToRs).
- 1.2 This report seeks to highlight the key elements of the revised TORs, proposed changes to membership, and the proposed approach to determining which contracts should be subject to submission at the CMRG. The revised ToRs are attached in Appendix One to this report.

2. Changes to Membership

- 2.1 The Deputy Leader has requested that the Deputy Cabinet Member for Finance should continue to chair the CMRG. As such, the Interim Strategic Commissioner and Commissioning Standards Managers met with Mr Paul Cooper on 17th February 2022 to discuss the wider proposed membership. It was agreed that the proposed membership should consist of the following:

Standing Membership

Members

- Chair – Deputy Cabinet Member for Finance.
- Member 1 – Member from an Opposition Group
- Member 2 – Member from an Opposition Group

Officers

- Interim Strategic Commissioner
- Head of Finance Operations or Corporate Accountant
- Commissioning Standards Managers
- Commissioning Standards Programme Officer
- Commissioning and Commercial Assistant (Minutes)

For each meeting, additional invitees would be:

- Presenting Contract Manager/s (mandatory)
- Head of Service for the Contract and/or Commissioning Manager (mandatory)
- Operational Director for the Service (optional)
- Cabinet Member for the Service (optional)

3. Key Elements of Revised Terms of Reference

3.1 CMRG, in simple terms, is defined as a “Member Chaired forum to review strategically important contracts”.

3.2 The role and purpose of the CMRG are defined as follows:

- To provide assurance as to good practice in the management of KCC contracts, as this will improve outcomes, value for money and management of risk.
- To provide challenge and an opportunity to identify potential improvements in the management of the contract where appropriate.

3.3 The ToRs specify that the CMRG will meet on a monthly basis to look in depth at specific contracts. As part of this contract managers will be asked to review the maturity of their contract management practice through the completion of a standard template customised for this purpose. The template includes a set of criteria to appraise contracts against, based on National Audit Office guidance. The structure of the meetings will allow for a maximum of two specific contracts to be reviewed, dependent upon complexity.

3.4 A forward plan for Contracts to be presented at CMRG will be developed at six-monthly intervals; Section 4 (below) sets out the process that will determine which contracts will be selected and by whom.

3.5 For each contract selected, the Contract Manager will receive six weeks’ notice of the requirement to present to the CMRG; they will be expected to provide supporting evidence outlining the basis of their assessment as part of completing the template outlined in Section 3.3 (above).

3.6 The CMRG will provide a robust level of challenge and questioning to determine where improvements can be made in contract management practice. It also provides advice and guidance to managers for areas to consider in their future practice, or when they are looking at re-commissioning services, in order to achieve greater value for money through the contract and its management.

3.7 After each CMRG, the Chair will issue a letter of findings and recommendations regarding the specific contract reviewed to the relevant Corporate Director, Cabinet Member and, where necessary, Committee. The Commissioning

Standards team will then follow up at appropriate junctures with Contract Managers to ensure that the recommendations have been implemented.

- 3.8 CMRG will refer matters to KCC's internal audit team if the need arises. Additional administrative practicalities are explained in more detail within the ToRs.

4. Selecting Contracts for Review

- 4.1 At the time of writing, the Commissioning Standards team are working closely with both Commissioning and Operational teams to finalise the content of the Council's Contract Management System. This will enable, for the first time, a comprehensive Contract Register to be produced, which will capture details of all contracts with a life-value exceeding £25,000.00 within one database. The information provided within this Register will also be used to inform the content of the Council's Commercial Pipeline tool, which will in turn facilitate the publication of forthcoming tender opportunities within the public arena.
- 4.2 Contracts will be selected for review by reference to the new Contract Register as it will provide oversight as to the complete suite of current contracts let by the Council. This will be made available to the Chair, the Interim Strategic Commissioner and the Commissioning Standards Manager who will meet on a six-monthly basis to agree to the ensuing six months' forward plan. The Chair, in liaison with the two supplementary Members, can request contracts of particular political or strategic interest, or where there are expressed concerns.
- 4.3 To supplement the information provided within the register, the ToRs propose a number of criteria governing which contracts are selected for review. These include considerations of value, complexity, risk, remaining term, performance, and strategic importance.
- 4.4 To support the longer-term prioritisation of contracts, it is proposed to develop a revised version of the Contract Tiering tool, referred to in previous reports. This will be based on industry-standard methodology to make the process of tiering clearer and simpler.

5. Embedding Learning and Good Practice

- 5.1 The Commissioning Standards team has recently launched a consolidated new suite of guidance, tools, and templates (Standards) to support Commissioners through every step of the Commissioning Lifecycle. The team will ensure that, in addition to monitoring the application of the relevant recommendations within individual contracts presented at CMRG, wider learning is embedded within the suite of Standards, to continually improve commissioning and contract management practice.
- 5.2 The team has also recently finalised an initial draft of proposed public-facing Standing Orders which will further mandate the Council's expectations as to what its Officers **must** do when spending the Council's money. This includes reference to proposed Ethical and Sustainable Procurement Standards which will need to be embedded throughout the Commissioning Cycle, including Contract Management.

6. Conclusion

- 6.1 The revised ToRs have been written in conjunction with the Deputy Member for Finance to ensure that the CMRG can continue to operate as a Member-led forum for reviewing the maturity of individual contracts, whilst allowing the Commissioning Standards team to swiftly embed wider learning within procedural and policy guidance.

7. Recommendation(s)

Policy and Resources Cabinet Committee is asked to **consider** this update and **agree** the Terms of Reference included.

8. Contact details

Report Author/s:

Chris Wimhurst, Commissioning Standards Manager (03000 410966)
Louise Merchant, Commissioning Standards Manager (03000 416476)

Relevant Director/s:

Clare Maynard, Interim Strategic Commissioner (03000 416449)
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Contract Management Review Group

Terms of Reference

Version No: 7
Drafted By: Chris Wimhurst, Commissioning Standards Manager
 Jess Brittle, Commissioning Standards Programme Officer
Date: 7th March 2022

1. Role and Purpose

The Contract Management Review Group (CMRG) has been in operation since September 2016, following agreement through the Policy and Resources Cabinet Committee to implement a Member Chaired forum to review strategically important contracts. CMRG's key objectives are as follows:

- a. To provide assurance as to good practice in the management of KCC contracts, as this will improve outcomes, value for money and management of risk.
- b. To provide challenge and an opportunity to identify potential improvements in the management of the contract where appropriate.

The CMRG meets on a monthly basis to look in depth at specific contracts; asking contract managers to review the maturity of their contract management practice against a set of criteria based on National Audit Office guidance (Appendix 1).

2. Membership

Membership of the CMRG is drawn from Members and Officers from across KCC and recognises the critical role of Members in providing oversight and governance around the commissioning cycle. The Chair of the CMRG is appointed by the Leader and is currently the Cabinet Member for Finance. The Chair is responsible for identifying two further Members to sit on the panel.

Members

- Chair – Deputy Cabinet Member for Finance.
- Member 1 – Member from an Opposition Group
- Member 2 – Member from an Opposition Group

Officers

- Interim Strategic Commissioner
- Head of Finance Operations or Corporate Accountant
- Commissioning Standards Managers
- Commissioning Standards Programme Officer
- Commissioning and Commercial Assistant

For each meeting, additional invitees would be:

- Presenting Contract Manager/s (mandatory)
- Head of Service for the Contract and/or Commissioning Manager (mandatory)
- Operational Director for the Service (optional)
- Cabinet Member for the Service (optional)

3. Functions and responsibilities

- The CMRG reviews contracts using the National Audit Office (NAO) Good Practice Contract Management Framework (see Appendix 1) and the associated maturity assessment template (Appendix 2).
- The CMRG will have a forward plan of contracts to be reviewed for the next 6 months and contract managers will be given at least 6 weeks' notice of when their contract will be reviewed.
- Each contract manager completes the template and provides supporting evidence for submission prior to meeting with the CMRG. The expectation is that contract managers should have the information required to complete the template readily available as part of a day-to-day good practice approach to contract management. As required, the Commissioning Standards Manager may also have discussions with the contract manager to clarify issues or queries prior to the meeting.
- Unlike an audit, the review process relies on a self-assessment by the contract manager and the CMRG does not itself verify evidence and check source material. However, contract managers do sign to attest that the information that is provided to the CMRG is accurate and that they are accountable for it.
- Within the CMRG meeting, the Member-led group provides a robust level of challenge and questioning to determine where improvements can be made in contract management practice. It also provides advice and guidance to managers for areas to consider in their future practice, or when they are looking at re-commissioning services, in order to achieve greater value for money through the contract and its management.
- Where appropriate, the Chair will discuss contract details and issues with the contractor or service user/s in order to gain a wider perspective on contract performance. This will be decided on a case-by-case basis. On occasion, it may also be appropriate for the contractor to attend, if agreed as part of the forward plan.
- Following the CMRG, the Chair will issue a letter of findings and recommendations regarding the specific contract reviewed to the relevant Corporate Director, Cabinet Member and, where necessary, Committee.
- The Commissioning Standards Manager is responsible for following up with contract managers after each meeting to review progress against the recommendations put forward by the CMRG and to clarify what the outcomes have been from those reviews.
- When appropriate, Contract Managers will be asked to return to CMRG after a defined time period to account for the actions requested, and to provide assurance that change has been embedded within contract delivery.
- The CMRG is responsible for capturing the lessons learned from contract reviews and sharing best practice across the Council, in order to identify common themes and to improve standards across KCC.
- CMRG will refer matters to KCC's internal audit term if the need arises.

4. Governance

- The CMRG is a part of the Council's established Informal Governance Arrangements and meets on a monthly basis.
- P&R Cabinet Committee requires half yearly reports on lessons learned and the forward look for reviews.
- As and when required, the CMRG is able to provide an independent opinion on existing contracts for the Strategic Delivery Board (SDB).

5. Meetings, Communication and Timelines

- As standard, the CMRG will meet monthly for 1½ to 2 hours, reviewing either one or two specific contracts at each meeting. Whilst standard practice will be to review two contracts at each meeting, where a particular contract is highly politically sensitive or strategically important, it may be appropriate to allot the full session to that individual contract.
- The Contract Manager and relevant Corporate Director and Cabinet Member are invited to attend CMRG a minimum of six weeks prior to meeting, with the master slide deck and timelines for completion provided.
- The Commissioning Standards Manager will have a pre-meet with the contract manager to talk them through what needs to be completed, explain format of the meeting and to understand what the contract is.
- Officers are required to provide a completed set of the maturity slides and, where appropriate, supporting evidence, a maximum one week in advance of the meeting date.
- The agenda, the completed slide deck and supporting evidence will then be issued to the CMRG one week before the CMRG meeting.
- The Chair and the Strategic Commissioner will be briefed on the contract by the Commissioning Standards Manager five to seven days before the CMRG.
- The Commissioning Standards Manager will arrange a post-CMRG meeting between three and six months after the presentation with the Contract Manager, so that observations and the outcomes from agreed actions can be discussed.
- The minutes and actions will be circulated to the CMRG, contract managers, Corporate Director and Cabinet Member within four weeks after the date of CMRG, with a letter of findings and recommendations from the Chair.
- The CMRG is responsible for capturing the lessons learned from the contract reviews for future reference and sharing of best practice. This will be used to update procedural and policy guidance maintained by the Commissioning Standards Team to ensure that it is swiftly embedded within daily practice.

6. How contracts are selected for review

Contracts are selected for review by using the Contract Register produced by the Commissioning Standards Team. This will be made available to the Chair, the Interim Strategic Commissioner and the Commissioning Standards Manager, who will meet on a six- monthly basis to agree to the ensuing six months' forward plan. The Chair, in liaison with the two supplementary Members, can request contracts of particular political or strategic interest, or where there are expressed concerns. Otherwise, contracts should be selected according to the following criteria.

- High value or politically sensitive.
- Complexity – i.e. are there factors that would make contract management more difficult? For example, demand led activity-based contracts.
- Risk – is the service one that carries inherent risks? E.g. safeguarding risks associated with social care contracts.
- Stage of commissioning cycle – will the contract be coming to an end in the next one to two years?
- Synergy with audit – is a review of the contract on the timetable for audit or have audit recently conducted a review?
- Strategically important – contracts that may not fulfil the above criteria but recognised as important to the Council fulfilling its strategic objectives.

- Has been identified internally as not working well.
- Where Strategic Commissioning can add value or get a better deal.
- Synergy with Strategic Delivery Plan.

Appendix 1

National Audit Office (NAO) Good Practice Contract Management Framework

The CMRG adopted the National Audit Office (NAO) good practice contract management framework as the reference standard for its reviews. This framework identifies eight key contract management activities as follows.

- Planning and governance – preparing for contract management and providing oversight
- People – ensuring the right people are in place to carry out the contract management activities
- Administration – managing the physical contract and the timetable for making decisions
- Managing relationships – developing strong internal and external relationships that facilitate delivery
- Managing performance – ensuring the service is provided in line with the contract
- Payment and incentives – ensuring payments are made to the supplier in line with the contract and that appropriate incentive mechanisms are in place and well managed
- Risk – understanding and managing contractual and supplier risk
- Contract development – effective handling of changes to the contract
- Supplier development – improving supplier performance and capability

Appendix 2

Maturity Assessment Slides

Contract management maturity report

[Insert name of contract and name of contractor]

[Insert meeting date of Contract Management Review Group]

Section 1 – Contract details

Basics of the contract(s), including:

- Name of contractor (registered and trading name)
- Do you have an original copy of the contract and an up-to-date one?
- Date of contract award / start of contract
- Date of expiry
- Anticipated whole life cost (nominal and net present cost)
- Anticipated value in current financial year
- How is the contract funded (KCC, partners, central government, European funding, grant funding, etc.)
- Contract scope (description of what it covers including, but not limited to, the key deliverables, geographic coverage, etc.)

Section 1 – Contract details (cont'd)

Purpose of the contract(s), including:

- Aim of the contract(s) (statutory/regulatory obligation/s it is related to (if any) and strategic outcome/s it is linked to)
- Link between the contract(s) and the Medium Term Financial Plan
- What is the minimum level of service we can provide to fulfil our statutory/regulatory obligations?
- How much are we paying to provide a service in excess of the statutory/regulatory obligations (i.e. costs of discretionary elements)?
- If a discretionary service, explain the reason for the provision
- If we didn't provide the service or only at a minimum level, what would be the impact on other services and meeting our statutory/regulatory obligations?

Section 2 - Maturity assessment

A description of maturity for each activity area at each level is attached

Activity Area	Maturity Level*		Rationale
	Current	Target	
Planning and governance (preparing for contract management and providing oversight)			
People (ensuring the right people are in place to carry out the contract management activities)			
Administration (managing the physical contract and the timetable for making key decisions)			
Managing relationships (developing strong internal and external relationships that facilitate delivery)			
Managing performance (ensuring the service is provided in line with the contract)			
Payment and incentives (ensuring payments are made to the supplier in line with the contract and appropriate incentive mechanisms are in place and well managed)			
Risk (understanding and managing contractual and supplier risk)			
Contract development (effective handling of changes to the contract)			
Supplier development (improving supplier performance and capability)			
Overall			

***Level** 1 - Ad-hoc 2 – Basic 3 – Structured 4 – Comprehensive 5 - Optimised

Section 3 – Attestation by the Contract Manager

The Contract Manager is the person that has overall day-to-day accountability for the contract i.e. is answerable for performance in the nine activity areas in the maturity assessment set out in Section 2.

As the Contract Manager, I understand that I am being held to account to the Budget Delivery Group for the management of the contract(s) and attest to the accuracy of the statements set out herein. [insert name, position, and date]

I have been the Contract Manager for the contract (s) since [insert date] and:

- I [have/have not]* read and understood the main/material provisions of the most up-to-date version of the contract(s).
- The contract(s) [are/are not]* concurrent with the business requirements.
- The contract(s) [have/have not]* been extended and/or amended solely in writing and with the appropriate authority
- KCC's rights under the contract(s) [have/have not]* been waived by the conduct of the people managing the contract(s)
- Performance [is/is not]* being reported accurately in accordance with the contract(s)
- The main/material provisions of the contract(s) [have/have not]* been breached
- Payments [have/have not]* been made to reflect actual performance and the provisions of the contract(s) using tri-lateral governance viz., operational, financial, and commercial sign-off

** Delete as appropriate; do not amend*

Section 4 – Organisation

- Organogram for KCC contract management showing contractors/interims
- Total annual cost of KCC contract management is [insert value] which represents [insert percentage] of annual contract value.
 - Does a regular assessment and evaluation take place to ensure the cost of contract management is justified and proportionate to the benefits obtained?
- People in post and working on contract(s) longer than 3-years
- Measures taken to mitigate risk of long tenure staff (e.g. nepotism, fraud, etc.)
- People profile
 - Details of KCC officers involved in contract management, including: their experience of contract management; commercial experience, and relevant professional qualifications e.g. IACCM, MCIPS, etc.
- Training and development
 - Details of training and development planned and/or underway to improve commercial awareness, relationship management, and developing capacity

Section 5 – Operational performance

- **Contract Delivery Indicators (CDIs) and Key Performance Indicators (KPIs)**
 - Table showing all CDIs and KPIs, the performance level required by the contract(s), and actual performance for the past 12-months
- **Milestones**
 - Insert details of key contractual milestones and progress against them
- **Summary of any significant COVID-19 impact on operational performance, including failure to achieve CDIs/ KPIs, or milestones, etc.**
- **Breach**
 - Details of any breach of the main/material provisions of the contracts
- **Incentives/remedies**
 - Details of contractual incentives/remedies and link to desired outcomes
 - Details of escalation applied (to material breaches, failure to achieve CDIs and KPIs, and failure to achieve milestones) and any relief granted to the contractor
- **Payment mechanisms**
 - Are open-book or similar financial costing/pricing mechanisms used?
- **Details of benchmarking operational performance against other local authorities and relevant comparators in the market**

Section 6 – Financial performance

- **Payments**
 - Table or graph showing the expected monthly payment profile at the time of contract award for both the previous 12-months and the next 12-months set against the actual payments made and forecast
- **Variance**
 - Reasons for any variance between the contracted and actual spend (e.g. volume changes, contract variations, claims, etc.)
 - In the case of negative variations, please state the corrective actions to be taken to balance the spend or, if corrective actions have not been taken / are not possible, state the reasons.

Clearly display the above in graphical/tabular format as per the next slide

- Summary of any significant COVID-19 impact on financial performance, including any financial relief granted (e.g. payments in advance, payments despite no service being delivered), the terms, and rationale.
- Details of benchmarking what KCC pays against other local authorities and relevant comparators in the market

Section 6 – Financial performance (cont'd)

Following on from the previous slide, please complete the following table as per the instructions on the previous slide and, where possible, across the whole length of the contract.

	20xx/xx £k	20xx/xx £k	20xx/xx £k	20xx/xx £k	TOTAL £k
BUDGET/EXPECTED*					
ACTUALS/FORECAST					
VARIANCE					
TOTAL £k					

*As at the time of contract award and as per the approved business case.

Section 7 – Commercial performance

- Claims/disputes
 - Details of any significant claims and/or disputes setting out the current status and the actual or projected outcome
- **Legislative/regulatory and policy changes**
 - Outline of any recent/pending legislative/regulatory or policy changes that has impacted or could impact on the contract(s), including PHE COVID-19 guidance
 - **Performance against supply chain requirements, e.g. ethical trading, prevention of modern slavery, SOC, prompt payment of sub-contractors, etc.**
- **Change control**
 - **Details of extensions and variations to the contract/s, including value, the reasons and authorisation for these**
 - Re. pricing changes, what mechanisms were used to test value for money (e.g. benchmarking, competitive tendering, open book costing/pricing)
 - Measures taken to avoid KCC being 'locked in' to onerous commercial terms, (e.g. price escalation or 'compulsory' maintenance payments)
 - Summary of how the Council will transition away from any contractual relief provided through the COVID-19 outbreak (e.g. relief against KPIs, financial, etc.)

Section 8 – Fulfilment of KCC's obligations

- Details of KCC's contractual obligations and the dependencies on KCC that could cause delay and/or disruption along with consequences if not fulfilled
- Approach to managing KCC's contractual obligations and dependencies, including accountability and responsibility within KCC

Section 9 – Risk and mitigation

- Details of the major risks and issues associated with the contract(s), and the mitigation measures in place to deal with them, including any further anticipated impact of the COVID-19 emergency
- Approach to the identification, evaluation and monitoring of risk, including the frequency of risk and mitigation reviews
- Is there an up-to-date risk and issue register for the contract(s)?
- What is the understanding of the supplier's financial resilience?
 - The current financial standing of the supplier and when this was last reviewed
 - The proportion of the supplier's business that the contract(s) represent
 - The financial exposure to the Council in the event of supplier failure
- Emergency Planning and Recovery, and Business Continuity:
 - Are there up-to-date Emergency and Recovery and Business Continuity Plans in place for the contract(s) and are these regularly tested?

Section 10 – Data assurance

- What is the sensitivity of the information handled on these contract(s)?
- Outline the arrangements for handling any sensitive information.
- **Have there been any significant data security breaches? What mitigations are in place to help prevent and respond to these?**
- What contract and contract monitoring requirements are in place to monitor and support safe and secure handling of information?
- **How can KCC be assured of the suppliers' data security arrangements? E.g. are they Cyber Essentials certified or meet ISO 27000 standards?**
- Details of any data handling audits that have taken place. How often do such audits and reviews take place? What lessons have been learned?

Section 11 – Governance

- Meetings
 - Details of the formal meeting structure in place to review the performance of contract(s), including details of the required attendees, standing agenda items, and the frequency of these meetings
 - Confirmation that the formal meeting structure has been followed and, if not, the reasons behind this
- Audit
 - Details of any audits undertaken or planned by Internal Audit along with any significant findings and actions required / taken
 - Details of any audits undertaken or planned by an external body with any significant findings and actions required / taken

Section 12 – Forward look

- Details of contract extension options and planned (re)commissioning timescales
- The approach to continuous improvement, e.g.:
 - Robust and collaborative performance management
 - Improved use of data
 - Building in incentives to minimise costs and maximise quality
 - Re-negotiating contract terms etc.
- **Lessons learned and plans for next generation of the contract(s) to improve value for money achieved (e.g. rationalising specifications, demand management)**
- Details of any support required from CMRG

Annexes

*Attach the documents set out below
to this report*

- Contract management strategy/plan (setting out the detail of how the management team responsible will manage the contract to ensure that KCC and the contractor operates according to the provisions of the contract(s))
- Contract operations manual (the practical guide for anyone in KCC involved in managing or administering the contract(s))

Contract management maturity

Description of activity areas and maturity levels

November 2019

Good practice

- The National Audit Office (NAO) Good Practice Contract Management Framework identifies nine key activity areas to be considered:
 - Planning and governance (preparing for contract management and providing oversight)
 - People (ensuring the right people are in place to carry out the contract management activities)
 - Administration (managing the physical contract and the timetable for making key decisions)
 - Managing relationships (developing strong internal and external relationships that facilitate delivery)
 - Managing performance (ensuring the service is provided in line with the contract)
 - Payment and incentives (ensuring payments are made to the supplier in line with the contract and that appropriate incentive mechanisms are in place and well managed)
 - Risk (understanding and managing contractual and supplier risk)
 - Contract development (effective handling of changes to the contract)
 - Supplier development (improving supplier performance and capability))
- Current maturity against each activity area can be determined by reviewing management of the contract against the levels over the following slides
- Target maturity against each activity area should be achievable and realistic and commensurate with the value, risk and complexity of the contract(s)

Planning and governance

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • No governance processes or systems • Contract managers operate with complete autonomy • No management visibility or control • No clear ownership of contract management • No planned transition between CM phases 	<ul style="list-style-type: none"> • Governance processes or systems in place on some contracts. Unlikely to be standard, consistent or aligned with KCC governance • Some contracts have a contract management plan but this is mostly absent • Limited reporting of issues to senior management • Some knowledge is transferred between CM phases but this is not well planned 	<ul style="list-style-type: none"> • There are standardised CM governance processes in place and used across all contracts. These align to wider KCC governance • Contract management plans are used on all contracts with standardised content • Issues and risks are visible at all levels of KCC management • Improvements in the governance process are identified • A standardised process is in place for transfer of knowledge between CM phases 	<ul style="list-style-type: none"> • Governance processes generate clear, useful and standardised management information assisting in KCC decision making • The governance processes are automated, with systems available for reporting and monitoring of issues and risk • Regular and planned assurance activities take place, driven by the requirements of CM governance structures 	<ul style="list-style-type: none"> • Contract management guidance and framework meets best in class standards and is easily accessible by all contract managers • Knowledge management is embedded and key data and lessons learnt are captured within contract management and across KCC more widely • Regular improvements are made to governance processes to ensure they remain leading class

People

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • No continuity between contract management roles • Resource issues present • Contract manager has no knowledge of the contract or has not read it • The contract manager does not have the necessary skills or experience • Central job descriptions are not available and objectives are not set • There is no training available 	<ul style="list-style-type: none"> • Some contracts involve the contract manager and business users in the tendering phases but this is not common • Contract managers have a basic knowledge of key parts of the contract • Contract managers have documented job and role descriptions but these are not standard • Contract managers have variable capability • Training is available but is not standardised or mandated 	<ul style="list-style-type: none"> • Contract management is adequately resourced • A standardised KCC wide process ensures contract managers and business users are fully integrated into tender teams • Contract managers are fully conversant with the contract • Role and job descriptions are standardised • Standardised training is available with mandatory requirements • Staff are regularly assessed for competence 	<ul style="list-style-type: none"> • Regular reporting and metrics are available to management on the performance and competence of CM staff • People inputs are rigorously planned across the whole contract life-cycle • Capability assessments and people performance monitoring are automated on standard KCC systems • Competence assessments form part of a wider assurance framework 	<ul style="list-style-type: none"> • Contract managers are all experts in their field with subject matter experts employed for management of bespoke contracts • A formalised contract management 'community' has been set up and facilitated by KCC for staff to share knowledge and experience

Administration

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • Hard copy contracts are not stored or logged • No contract management software or systems are available • Administrative mechanisms are not defined or planned • No management information produced or reported 	<ul style="list-style-type: none"> • Hard copy documents are retained but the process is driven at contract level and not standardised • Software is available but not used • Administrative mechanisms are present but not planned or standardised • Management reporting is informal and does not use standard templates or metrics 	<ul style="list-style-type: none"> • There are standardised policies and processes for hard copy document management • Plain English contract strategies/plans and manuals produced • Software use is standardised in the management of the contract • Administrative mechanisms form part of standard KCC processes • Management reporting is formalised but may not be aggregated 	<ul style="list-style-type: none"> • Management information is standardised and in a form which makes it possible to manipulate and aggregate • Automated system links are present between functions involved with administration 	<ul style="list-style-type: none"> • Administrative process is fully automated, linked and integrated across KCC functions and business units • Systems enable ad-hoc interrogation by management for production of bespoke reports

Managing relationships

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • Supplier roles and responsibilities are not defined • Stakeholders and communication routes are not defined and communication is limited • Problem resolution is ad hoc with no defined process 	<ul style="list-style-type: none"> • Roles and responsibilities are defined in some cases but the quality of this varies • Both structured and informal communication routes exist with stakeholders but these are unlikely to be documented and application varies • Problem resolution processes may be in place but do not follow KCC standards 	<ul style="list-style-type: none"> • Roles and responsibilities clearly defined using KCC standard formats • Structured and informal communication processes are in place, documented and follow standard KCC processes • Users have a clear expectation and understanding of the contract • Customer feedback informs discussions with the supplier • Problem resolution processes are standardised 	<ul style="list-style-type: none"> • Relationship management and communication processes are monitored as part of a KCC wide assurance regime • Communication takes a variety of forms which are optimised depending on purpose • Joint statements of intent are formalised between contract managers and suppliers 	<ul style="list-style-type: none"> • Communication routes are fully aligned and integrated with KCC communication systems and processes • Productive and collaborative relationships exist with all suppliers and across all contracts maximising value and innovation • Effectiveness of relationships are continuously monitored and assessed

Managing performance

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • Service baselines are not used or set • Parties do not understand what is being delivered • Performance management frameworks are simplistic or do not contain adequate mechanisms for monitoring • Supplier performance is not assessed or metrics are not in place for adequate assessment • No performance reporting takes place • User compliance with the contract is not monitored • Feedback and performance review processes for suppliers are not in place 	<ul style="list-style-type: none"> • Service baselines are set for most contracts but the process is not standard • Performance management frameworks exist but mechanisms are not standard or have some deficiencies • Supplier performance is assessed but metrics may not be optimal and the processes employed non-standard • Reporting takes place on an informal basis • User compliance is considered but compliance processes do not exist • Feedback and performance reviews are informal 	<ul style="list-style-type: none"> • A standardised service management process is in place and applied • A performance management framework is used on all contracts and follows KCC standards • Performance metrics have been set according to KCC standards and are optimised for specific contracts • Reporting takes place per a standard process • User compliance is checked and enforced via a standard process • Feedback and performance reviews take place in line with KCC guidance and process 	<ul style="list-style-type: none"> • Service management and performance metrics, are compiled, aggregated and reported , enabling regular monitoring • Performance risks are regularly assessed and monitored by KCC management • Performance monitoring forms part of a comprehensive risk-based assurance plan • Performance metrics are regularly reviewed for appropriateness and flexed accordingly • Supplier feedback drives innovation and cost savings 	<ul style="list-style-type: none"> • Performance metrics are consistent, aligned and are integrated with KCC wide performance frameworks and objectives • Systems allow management to interrogate data and produce reports on demand to facilitate decision making

Payment and incentives

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • Payment mechanisms are not understood by the contract managers and are not documented • Payment processes are not defined, inefficient and include limited checks and authorisations • Costs are not monitored • Financial incentives are not in place 	<ul style="list-style-type: none"> • Payment mechanisms are understood but may not be documented or follow KCC standards • Payment processes are defined but vary • Teams involved in processing payments may not understand each others' roles and tasks may be duplication or missed • Limited checking of invoices takes place and unlikely to follow KCC standard process • Costs monitored but variance against forecasts does not take place • Limited financial incentivisation takes place 	<ul style="list-style-type: none"> • Standardised processes ensure payment mechanisms are fully understood by all parties • Payments follow standardised KCC process, customised where necessary • Those involved in payments fully understand each others' roles and these are documented • Standardised invoice checking processes are used and are flexible enough for application • Monitoring of costs takes place and variance against forecasts is measured and reported • A basic assurance regime is in place to ensure compliance with standard processes • Financial incentives are in place and used 	<ul style="list-style-type: none"> • Payment processes are automated where possible with system based controls designed and implemented where possible • KCC management receive regular monitoring reports highlighting payment exceptions and supplier errors • A risk based assurance plan is developed and in place for all contracts, scheduling comprehensive payment assurance activities 	<ul style="list-style-type: none"> • Payment processes align and fully integrate with KCC wide systems and processes • Payment issues rarely arise as a result of class leading integration between contract management and suppliers

Risk

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • No risk management process is in place • Risks are not identified, monitored or managed • No escalation of risks take place • Contractual terms are not understood or monitored 	<ul style="list-style-type: none"> • Risk management processes are in place on contracts but these do not follow a KCC standard and so may be deficient • Risks are identified but not actively managed or monitored • Risks may be escalated but not through formal reporting process • Contractual terms are understood but not actively monitored 	<ul style="list-style-type: none"> • Risk management processes are aligned to the standardised KCC approach • Standard processes are used to identify, monitor and actively manage risks • Risks are escalated in line with standard KCC process • Risks are reported to defined governance bodies • High risk contractual terms are understood and actively monitored • Risks are regularly reviewed as part of contract reviews 	<ul style="list-style-type: none"> • Contract risk management processes form part of the wider KCC governance system • Standardised management information on risks is used at all levels within KCC • Class leading risk management and assessment processes form the basis of a comprehensive assurance plan • Wider supply chain risk is considered on a regular basis 	<ul style="list-style-type: none"> • A proactive culture of risk management is fully integrated within contract management

Contract development

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • Contracts are not regularly reviewed to ensure they still meet business needs • Formalised change processes not used • Changes are implemented operationally without contract variations • Value for money testing does not take place • Dispute processes are not well defined or understood 	<ul style="list-style-type: none"> • Contracts are reviewed to ensure they meet business needs but not as part of a formal process or on a regular basis • Change processes are used but are not documented and are not standardised • Value for money testing takes place on an informal basis • Dispute processes are defined but not standardised 	<ul style="list-style-type: none"> • A standardised process is followed for assessment and review of contracts to ensure they continue to meet business needs • Standardised change processes are in place and are used, involving all KCC stakeholders • All changes are fully impacted and contractually agreed before being operationally implemented • Value for money testing takes place in line with a standardised process • Dispute processes are standardised and understood by all 	<ul style="list-style-type: none"> • Contract changes and variations are actively monitored and reported as part of KCC governance processes • Non compliance with KCC change procedure is actively monitored and managed • Change processes use KCC systems for contractual updates and document control • Horizon scanning takes place for legislative/regulatory and policy changes that could require contract changes 	<ul style="list-style-type: none"> • A culture of continuous improvement is embedded within KCC contract management • Contract development and innovation regularly drives performance improvements and value for money • Lessons learned across KCC are considered and applied, if relevant

Supplier development

1 Ad-hoc	2 Basic	3 Structured	4 Comprehensive	5 Optimised
<ul style="list-style-type: none"> • How supplier performance and capability can be improved has not been considered • No consideration of processes to support supplier development • No understanding of what motivates and drives the supplier 	<ul style="list-style-type: none"> • How supplier performance and capability can be improved is infrequently considered • Little consideration of processes to support supplier development • limited understanding of what motivates and drives the supplier 	<ul style="list-style-type: none"> • A standardised KCC process exists for how supplier development activities will be planned, managed and governed • Standardised processes in place for ensuring that supplier development is focused on continuous improvement • Good understanding of what motivates and drives the supplier and how supplier development fits with the supplier's goals 	<ul style="list-style-type: none"> • In addition to 3... • Shared management activities (e.g. supplier boards) to drive performance improvement • Joint working or shared activities between the two parties for the benefit of both the supplier and KCC (e.g. process improvement, shared training, task forces, joint project teams) • Shared risk reduction programmes or activities 	<ul style="list-style-type: none"> • In addition to 3 and 4... • Supplier operational performance improvement activities (e.g. Lean and 6-sigma), with potential input or assistance provided by KCC • Supply chain development activities (e.g. the development of second/third tier supplier performance) • Supplier improvement activities relating to wider initiatives, with input and assistance provided by KCC (e.g. on ethical and sustainable procurement, use of SMEs/VCSEs)

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From: Peter Oakford, Deputy Leader, Cabinet Member for Finance,
Corporate and Traded Services

Ben Watts, General Counsel

To: Policy and Resources Cabinet Committee – 24 March 2022

Subject: **Work Programme 2022**

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 note its planned work programme for 2022

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 Chair, Vice-Chair and group spokesmen.
- 1.2 Whilst the Chair, 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” and these should also inform the suggestions made by Members for appropriate matters for consideration.

3. Work Programme 2022

- 3.1 The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in the appendix to this report, and to suggest any additional topics to be considered for inclusion on agendas of future meetings.
- 3.2 The schedule of commissioning activity that falls within the remit of this Cabinet Committee will be included in the Work Programme and is considered at

agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.

- 3.3 When selecting future items, the Cabinet Committee should consider 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 Chair or the Democratic Services Officer between meetings for consideration.

5. Recommendation: The Policy and Resources Cabinet Committee is asked to consider and note its planned work programme for 2022

6. Background Documents

None.

7. Contact details

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POLICY AND RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2022

4 May 2022 - 10 am		
<ul style="list-style-type: none"> • Update on Asset Management Plan 	Karen Frearson Mark Cheverton	<i>Deferral from March to May requested on 26 Jan</i>
<ul style="list-style-type: none"> • Disposal of Phase II Youth Centre Site, Station Road, New Romney – decision 	Karen Frearson Alister Fawley	Moved from Jan to March at 24 Nov agenda setting <i>Deferral from March to May requested on 26 Jan</i>
<ul style="list-style-type: none"> • Strategic and Corporate Service Directorate Performance Dashboard 	Rachel Kennard	Every other meeting
<ul style="list-style-type: none"> • Covid Finance update 	Zena Cooke Dave Shipton	Standing item to every other meeting
<ul style="list-style-type: none"> • Contract Management Review Group update (Exempt) 	Clare Maynard	Bi-annual – standing item Moved from March
<ul style="list-style-type: none"> • Interim Corporate Strategy following County Council in Dec 2021, this will come to P&R as a regular 6 monthly item 	David Whittle	approach discussed at 24 Nov agenda setting
<ul style="list-style-type: none"> • Work Programme 2022 		
13 July 2022 - 10 am		
<ul style="list-style-type: none"> • HoldCo Transformation Strategy update – broader update than given in March 	Vincent Godfrey Jenny Dixon-Sherreard David Whittle	
<ul style="list-style-type: none"> • Work Programme 2022 		

PATTERN OF REGULAR ITEMS (this is the pattern in a ‘normal’ year – 2021/22 is different due to covid-19)

JANUARY	Annual	Draft Revenue and Capital Budget and Medium-Term Financial Plan	Zena Cooke Dave Shipton
	Annual	Implementation of the Armed Forces Covenant in Kent	Tim Woolmer
	Six-monthly	Total Facilities Management	Rebecca Spore
	Every other meeting	Covid Finance (as long as is needed) and then regular Medium Term Financial Plan (MTFP) update	Zena Cooke Dave Shipton
	Every other meeting	Strategic and Corporate Service Directorate Performance Dashboard	David Whittle Rachel Kennard
MARCH	Annual	Risk Management (Including RAG ratings)	David Whittle Mark Scrivener
	Annual	Cyber Security	Lisa Gannon
MAY	Every other meeting	Covid Finance (as long as is needed) and then regular MTFP update	Zena Cooke Dave Shipton
	Every other meeting	Strategic and Corporate Service Directorate Performance Dashboard	David Whittle Rachel Kennard
	Six-monthly	Contract Management Review Group update – frequency TBC after December 2021 County Council	Clare Maynard
JULY			
SEPTEMBER	Annual	Annual Equality and Diversity Report (in 2022 moved to January)	David Whittle
	Six-monthly	Contract Management Review Group update	Clare Maynard Michael Bridger

	Six-monthly	Total Facilities Management	Rebecca Spore
	Every other meeting	Covid Finance (as long as is needed) and then regular MTFP update	Zena Cooke Dave Shipton
	Every other meeting	Strategic and Corporate Service Directorate Performance Dashboard	David Whittle Rachel Kennard
NOVEMBER/ DECEMBER			

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee - 24 March 2022

Decision No: 21/00068

Subject: Implementing a new Facilities Management Model

Classification: Unrestricted with Exempt Appendix B – not for publication. Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers.

Past Pathway of Paper:

Policy and Resources Cabinet Committee, 20 March 2020
Policy and Resources Cabinet Committee, 29 July 2020
Policy and Resources Cabinet Committee, 14 January 2021
Policy and Resources Cabinet Committee, 9 November 2021

Future Pathway of Paper: None

Electoral Division: All

Summary:

This paper seeks to update the **Policy and Resources Cabinet Committee** on the progress regarding the Facilities Management Re-Procurement.

Recommendations:

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree to:

- 1) the adoption and implementation of a new Facilities Management Model, with one Hard FM services contract and series of Soft Services Contracts as set out within the exempt report.
- 2) to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise, agree, award and enter into contracts following the procurement process to deliver the new Facilities Management (FM) Model.

1. Background

- 1.1. The Council currently commissions Total Facilities Management (TFM) services with two providers, Amey and Skanska, for the Kent County Council (KCC) corporate landlord estate, and some statutory compliance for schools, which are the responsibility of KCC. The Council also makes available, waste

services, cleaning and catering services to schools through separate contracts, which are not part of the TFM service.

- 1.2. The current Total Facilities Management (TFM) contracts with Skanska (West and East Kent) and Amey (Mid Kent) expire on the 31 October 2022. The contracts have been in place since October 2014 and an extension was agreed in December 2020 to support service continuity and to allow the market to re-establish itself following the COVID-19 pandemic and allow time for the re-procurement of the Facilities Management (FM) contract to progress. This extension provides an additional one year from the initial term of seven years (five years with a two-year extension) to give a total term of eight years.
- 1.3. The FM Services under the new contracts need to commence on the 1 November 2022, with a mobilisation period, dependent on the complexity of the service, commencing between May and August 2022.
- 1.4. A progress update on the hard services procurement was provided to the Policy and Resources Cabinet Committee on 14 January 2021. This confirmed market engagement, continued development of the tender documentation and preparation of the supplier qualification (SQ) documents, for shortlisting suppliers for the tender stage. A further update was provided to the Policy and Resources Cabinet Committee on 9 November 2021. This confirmed that the SQ had been completed and bidders shortlisted for Hard FM and that the tender process was progressing and included an update on the soft FM procurement programme and contract management.

2. Options

- 2.1. A range of options were previously presented to the Policy and Resources Cabinet Committee who endorsed the procurement to establish a new FM model to appoint a Hard Facilities Services Provider and a series of Soft Services Facilities Management providers.
- 2.2. The new facilities management model will include the following contracts:
 - Hard Services - one countywide provider for maintenance and helpdesk services for schools and corporate estate (all property across the Council is held as part of the Corporate Landlord).
 - Security - one countywide provider for manned guarding, key holdings, patrols and vacant sites.
 - Cleaning and Feminine Hygiene - one countywide provider for schools and one for the corporate estate.
 - Waste - one countywide provider for corporate estate and schools.
 - Soft Landscaping and Pest Control - one countywide provider for Corporate Landlord.

3. Update on Hard Services

3.1 Procurement - The Tender Process

- 3.1.2 The tender documentation was issued to three bidders in accordance with the programme, on the 9 July 2021. There were several bidder clarification meetings and questions which were responded to. Tenders were returned on the 24 September 2021, for evaluation of both quality and price. The quality questions required suppliers to demonstrate how they will deliver against the requirements set out in the specification and contract. The quality questions were weighted and scored in accordance with the pre-determined scoring system. Once the scores were moderated and agreed the price was divided by the suppliers overall quality score, providing a “price per quality point” (PPQP), which ensures that quality is a strong contribution to the evaluation model. The lower the PPQP the better value for money.
- 3.1.3 The suppliers with compliant bids were ranked in order of PPQP and the supplier with the lowest PPQP would be recommended to be awarded the contract.
- 3.1.4 A detailed evaluation process took place which considered quality, commercial and price criteria. The detail of the tender evaluation process and bidders is set out in in the exempt Appendix B.
- 3.1.5 All three shortlisted bidders were all capable of delivering the contractual requirements. Self-delivery was encouraged, and the bidders confirmed that no sub-contractor will be larger than 20% of their turnover. There were specific requirements within the contract regarding social value, carbon net zero and other environmental considerations and all bidders met the requirements of the contract.
- 3.1.6 A further deselection of bidders following the SQ submissions took place with final bids required to be submitted on the 4 March 2022. Following a further evaluation, it is proposed that the Council will award the Contract.

3.2 Key features of the Contract

3.2.1 Performance Model

The performance indicator model for hard services has been developed alongside a reduction in the number of performance indicators, to focus on key areas. This includes a ratchet and earn back ability to further incentivise the supplier. Further details on the performance model and the Performance Indicators are included at Appendix C.

3.2.2 Social Value

Social value was included as part of the quality submission and was evaluated by members of the Commissioning Standards Team.

3.3 Next steps

- 3.3.1 Following the receipt of final proposals and consideration of these in accordance with the procurement process, a successful bidder will be appointed. Ten days will need to lapse for standstill and following this the preferred bidder will then enter into contract and the mobilisation period will commence.
- 3.3.2 The below table sets out a high-level indicative timeline, with key dates as part of the proposed contract award for Hard FM services.

Activity	Date
Policy and Resources Cabinet Committee	24 th March 2022
Key Decision	7 th April 2022
Issue Intent Award letters	11 th April 2022
Notification of Award issued	22 nd April 2022
Contract signature	14 th May 2022
Contract Award notice published	30 th May 2022
Mobilisation Period (5.5 months)	17 th May - 31 st October 2022
Contract commencement	1 st November 2022

4. Update on soft services

4.1. Progress Overview

- 4.1.1. There are several different soft service procurement workstreams, the main ones being:
- Cleaning
 - Security
 - Waste
 - Soft Landscaping and Pest Control
- 4.1.2. Other services such as reception, mail and portage will be delivered by the KCC team or in a different way, such as using technology solutions.
- 4.1.3. The contracts will be different for each service-line but will be aligned to the Hard FM contract and include an interface agreement to ensure that the services are coordinated, and suppliers collaborate.
- 4.1.4. Each of the contracts will require social value, environmental targets, reporting and Key Performance Indicators (KPI's), using a similar model to the Hard FM contract. The Hard FM helpdesk will triage all calls and will be used for reporting soft service calls, to enable stakeholders to have one point of contact for FM issues.
- 4.1.5. The contracts are being supported by external technical and legal advisors who will ensure that each of the soft FM contracts are aligned to the hard FM contract.

4.1.6. The soft FM contracts for waste and cleaning are using the Kent Commercial Services framework terms and conditions with amendments, which include more robust performance and contract management. The security contract will be based on the Crown Commercial Services (CCS) framework contract with some bespoke amendments.

4.2 Waste – Schools and Corporate

4.2.1 This is being procured under Kent Commercial Services (KCS) General Waste and Recycling framework There are three suppliers on this framework who have all been invited to tender. These are:

- **Biffa PLC**
- **Countrystyle Recycling Limited**
- **SUEZ Recycling & Recovery UK Ltd**

4.2.2 All the above tenderers have the capacity to deliver the required services across the whole estate by incorporation into their wider collection rounds, which optimises service efficiencies. These services are being tendered as a single service with a phased mobilisation of:

- Phase 1 (Schools), commencing on the 1 August 2022; and
- Phase 2 (Corporate Landlord), commencing in November 2022.

4.2.3 The high-level waste programme is shown in the table below:

Activity	Date
Tender return	14 th March 2022
Evaluation and moderation period	15 th March-1 st April 2022
Approval to award by	8 th April 2022
Award contract	20 th April 2022
Mobilisation - Phase 1 (Schools)	1 st June–31 st July 2022
Contract start (Schools)	1 st August 2022
Mobilisation - Phase 2 (Corporate)	1 st August–31 st October 2022
Service commencement (Corporate)	1 st November 2022

4.3. Cleaning – Corporate

4.3.1 This contract is for corporate landlord only and will be tendered using the KCS Cleaning Services Framework.

4.3.2 There are currently 6 suppliers on this Framework, including Seeclear Facilities Southeast Limited, and Churchill Contract Services Limited who currently provide services to KCC for either schools or corporate landlord sites. The remaining suppliers on the framework who are not currently providing services include Just Ask Estate Services, Chequers Contract Services, EcoCleen Services Limited and Grade One Commercial Cleaning Services Ltd.

- 4.3.3 The procurement including development of tender documentation is currently on programme to achieve the start date of 1 August 2022 for schools and 1 November 2022 for corporate landlord.
- 4.3.4 This contract will be based on the KCS standard Call Off Conditions with KCC amendments to ensure it meets the requirements and integrates with the Hard FM contract terms.
- 4.3.5 The high-level cleaning programme is shown in the table below:

Activity	Date
Invitation to Tender (ITT) Publication	7 th March 2022
ITT Return	2 nd May 2022
Contract award by	4 th July 2022
Mobilisation	4 th July 2022-31 st October 2022
Service Commencement	1st November 2022

4.4. Security – Corporate

- 4.4.1 Security provision is for the corporate landlord estate only and will be procured using the CCS Workplace Services Framework. The security requirements include manned guarding, key holdings, locking and unlocking and security at vacant sites.
- 4.4.2 There are 10 suppliers on the CCS framework security lot including:- Atalian Servest Security Limited, Carlisle Security Services Limited, CIS Security Limited, Corps of Commissionaires Mgt. Ltd, I.C.T.S (UK) Limited, ISS Facilities Limited, Kingdom Services Group Ltd., Mitie Ltd., and Profile Securities Limited.
- 4.4.3 The commercial strategy has been approved and the tender is due to be issued on the 21 March 2022.
- 4.4.4 Development of the terms and conditions and supporting documentation has commenced and is on track to meet our target date for completion.
- 4.4.5 The Terms and Conditions to support this contract will be based on CCS own call off terms. These have been reviewed and cover the requirements of the service with some amendments where required, to ensure consistency across all the FM services.
- 4.4.6 The high-level security programme is shown in the table below:

Activity	Date
ITT Publication	21 st March 2022
ITT Return	9 th May 2022
Contract award by	30 th August 2022
Mobilisation	30 th August 2022-31 st October 2022
Service Commencement	1st November 2022

4.5 Landscape and Pest Control Services

- 4.5.1 This contract will be direct award to Landscape Services Ltd under the public tender regulations and the 'Teckal' ruling.
- 4.5.2 The Commercial Strategy has been approved and the contract documentation will be developed in collaboration with the Landscape Services team. These will be modelled on what has been used for the Waste and Cleaning contracts to ensure quality and robust contract management regimes including KPIs.
- 4.5.3 The high-level landscape and pest control programme is shown in the table below:

Activity	Date
Invitation to Quote (ITQ) Dispatch	2 nd May 2022
ITQ Return	2 nd June 2022
Contract award by	18 th August 2022
Mobilisation Phase	18 th August-31 st October
Service Commencement	1st November 2022

5. Contract Management

- 5.1. In parallel with the procurement workstream a review of the structure of the Facilities Management Team continues, with a view to aligning the team with the new contract structure and to ensure skills within the services meet the needs of the contracts in place. There may be a requirement to move costs from the TFM Contract to the KCC staffing budget, to keep the expenditure in-line with current service provision.
- 5.2 The services provided directly through the Facilities Management team will increase due to the nature of the service delivery required, for example, due to new model of hybrid working arrangements within the offices. These services may include but are not limited to: -
- Post room and courier services
 - Porterage
 - Reception / front of house
- 5.3 This particular in-house management and service provision will allow the FM Team to drive the standards, having a hands-on approach.
- 5.4 The FM service does not currently include the provision of a traditional catering solution, and this will be procured separately.
- 5.5 Robust contract management will be required to hold providers to account in conjunction with clear performance indicators that form part of each contract tendered.
- 5.6 The emphasis of these contracts is to provide a contractual service that meets the needs of KCC services whilst supporting KCC's strategic approach and future vision. Contractors will work in partnership with KCC and have

opportunities for “Gain Share” activities within the estate supporting KCC commitments such as its carbon net zero targets.

- 5.7 A clear interface agreement will be established to ensure that the Hard and Soft FM providers collaborate to ensure a smooth transfer of information and service delivery. This is vital to the operation of the single help desk function.
- 5.8 A single help desk will be operated via the Hard FM provider to ensure that the KCC stakeholders have a single point of contact. Calls will be “passed through” / triaged to the soft FM providers via the help desk within specified time frames measured by the performance and reporting models. This will also allow the FM Team to monitor service provision through a single point, ensuring standards are maintained across the estate.

6. Finance

- 6.1 The current budget includes a provision of £17.4 million for the delivery of Corporate Landlord Total Facilities Management services and Schools statutory testing services, which are included under the scope of the current TFM contracts. 58% of the cost is currently apportioned to services which will be reprocurd under the new Hard FM contract. The exempt appendix sets out further the financial considerations.
- 6.2 It should be noted that the new model is based on a minimum specification with some cleaning enhancements over and above those that are provided for in the current contract. There is therefore limited scope to reduce the specification. It is expected that the costs of the contracts will change as the nature of the estate changes over time. Both volume and service change mechanisms are built into the contract management schedules for these contracts to ensure that our future partners can respond to the needs of the Council.

7. Equalities and Data Protection Implications

- 7.1 An Equalities Impact Assessment has been carried out and no adverse impact has been identified.
- 7.2 A Data Protection Impact Assessment was completed in March 2020 and has been updated. Appropriate steps have been taken to ensure that personal data is handled correctly.

8. Governance

- 8.1 External legal and technical advice has been provided to ensure that the contract is robust and protects KCCs position. The external legal team advice has also included procurement regulations and GDPR.

8.2 Regular updates have also been provided to Finance and the Office of the General Counsel at Property Procurement Board meetings.

9 Conclusion

9.1 The procurement process for the establishment of the new FM model, as endorsed by the Policy and Resources Cabinet Committee is making good progress. The Hard FM contracts are now nearing conclusion with the Soft FM contract procurement process commencing. The internal management arrangements are being developed alongside the procurement activity, which will be essential as part of any new model.

10. Recommendations

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree to:

1) the adoption and implementation of a new Facilities Management Model, with one Hard FM services contract and series of Soft Services Contracts as set out within the exempt report.

2) to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise, agree, award and enter into contracts following the procurement process to deliver the new Facilities Management (FM) Model.

11. Background Documents

- Policy and Resources Cabinet Committee, 20 March 2020
- Policy and Resources Cabinet Committee, 29 July 2020
- Policy and Resources Cabinet Committee, 14 January 2021
- Policy and Resources Cabinet Committee, 9 November 2021

12. Appendices

- Appendix A - Proposed Record of Decision
- EXEMPT Appendix B – Tender Evaluation and Bidders Report
- Appendix C – Key Performance Indicators

13. Contact details

Report Author: Karen Ripley FM Programme Manager Telephone: 03000 413457 E-mail: karen.ripley@kent.gov.uk	Relevant Director: Rebecca Spore Director of Infrastructure Telephone: 03000 416716 E-mail: rebecca.spore@kent.gov.uk
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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

21/00068

For publication**Key decision - Yes**

The decision will result in expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000)

Subject Matter / Title of Decision:

Implementing a new Facilities Management Model

Proposed Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I agree

- 1) to adopt and implement a new Facilities Management Model, with one Hard FM services contract and series of Soft Services Contracts.
- 2) to delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise, agree, award and enter into contracts following the procurement process to deliver the new Facilities Management (FM) Model.

Reason(s) for decision:

The current Total Facilities Management (TFM) contracts with Skanska (West and East Kent) and Amey (Mid Kent) are due to expire in October 2022. KCC needs to procure these services to ensure that the Council can continue to safely occupy its buildings and this FM model and these contracts will replace the current TFM contracts.

Cabinet Committee recommendations and other consultation:

To be discussed at the Policy and Resources Cabinet Committee on 24th March 2022.

Any alternatives considered:

Other delivery options have been considered which include:

- Continuing with a TFM model split by geographic area.
- Different combinations of disaggregated contracts.
- In sourcing the provision.

These options have been explored and discussed in detail at the Policy and Resources Cabinet Committee, who endorsed the procurement of the proposed option to appoint a Hard Facilities Services provider and a series of Soft Services Facilities Management Providers.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None

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Signed

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date

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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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Item/Subject: Implementing a new Facilities Management Model

Appendix C - Key Performance Indicator (KPI) Model

The KPI model is different for each of the FM services although the model and fundamental principles are consistent across all services. Features of the hard FM contract are described in detail below and the other models will include the same basic principles.

The development of the KPIs started in late 2020, these KPIs were presented at Property Procurement Board in December 2020, a gap analysis against the current TFM KPIs was also presented. The gap analysis included lessons learned such as reducing the number of KPIs and avoiding the creation of perverse incentives.

These KPIs were presented to stakeholders from all directorates who commented and provided insight into areas that were important to them. The KPI model was further developed and presented to stakeholders again to help them with understanding how the model worked. The KPI model was also presented to all bidders at the Strategic Questionnaire stage and amendments made to reflect comments on the risk position and suggestions for improvement. At tender stage, bidders made some comments once they had undertaken a sensitivity analysis and the model was updated once again.

The KPI regime includes the following features:

- Mobilisation KPIs - inclusion of KPIs against mobilisation milestones that makes deduction if the milestones are not delivered by the date due. This is to ensure all mobilisation activities are completed as there is a deduction against each milestone that increases for each day it is late.
- Different criticality level for different KPIs low, medium, high and critical. The levels all have different gearing which translates into different deduction levels and also different caps on deductions for each level.
- Different types of KPI measurement including:
 - a. Pass or fail - this is where a KPI is either pass or fail and there are no allowances for degrees of performance e.g., accidents and incidents.
 - b. Percentage - this is where a certain percentage needs to be achieved and the supplier can have some failures and still achieve the necessary level of performance e.g., compliance.
 - c. Dynamic threshold - where the number of events is likely to vary each month e.g., provision of reports which differs each month, failure is related to the number not provided.
 - d. Fixed threshold – where the number of events is constant and the failure is the same each time e.g., number of hours of CAFM system availability.

- There is a cap on the number of deductions that can be made and this is related to the value of the contract which will change over time as the estate reduces. Even if a deduction is not made, the performance level is still calculated, as these deductions will ultimately lead to contractor default and the termination of the contract if not rectified or resolved. There are a number of steps before this extreme measure, such as a poor performance meeting and escalation through the various governance groups.
- There are four performance levels (poor, below, meets and exceeds expectations). One of the considerations was to not just use the KPIs as a penalty but there should be an incentive to over perform. This is managed by the ability of supplier to offset the deductions by different percentages if they exceed expectations.
- The KPIs themselves detail what the purpose is of the KPI and how the KPI measure is calculated to ensure that there is no ambiguity, and this is clearly understood.

The KPIs themselves are included in the KPI model and these have been extracted and included below. The intent is that the KPIs form the 4 quadrants of a balanced scorecard and include some KPIs for KCC although these do not have a deduction associated with them.

PI Name	PI Description	Purpose of PI
Compliance - Tier 1	The Contractor shall be compliant with all relevant Legislation, Statutory Regulations, and Approved Codes of Practice as they relate to the management and delivery of the Services in the Performance Month, except where these are measured by another PI, save for where Policy requirements are in line with Compliance - Tier 1 requirements.	To ensure that the potential negative impact of non-compliance (be it reputational, environmental, health & wellbeing, commercial or other) does not materialise.
Compliance - Tier 2	The Contractor shall be compliant with all relevant Policy and Agreed Procedures as they relate to the management and delivery of the Services in the Performance Month, except where these are measured by another PI.	To ensure that the potential negative impact of non-compliance (be it reputational, environmental, health & wellbeing, commercial or other) does not materialise.
Statutory Tests & Inspections	The Contractor shall ensure that all required Planned Activities for Statutory Tests and Inspections within the Performance Month are undertaken in accordance with the relevant tolerance in Schedule 1 - Specification.	To ensure that the Authority is compliant with statutory requirements.
Accidents & Incidents	The Contractor shall manage and report on all accidents, incidents and near misses affecting any Contractor Staff or Service Users on Sites and Buildings as they relate to the management and delivery of the Services and occur in the Performance Month, in accordance with the following hierarchy of requirements: a) Legislation; b) Authority Policy; c) Specification; d) Agreed Procedures; and e) Contractor's Plans.	To ensure that the Authority is compliant with applicable Legislation and Policy requirements, and to allow the Contractor to identify risks and trends in order to take action to minimise future accidents & incidents.
Quality Audits	The Contractor shall undertake all audits due within the Performance Month as detailed within the Quality Management Plan ensuring the results of all audits are incorporated within the Service Delivery Report and where required the Performance Model.	To ensure that the quality of the management and delivery of the Services is being pro-actively managed by the Contractor in order to identify specific issues and trends to continuously improve the quality of the Services.
Contractor Staff	The Contractor shall ensure all Contractor Staff meet the minimum requirements of the Contract at all times within the Performance Month.	To ensure that all Services are delivered by appropriately qualified, competent and security cleared Contractor Staff to ensure the safety of Service Users and Sites and Buildings and high quality workmanship.
CAFM System Availability	The CAFM System shall be available for read only access by the Estates & FM Team or other nominated Authority License Holders, covering all functionality required in Schedule 1 – Specification, 24 hours a day for each day during the Performance Period, excluding pre-agreed periods of down time for upgrades etc.	To ensure the Authority is able to monitor the performance of the Services and interrogate data in order to inform decisions pertaining to the effective and efficient operation of the Sites and Buildings.
Reports, Plans & Schedules	The Contractor shall prepare and issue all reports, plans and schedules to the Authority on the due date for each, in accordance with the Contract requirements or as otherwise agreed with the Authority in Agreed Procedures.	To ensure the Authority receives information relating to the planning, management, delivery and monitoring of the Services and other management information relating to the Sites and Buildings in a timely manner.

PI Name	PI Description	Purpose of PI
Helpdesk – Phone Calls	The Contractor shall ensure that all phone calls received at the Helpdesk within the Performance Month are answered in person (no answerphone) within 60 seconds and in accordance with Schedule 1 – Specification.	To ensure that Service Users requirements are managed within the contractual timeframes and to ensure excellent Service User communications.
Helpdesk – Service Request Acknowledgments	The Contractor shall ensure that all Service Request Acknowledgments required within the Performance Month are issued within 15 minutes of the end of each phone call or receipt (in the Contractors systems) of a Service Request by any other method for all Service Requests in accordance with Schedule 1 – Specification.	To ensure that request for services from Third Party Suppliers are managed within the contractual timeframes and to ensure excellent Service User communications.
Helpdesk – Third Party Suppliers	The Contractor shall ensure that all Service Request notifications are issued to Third Party Suppliers within 5 minutes of the end of the phone call with Services Users or from receipt (in the Contractors systems) of a Service Request by any other method, for all Third Party Service Requests received within the Performance Month in accordance with Schedule 1 – Specification.	To ensure that Service User requests for services from Third Party Suppliers are managed within the contractual timeframes.
Helpdesk – Ongoing Service User Comms	The Contractor shall ensure that all key stage communications (as set out in Schedule 1 – Specification) required within the Performance Month are issued within 15 minutes of the change of status of the Service Request.	To ensure excellent Service User communications throughout the life cycle of a Service Request.
Helpdesk – Priority Levels	All Service Requests and Faults processed within the Performance Month to be assigned an appropriate Priority Level in accordance with the individual circumstances and indicative guidance provided in Schedule 1 - Specification and priority levels in each of the Third Party Supplier contracts for Third Party Service Requests.	To ensure that reactive Service Requests, Third Party Service Requests and Faults are Attended and Permanently Rectified in an appropriate timeframe, accounting for the impact of the Service Request, Third Party Service Request or Fault on the Authority’s Staff, Sites and Buildings or business activities.
Reactive Maintenance First Time Fix	The Contractor shall achieve a minimum of 80% First Time Fix rate for all Faults reported to the Helpdesk in the Performance Month.	To ensure that Faults are Permanently Rectified in as short a timeframe as a possible thereby minimising any damage to the Authority’s Assets and any disruption to the Authority’s use of the Sites and Buildings. This also measures the effectiveness of the Helpdesk in understanding the nature of each Service Request, the allocation of appropriately skilled resources, and an effective spares strategy.
Reactive - Priority A - Attendance	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are Attended in accordance with the Priority Level A Reactive Service Levels.	To provide the Authority with rapid response to Faults and Service Requests which are categorised as a Priority A in order to minimise any adverse impact on the Service Users, Authority Sites and Buildings or business interests.
Reactive - Priority A - Rectification	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are Permanently Rectified or are subject to Interim Rectification in accordance with the Priority Level A Reactive Service Levels.	To provide the Authority with rapid resolution to Faults and Service Requests which are categorised as a Priority A in order to minimise any adverse impact on the Service Users, Authority Sites and Buildings or business interests.

PI Name	PI Description	Purpose of PI
Reactive - Priority B - Attendance	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are Attended in accordance with the Priority Level B Reactive Service Levels.	To provide the Authority with quick response to Faults and Service Requests which are categorised as a Priority B in order to minimise any adverse impact on the Service Users, Authority Sites and Buildings or business interests.
Reactive - Priority B - Rectification	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are Permanently Rectified or are subject to Interim Rectification in accordance with the Priority Level B Reactive Service Levels.	To provide the Authority with quick resolution to Faults and Service Requests which are categorised as a Priority B in order to minimise any adverse impact on the Service Users, Authority Sites and Buildings or business interests.
Reactive Maintenance - Priority C	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are actioned in accordance with the Priority Level C Reactive Service Level.	To provide the Authority with appropriate resolution to Faults and Service Requests which are categorised as Priority C.
Reactive Maintenance - Priority D	The Contractor shall ensure that all Faults and Service Requests reported to the Helpdesk and/or logged on the CAFM System, in the Performance Month are actioned in accordance with the Priority Level D Reactive Service Level.	To provide the Authority with appropriate resolution to Faults and Service Requests which are categorised as Priority D.
Lift Entrapments	The Contractor shall ensure that all lift entrapment Service Requests reported to the Helpdesk and/or logged on the CAFM System in the Performance Month, are actioned in accordance with the lift entrapment Reactive Service Level.	To provide the Authority with rapid response and resolution to all lift entrapment Service Requests in order to minimise any adverse impact on the Service Users, Authority Sites and Buildings or business interests.
Quotations	The Contractor shall submit all Quotations to the Authority within the CAFM System within 8 Business Days of the Service Request for a Quotation.	To provide the Authority with a timely response to requests for Quotations.
Routine Maintenance - Critical Systems	The Contractor shall ensure that Routine Maintenance for Critical Systems, on the Routine Maintenance Schedule within the Performance Month are carried out within the relevant tolerances set out in Schedule 1 – Specification.	To ensure that the Planned Activities required to ensure the uninterrupted functioning of the Authority’s Critical Systems are carried out within appropriate timescales.
Routine Maintenance	The Contractor shall ensure that Routine Maintenance for all systems and Assets except Critical Systems on the Routine Maintenance Schedule within the Performance Month are carried out within the relevant tolerances set out in Schedule 1 – Specification.	To ensure that the Planned Activities within the Routine Maintenance Schedule for the Authority’s systems and Assets are carried out within appropriate timescales.
Service User Satisfaction Surveys	The Contractor shall achieve a minimum of 80% of respondents scoring 7 out of 10 or above, as measured in line with the requirements of Schedule 1 – Specification.	To measure and monitor the perception of Service Users to inform continuous improvement initiatives to ensure the Services meet the minimum objectives for Service User satisfaction.
Senior Stakeholder Satisfaction Surveys	The Contractor shall achieve a minimum of 80% of questions on the Senior Stakeholder Satisfaction Survey scoring 7 out of 10 or above, as measured in line with the requirements of Schedule 1 – Specification.	To measure and monitor the perception of Senior Stakeholder to inform continuous improvement initiatives to ensure the Services meet the minimum objectives for Senior Stakeholder satisfaction.

PI Name	PI Description	Purpose of PI
Formal Complaints	The Contractor shall investigate and respond in writing to all Formal Complaints received in the Performance Month within 5 Business Days of written notification to the Contractor.	To ensure a timely and appropriate response to all Formal Complaints.
Contractor Invoicing	The Contractor shall ensure that all Contractor invoices are issued on time and accurately in accordance with Clause 32 and Schedule 5 - Commercial.	To minimise any administrative burden for both Parties where the correct invoicing procedures are not followed and to maintain healthy cash flow for the Contractor.
Authority Payment	The Authority shall ensure that all legitimate and compliant Contractor invoices are paid in accordance with Clause 32.	To encourage timely payment of Contractor invoices and to give visibility of this to senior stakeholders, averting cash flow issues and relationship breakdowns, each of which could result in poor performance.
Sub-Contractor Payment	The Contractor shall pay all valid Subcontractor invoices in accordance with clause 32 of the Contract ensuring payment does not exceed 30 days.	To encourage timely payment of Subcontractor invoices averting cash flow issues for Subcontractors and relationship breakdowns, each of which could result in poor performance.
Contractor Profit	For discussion with bidders	The Authority recognises the Contractor's objective to achieve a certain level of profit as a minimum, and that financial performance in line or better than that modelled during the tender stage indicates a financially successful contract. This PI provides both Parties with visibility of the financial performance and viability of the Contract for the Contractor, in order to understand the context of any potential performance issues.
Gain Share - Combined Benefit	The Parties shall aim to achieve a minimum of 80% of the agreed annual Gain-Share target for each Contract Year	To foster a collaborative approach to innovation and continuous improvement in regard to how the Services are managed and delivered and to share the benefits of such endeavours.
360 Degree Contact Management Survey	The Parties shall achieve a minimum of 80% of responses to all questions within the annual 360 Degree Contract Management Survey being given a score of 7 or above.	To obtain a 360 degree view of the success of the working relationship and the degree to which the Authority and Contractor values are demonstrated, as perceived by members of the contract management team for both Parties.

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Rebecca Spore – Director of Infrastructure

To: Policy and Resources Cabinet Committee – 24 March 2022

Subject: Construction Partnership Framework Commission

Classification: Unrestricted with exception of Appendix B which is not for publication. By virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act

Previous Pathway of Paper: Policy and Resources Cabinet Committee, 14 January 2021 and 13 July 2021.

Future Pathway of Paper: For Cabinet Member decision

Electoral Division: Countywide

Summary:

The Council's Principal Contractors Framework for construction projects expired in October 2021. Further to the reports presented on 14 January and 13 July 2021 to the Policy and Resources Cabinet Committee, the procurement process has commenced. This report updates members of the Cabinet Committee on the progress on the procurement process and the proposed decision to establish the Construction Partnership Framework. The paper sets out the procurement process and the timetable to award four contractors to the Framework.

Recommendation:

The Policy and Resources Cabinet Committee is asked to **consider and endorse or make recommendations** to the **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services** on the proposed decision to establish the Kent Construction Partnership Framework to replace the Kent Contractors framework and to authorise the Director of Infrastructure to enter into the necessary legal documents to establish the framework.

1. Introduction

- 1.1 On 14 January 2021 and 13 July 2021, reports presented at the Policy and Resources Cabinet Committee set out the expiry of the current framework to deliver capital projects across the Council and the need to establish a replacement framework to deliver new construction schemes. Options were considered and a new delivery model was endorsed to allow future schemes to be procured expediently and efficiently in line with modern best practice. The Committee supported the further exploration and market engagement to scope further the Construction Partnership approach.
- 1.2 The proposed construction partnership is an approach whereby, a framework is established with a small number of contractors to deliver the pipeline of work based

predominately based on a rotation approach rather than individual mini competitions, although mini competitions can be used if required. The new approach will lead to significant change in the way that the Council delivers its construction projects.

- 1.3 Overheads, profit margin and key rates are agreed prior to the implementation of the framework. This will reduce resource duplication across all parties and streamline the route to market compared to the current position. There will be an opportunity to work directly with the reduced supply chain in a partnership approach to support the delivery of the Council's outcomes.
- 1.4 There is no workload guarantee in the framework agreement. All schemes awarded to contractors will incorporate their own contract and projects will need to be taken through the appropriate governance process as they are now, where appropriate.

2. Construction Partnership Framework Delivery Model

- 2.1 Following consideration at the Policy and Resources Cabinet Committee, a procurement was commenced for a Construction Partnership Framework.
- 2.2 Given the projected pipeline, up to four contractors will be appointed to the new partnership framework with work initially be awarded on rotation. As the framework develops, the Council will work in a collaborative approach with the contractors and identify who is best placed to deliver individual schemes, based on, but not limited to the following categories:
 - Key Performance Indicator (KPI) scores
 - Size, complexity and value of the scheme
 - Scheme location
 - Contractor capacity.
- 2.3 Should a contractor propose a scheme cost that is not within the 'market' rate, the Council reserves the right not to award the contract and can open dialogue with the next contractor.
- 2.4 Whilst the primary method of work allocation will be based on rotation, a mini-competition process can be run, should it be required. This could be utilised on complex and high value schemes where all those contractors that reside on the framework would be invited to bid.
- 2.5 Overheads, profit margin and key rates are agreed prior to the implementation of the framework. This will reduce resource duplication across all parties and streamline the route to market compared to the current position. There will be an opportunity to work directly with the reduced supply chain in a partnership approach.
- 2.6 The value of schemes procured through the framework will not be limited in value but will be for schemes over £1m.
- 2.7 The framework will be in place for a minimum of four years, with scope for a potential two-year extension. Due to current procurement procedures not allowing new contractors to be appointed during the framework period, procuring four

contractors increases the contingency should any of the organisations enter liquidation during its duration.

3. Alternatives Considered

3.1 As presented at the 14 January 2021 Policy and Resources Committee, three alternative models were considered:

- **Option 1 – Extend the framework**
Discounted as maximum extensions already taken.
- **Option 2 – Re-procure framework on a like-for-like basis**
Discounted as pipeline cannot sustain number of contractors going forward and does not address key operational and commercial issues with respect to current framework.
- **Option 3 – Use alternative frameworks**
Discounted as unlikely to access Kent based contractors and the Council pays a margin for the use of other frameworks.

3.2 Option 4 (Construction Partnership) was agreed as the appropriate way forward to deliver the future pipeline of work.

4. Procurement Progress and Timetable

4.1 The Contract Notice went live in September 2021 to the open market on the Find a Tender portal.

4.2 The Selection Questionnaire (SQ) closed on the 20 October 2021. 225 organisations submitted an expression of interest. Of the 225 organisations, 39 submitted the SQ. All detailed SQ's were evaluated between October and December 2021.

4.3 The organisations that passed the mandatory requirements of the SQ were Invited to Tender (ITT). Following a rigorous evaluation process, 13 organisations passed the selection criteria and qualified to be invited to tender. Full details of the SQ report are included within the exempt Appendix B.

4.4 The ITT was published on the 28 February 2022 with a deadline of four weeks. Tenderers will be assessed on the following quality criteria:

- Framework Management
- Collaborative Working
- Pre-Construction Services
- Construction Phase
- Social Value
- Environmental Responsibility.

4.5 The price assessment will include construction preliminaries that will apply to all future schemes (subject to annual inflation) which include direct fee (overheads and profit), labour and equipment resources. The framework pricing structure of schemes will be open book, which will allow the Council's Commercial Team to

review the building scheme costs and evaluate whether they are in accordance with market conditions.

4.6 Following an evaluation of the ITT submissions, the four most economical advantageous tenderers will be appointed to the framework. This will be based on both cost and quality as detailed in 4.4 and 4.5. There is scope for a negotiation phase to finalise tender submissions before an award is made.

4.7 The Framework is expected to commence from May/June 2022.

5. Financial Implications

5.1 There is no workload guarantee in the framework agreement. All schemes awarded to contractors will incorporate their own contract (NEC 4 suite) and such projects will need to be taken through the appropriate governance routes.

5.2 At the outset of the framework, schemes will be awarded on a rotational basis. Should any proposal not be within a suitable tolerance of market prices, the Council can move to the next contractor. This will encourage price competitiveness and ensure the Council is aware of current market forces. An example of this is the current material shortage (timber, steel, cement, etc.) affecting the UK market and further afield. Should Kent Country Council (KCC) not consider that the new framework to represent Value for Money, it is able to utilise alternative procurement options.

6. Legal implications

6.1 The award of any contracts will be in full compliance with all relevant procurement and governance regulations. Legal advice in consultation with the Office of General Counsel has been commissioned to review the framework procedures and the terms and conditions that will govern future schemes.

7. Equalities and Data Protection Implications

7.1 An Equalities Impact Assessment has been carried out and no implications have been identified at this early stage.

7.2 The initial screening identified that a Data Projection Impact Assessment will not be necessary as no personal data is collected for this commission.

8. Policy Framework

8.1 Individual projects will be required to enter a separate governance process.

8.2 In accordance with the Council's Environmental Policy with the target to reach net zero emissions from its own estate by 2030, the commission of this framework will support this. This will be achieved through appointing locally based supply chain (reducing mileage) and incorporating environmentally sustainable materials by working in a collaborative partnership.

9. Recommendation(s)

Recommendation(s):

The **Policy and Resources Cabinet Committee** is asked to **consider and endorse or make recommendations** to the **Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services** on the proposed decision to establish the Kent Construction Partnership Framework to replace the Kent Contractors framework and to authorise the Director of Infrastructure to enter into the necessary legal documents to establish the framework.

10. Background Documents

- 14 January 2021
Policy and Resources Cabinet Committee – ‘Construction Partnership Commission’ Report
- 13 July 2021
Policy and Resources Cabinet Committee – ‘Construction Partnership Framework Commission’ Report

11. Appendices

- Appendix A – Proposed Record of Decision
- EXEMPT Appendix B – Selection Questionnaire Report (which is not for publication. By virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act)

12. Contact details

Report Author: Robert Clark Procurement and Commercial Manager Strategic Commissioning. 03000 415851 robert.clark@kent.gov.uk James Sanderson Head of Property Operations Phone number: 03000 417606 E-mail: james.sanderson2@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:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

For publication

Key decision - Yes

The decision will result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000). Individual projects procured through the framework will be subject to their own appropriate governance and funding process.

Subject Matter / Title of Decision:

Construction Partnership Framework Commission

Proposed Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I agree to establish the Kent Construction Partnership Framework to replace the Kent Contractors framework and to authorise the Director of Infrastructure to enter into the necessary legal documents to establish the framework.

Reason(s) for decision:

The Council delivers major property infrastructure development which were delivered through the Property Construction Framework which expired in October 2021. This new framework replaces this framework and allows for future schemes to be procured expediently and efficiently.

Cabinet Committee recommendations and other consultation:

To be discussed at the Policy and Resources Cabinet Committee, 24th march 2022.

Any alternatives considered:

Three other options have been considered:

Option 1 – Extend the Principal Contractor framework

Discounted as maximum extensions already taken

Option 2 – Re-procure framework on a like-for-like basis

Discounted as pipeline cannot sustain number of contractors going forward and does not address key operational and commercial issues with respect to current framework

Option 3 – Use alternative frameworks

Discounted as unlikely to access Kent based contractors and the Council pays a margin for the use of other frameworks

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None

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Signed

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date

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Lisa Gannon, Director of Technology

To: Policy and Resources Cabinet Committee

Subject: Annual Cyber Security Update

Classification: UNRESTRICTED Report
EXEMPT Appendix A/B/C/D - Not for publication – Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 refers

Past Pathway of Paper: Policy and Resources Cabinet Committee – 3 March 2021

Future Pathway of Paper: N/A

Electoral Division: Affects more than 2 Electoral Divisions

Summary: This report updates **The Policy and Resources Cabinet Committee** on the Council’s current approach to cyber security and provides an update to the report presented to this Committee on 3 March 2021.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **note** the Council’s current approach to cyber security.

1. Introduction

- 1.1 Over the past year we have continued efforts to secure new systems and processes implemented as part of major change workstreams. These included:
- The progression of Kent County Council’s “Cloud First” model of ICT infrastructure.
 - Projects to decommission legacy systems, hardware and facilities.
 - Response to remote working requirements brought on by the COVID-19 Pandemic.
 - Development of hybrid working practices.
- 1.2 Alongside these programmes, we have responded to an increasing level of malicious cyber activity by improving incident response processes, hardening existing systems and improving our network defences.
- 1.3 The exempt appendix provides further detail and statistics of these workstreams and how they have improved Kent County Council’s security posture.

2. Security Summary

- 2.1 Cyber criminals continue to take advantage of the global shift to remote working and increased reliance on technology to access public services. Security monitoring conducted by the UK Government's National Cyber Security Centre (NCSC) identified the following emerging trends in 2021:
- A strategic shift to exploiting supply chain vulnerabilities.
 - Utilising novel and sophisticated models of ransomware.
 - Continuing and increasing cyber activity towards the UK from foreign entities
 - Phishing e-mail as the most common threat vector to UK organisations.
- 2.2 Kent County Council's monitoring activity across its ICT infrastructure suggests that our cyber defences are performing well and recent work to enhance e-mail, firewall and backup resiliency has been successful, which have all been identified by the NCSC as critical attack vectors to be hardened against cyber activity.
- 2.3 Aside from technical improvements to Kent County Council's e-mail services, we are assessing and improving staff response to phishing attacks, which exploit human error to gain access to systems via fraudulent e-mail. We have launched a series of simulated phishing campaigns to assess staff responses, improve our incident reporting system and to develop training materials to ensure staff are vigilant to the most common cyber threat vector.
- 2.4 Following completion of testing, the implementation of Microsoft's Security and Compliance (SCP2) suite of applications and services is progressing which will enhance the security of Kent County Council's Cloud-based infrastructure and suitably restrict the sharing of sensitive data. In addition to SCP2's controls, we have increased authentication security and remediated critical zero-day vulnerabilities, such as Log4J.
- 2.5 The planned technology roadmap activity will incorporate further cloud-based security tools to strengthen resilience against known cyber threats. In order to ensure a secure infrastructure and mitigate current and emerging cyber threats, continued investment in developing security technology must be maintained.
- 2.6 The Strategic Technology Board and Cross Directorate Resilience Forum has approved a management plan of internal and external audit recommendations related to Kent County Council's technical resilience. Actioning of these plans will further strengthen Kent County Council's security posture and ensure compliance with the relevant external bodies.
- 2.7 The Authority continues to monitor the ongoing geo-political situation in Russia and Ukraine and is in regular dialogue with the NCSC and National WARP to ensure that The Authority is proactive in its mitigations of increased and related cyber risks. At present, The Authority is aligned with NCSC guidance including implantation of geo-blocking, a resilient backup system, two-factor authentication and anti-malware protections.

3. Recommendation(s)

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to **note** this report.

Report Author:

Dave Lindsay

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Commissioning and Strategy

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From: Peter Oakford – Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Rebecca Spore – Director of Infrastructure

To: Policy & Resources Cabinet Committee - 24th March 2022

Subject: Property Accommodation Strategy –Strategic Headquarters Update and Next Steps March 2022

Key Decision: Yes - The delivery of the strategy is likely to involve expenditure / savings in excess of £1m.

Classification: Unrestricted Report with Exempt Appendix A – not for publication. Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers)

Past Pathway of previous papers:

Policy and Resources Cabinet Committee, 6th November 2020
Policy and Resources Cabinet Committee, 13th July 2021

Electoral Division: Maidstone North East, Ian Chittenden

Summary:

This Paper updates The Policy & Resources Cabinet Committee on the further work that has been progressed following the decision 21-00064 taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on 13th August 2021 ahead of a final decision which is anticipated in Autumn 2022.

Recommendation(s):

The Policy & Resources Cabinet Committee is asked to:

- 1) Note the progress and revised design proposal for the refurbishment of both Invicta House and Sessions House blocks C and D..
- 2) Note the intention to review the procurement strategy for engaging a main contractor in respect of the proposed works at Invicta House and Sessions House Block C and D.
- 3) Note that a procurement process will commence to explore further the co-working opportunities focusing on Block B and that a marketing process will commence in respect of Blocks A/E and B to seek a development partner.

1. Introduction

- 1.1 On 13th July 2021, the Policy and Resources Committee received an update on the Office Accommodation Strategy that specifically addressed its Maidstone

office assets Invicta House and Sessions House (referred to collectively as SHQ). Following this meeting, the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services took decision 21-00064 on 13th August 2021.

1.2 This paper seeks to update the Committee on progress since the decision and the next steps.

1.3 Project Team Appointment

Alongside the Kent County Council (KCC) project team the following team has been engaged to progress the project through the various design RIBA stages and business case development.

Discipline	Team Member
Project Management and Cost Control	Faithful and Gould
Masterplan Design Lead	TPM Architects
Sessions House Blocks C & D Design Lead	TPM Architects
Invicta House Design Lead	Bond Bryan Architects
Business Case and Financial Modelling	Faithful and Gould
Real Estate Consultancy	Montagu Evans
Planning & Transport Consultant	DHA Planning
Legal Advice	BurgesSalmon
Financial Assurance	31Ten

1.4 It has been necessary to rebase the programme which has been impacted by resource being diverted to support COVID-19 related activities, the market position which is establishing itself post COVID-19 and to enable the hybrid working roll out to test assumptions in the accommodation modelling. The updated programme is set out in section 5.

2. SHQ Masterplan Update

2.1 TPM Architects have been commissioned to prepare the Masterplan. The Masterplan illustrates how the various components of the project will work together to support the place making opportunities for wider socio-economic benefits through placemaking in Maidstone. The Plan will also inform the conservation of KCC’s significant heritage asset.

2.2 The document will also be used as key marketing collateral for blocks A/E and B when promoting and seeking inward private and public sector investment.

2.3 In parallel, the same Design Team are working closely on the refurbishment designs to meet the Council’s space requirements and to ensure these are coordinated with the Masterplan.

2.4 Stage 1 has been completed and the design team are due to complete the Masterplan by April 2022. This is a dynamic report which will be updated throughout the life of the project.

**MASTERPLAN:
INDICATIVE AERIAL VIEW**



3. INVICTA HOUSE and Blocks C and D Sessions House

- 3.1 RIBA stage 1 has been completed. This stage is focused on refining the brief in response to the Council's emerging People Strategy and staff feedback following the Flexible Working rollout across our core office locations. It has become clear that the space required to meet our needs is smaller.
- 3.2 As a result, the scope of the project has significantly changed. The required staff accommodation can be met within the existing footprint of Invicta house and Member accommodation within Blocks C and D in Sessions House. Sessions House will provide the main Civic element including accommodating the Democratic function, formal meeting space and Member / Senior Management Offices.
- 3.3 The project is predominately a refurbishment/ modernisation programme which will seek to address building systems, useability and access arrangements. The project presents a major opportunity for KCC to deliver a modern workspace and deliver against its environmental and wider best value objectives.
- 3.4 The appointed Project Design Team has completed RIBA Stage 1 feasibility design for blocks C & D including consideration for the enhancement of the Courtyard space, improving access and visitor/user experience. Stage 2 design and detailed survey work are underway.
- 3.5 Options for a decant strategy are being considered. From a project perspective the most efficient programme will see the complete closure of Invicta House and

Sessions House Blocks C&D for the full duration of the works so that both buildings can be refurbished concurrently. However, this will have implications for service delivery, Member meetings and financial requirements. Stakeholders will be consulted over the coming months ahead of proposing a solution.

- 3.6 Detailed cost plans are being developed as the RIBA stages progress. The next stages are to progress the design through to RIBA stage 3. This stage will include the finalisation of the building layouts including details of any architectural interventions, demolition work, amended access arrangements, cost analysis and the decant strategy.
- 3.7 The procurement strategy will consider the advantages of engaging a main contractor in line with the Authority's standard procurement process to develop a cohesive Delivery Plan.

4. Sessions House Blocks A, B and E

- 4.1 Blocks A, B and E are not required to deliver KCC's operational requirements. Montagu Evans has provided specialist commercial advice in respect of the options for these blocks based on the current market. The table below outlines the preferred option for block A and B which are being tested further. (This is more detailed in the exempt appendix)

	BLOCK A (64,400sqft NIA assuming Block E demolished)	BLOCK B (19,000sqft NIA)
	Residential Conversion c.80 flats (PREFERRED)	Serviced / Flexible / CoWorking Office Space (PREFERRED)
Market Demand	Yes, subject to viability and clean title	Yes, from experienced operators and investors
Parking Requirements Dependency / Deliverability	c.80 spaces (1:1 ratio)	c.76 spaces minimum (1:250sqft ratio)
Enabling CapEx requirement by KCC (or other source of funding)	no revenue or future capital return following long leasehold disposal	£1.85m to £4.5m fit out cost Potential cost could be met by a third-party operator/investor. Estimated payback 7-10yrs
Ongoing Management & Financial Liability	None other than as superior landlord	Dependant upon exit route
MOJ Restrictive Covenant	High Risk – consent required	Low Risk
Planning Policy	Medium Risk – being discussed with MBC Planners.	n/a – continuation of office use
Synergy with Blocks C&D, Placemaking, Social Value, Legacy	Good – provides evening and weekend activity to area	Excellent – due to promotion of start ups, SMEs and potential introduction of Skills Academy, etc

- 4.2 No other use has been identified for Block E which is currently proposed to be demolished unless there is a proven market demand for this. The most likely use is to create space for additional parking provision to supplement block A and also provide natural light. It is envisaged that this work would be undertaken by the Council's selected developer partner as part of its wider development. Business cases are being developed with the commercial team to test the options.
- 4.3 A marketing exercise is anticipated to commence this summer, supported by relevant technical surveys and other necessary due diligence. This will be structured to enable the Council to consider proposals from the market for blocks A/E and B ranging from long leasehold disposals (with most liabilities and risk being passed on to a third party), through to an appropriately procured

coworking operator under a management contract or short/ medium term lease arrangement.).

5. Project Programme

5.1 The following table sets out the indicative project timetable:

Activity	Target Completion
Masterplan RIBA stage 1+	April 22
Marketing Exercise of Blocks A/E & B ("all enquiries")	September 22
Procurement exercise of coworking partner for Block B	September 22
Evaluation of Bids (including coworking proposals for block B)	November 22
Appoint coworking partner	February 23
Conditional Exchange (subject to planning) with developer for block A/E	April 23
Complete disposal of Block A/E	August 24
Decant Options & Strategy	April 22
Invicta and Blocks C/D Stage 2	March/April 22
Invicta and Blocks C/D Stage 3	September 22
Key Decision Invicta, Blocks C/D Contract Award, Block A Disposals and Block B procurement Award.	October/ November 22
Planning/Listed Building Consent	December 22
Invicta and Blocks C/D Stage 4	December 22
Invicta and Blocks C/D Contract Award	February 23
Decant Period	March 23 – August 24
Invicta and Blocks C/D Refurb completes	August 24

6. Key Project Risks

6.1 The following table sets out a number of key risks and any mitigation strategy which will continue to be developed as the project progresses to the next stage:

Risk	Mitigation
Restrictive Covenants within the title	Continued engagement will be required with the beneficiary of the covenant.
Planning & listed building status	Continued engagement with MBC planners and the Conservation Officers

Highways	Engagement with KCC Highways
Market Demand	Fluctuating market demand as the market re-establish themselves post COVID-19
Building Condition	The building condition is variable with complex service arrangements. Heritage issues will also play a significant part in final solutions. Unforeseen and hence unbudgeted issues for remediation may emerge.
The Construction Market	The construction industry is currently challenged with material and labour shortages which will result in cost risk uncertainty.

7. Financial Implications

- 7.1 The financial model is being updated as the project moves to the next stages of development and assumptions are tested.
- 7.2 KCC were unsuccessful in its bid to the Community Renewal Fund in 2021, however, external funding opportunities will continue to be explored as appropriate.

8. Legal implications

- 8.1 Legal advisors, Burges-Salmon LLP, have been appointed to provide advice and assurance to support the project including title matters, disposal and procurement strategies, and commercial contract implications.
- 8.2 KCC Legal and Procurement Teams have been involved and inputted into the various workstreams surrounding the project as appropriate.

9. Equalities and Data Protection implications

- 9.1 An Equalities Impact assessment (EQIA) was completed and submitted in support of previous papers. The EQIA remains unchanged currently and will be updated as the project develops.
- 9.2 A Data Protection impact assessment (DPIA) has also been completed and submitted in support of previous papers and remains unchanged at this time.

10 Conclusions

10.1 Since the last paper to this Committee in July 2021, considerable work has been undertaken to develop a detailed costed business plan and final detailed proposals. This work will continue with a key decision planned in the Autumn 2022 as set out in the indicative programme in section 5.

11. Recommendation(s):

Recommendation(s):

The Policy & Resources Cabinet Committee is asked to:

- 1) Note the progress and revised design proposal for the refurbishment of both Invicta House and Sessions House blocks C and D.
- 2) Note the intention to review the procurement strategy for engaging a main contractor in respect of the proposed works at Invicta House and Sessions House Block C and D.
- 3) Note that a procurement process will commence to explore further the co-working opportunities focusing on Block B and that a marketing process will commence in respect of Blocks A/E and B to seek a development partner.

12. Background Documents

12.1 Exempt Appendix A – Block A and B Preferred Option Summary

13. Contact details

Report Author	Relevant Director:
Karen Frearson MRICS Head of Property Strategy, Infrastructure 03000 416293 karen.frearson@kent.gov.uk	Rebecca Spore MRICS Director of Infrastructure 03000 416716 rebecca.spore@kent.gov.uk

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Trading Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee - 28th March 2022

Subject: 22/00031 - Strategic options for Langton Field, Canterbury: Land adjacent to Kent and Canterbury Hospital

Key decision: Yes - Expenditure or savings of over £1m

Classification: Unrestricted with Exempt Appendix – not for publication. Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers)

Past Pathway of report:

- Property Board (update), March 2022
- Policy and Resources Cabinet Committee, July 2021 (Decision No. 21/00060)
- Policy and Resources Property Sub-Committee (update paper), July 2018
- Policy and Resources Property Sub-Committee, July 2014 (Decision No:14/00080)

Future Pathway of report: N/A

Electoral Division: Canterbury City South

Summary: This report considers the strategic options to optimise Council owned land at Langton Field, Langton Lane, Canterbury, Kent in order to satisfy its commercial and S.123 interests.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to endorse or make comments on the proposed decision to agree for the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to finalise and enter into all necessary legal and other documentation with one or more parties to optimise Kent County Council's land holdings position at Langton Land, Canterbury.

1. Background

- 1.1 The freehold land owned by the Kent County Council (KCC) known as Langton Field, outlined in red on the attached site plan at Appendix A, is located in Canterbury adjoining the southern extent of the urban area including the Kent and Canterbury Hospital. It comprises of a relatively flat and open agricultural field extending to approximately 5.75 hectares (c.14.2 acres).
- 1.2 Canterbury City Council (CCC) own the adjacent farmland to the northwest, extending to approximately 9.5 hectares (c.23.5 acres) known as Ridlands Farm.

- 1.3 Both parcels form a site allocated within Canterbury's adopted 2017 Local Plan known as "Ridlands Farm and Langton Field" allocated for 310 dwellings, together with an indicative health element. The allocation includes a policy stating that a new fast track bus route must run through both sites from Nackington Road to South Canterbury Road to the Northwest. This is to mitigate traffic congestion impact anticipated from any new development in the town centre and Dover Road (A2).
- 1.4 East Kent Hospitals University Foundation Trust (EKHUFT) has been exploring options at its Canterbury, Margate and Ashford hospitals for a number of years, in terms of its service delivery and estates transformation strategy.
- 1.5 The final recommended hospital configuration option to be progressed will be determined following further consultation and requires the approval by the NHS including the allocation of funding. KCC are not part of this decision-making process.
- 1.6 As a result, a Key Decision was taken (Decision number: 21/00060) in August 2021, committing the Council's land to the Hospital Trust's public procurement process to secure a development partner within the next 3 years.
- 1.7 It is possible that the NHS consultation and approval process may conclude that there is no priority for hospital development at Canterbury.
- 1.8 In order to meet the Council's best value duties and maximise the value of the land, it is necessary to take steps to optimise KCC land holdings.

2. Planning

- 2.1 The KCC and CCC land, together known as Ridlands Farm and Langton Field, is allocated in the 2017 adopted Local Plan for 310 homes plus a health element, which includes a policy stating that a new fast track bus route must run through both sites from Nackington Road to the South Canterbury Road to the Northwest via the Canterbury land.
- 2.2 A joint KCC/CCC "Call for Sites" Submission was made in June 2020 to protect current residential allocation.

3. Options Considered and Financial Considerations

- 3.1 A range of options were considered and are set out in more detail in an exempt appendix B along with the confidential financial considerations. These options have been informed by advice from Savills and Cushman and Wakefield with Montagu Evans appointed to provide specialist property advice moving forward.

4. Equalities implications

- 4.1 There are no equalities implications.

5. Governance

- 5.1 The site has been declared surplus to KCC's requirements with a key decision being sought in line with the Council's governance processes. External legal advice has been sought from Pinsents following discussion with General Counsel and will continue to be the case during any commercial discussions with third party landowners.

6. Conclusions

- 6.1 This KCC site has been considered surplus to the Council's requirements
- 6.2 In order to maximise the return to the Council it is necessary to further optimise the site. The exempt appendix B consider the options and it is proposed to progress in accordance with the exempt appendix recommendations.

7. Recommendation(s)

Recommendation(s): The Policy and Resources Cabinet Committee is asked to endorse or make comments on the proposed decision to agree for the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to finalise and enter into all necessary legal and other documentation with one or more parties to optimise Kent County Council's land holdings position at Langton Land, Canterbury.

8. Background Documents

Appendix A - Langton Field, Canterbury site plan
EXEMPT Appendix B
EXEMPT Appendix C - Site Plan 1
EXEMPT Appendix D - Site Plan 2

9. Contact Details

Report Author: Simon Dodd, Investment and Development Consultant Tel: 03000 416976 Email: s.dodd@kent.gov.uk	Relevant Director: Rebecca Spore, Director of Infrastructure Tel: 03000 416717 Email: rebecca.spore@kent.gov.uk
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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Peter Oakford, Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

22/00031

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES - Savings or expenditure of more than £1m

Subject Matter / Title of Decision

Strategic options for Langton Field, Canterbury: Land adjacent to Kent & Canterbury Hospital

Decision:

As Cabinet Member for Finance, Corporate and Traded Services, I agree:

for the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to finalise and enter into all necessary legal and other documentation with one or more parties to optimise Kent County Council's land holdings position at Langton Land, Canterbury.

Reason(s) for decision:

Proposed access rights acquisition(s) in line with Council's s.123 best consideration obligations to protect its commercial interests.

Cabinet Committee recommendations and other consultation:

Consultation will take place with members of the Policy and Resources Cabinet Committee. Local Members will be consulted in line with the Property Management Protocol.

Any alternatives considered and rejected:

KCC could do nothing, but its commercial interests and any future disposal value of its land would be significantly compromised as a result.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None

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Signed

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date

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Agenda Item 13

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

22/00032

For publication**Key decision – Yes**

Key decision criteria. The decision will result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000).

Subject Matter / Title of Decision:

Works at the Turner Contemporary Gallery, Margate, Kent

Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, I agree to:

1. the required works at Turner Contemporary Gallery and related activity, as detailed in the recommendations as set out within the decision report.
2. To delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to take necessary actions, including but not limited to entering into contracts required to deliver the works.

Reason(s) for decision:

Kent County Council (KCC) constructed a purpose-built gallery which was handed over to the Turner Trust in 2011. Under the term of the lease between KCC and the Trust, KCC are obliged to repair and maintain certain elements of the building including the external rainscreen cladding.

In 2020, KCC was successful in obtaining Arts Council funding of £759,514 to allow improvements to the Gallery, in recognition of its success as a visitor attraction and to allow the Gallery to accommodate numbers in excess of original projections. The improvement works, together with the outstanding repairs were tendered and contracted to a local Kent building contractor and were completed in 2021. Whilst the building works were completed a number of works identified and are required now to be completed in line with the Councils obligations.

These works are funded within the allowances of the Medium-Term Financial Plan.

Cabinet Committee recommendations and other consultation:

Public Consultation: N/A

Cabinet Committee Consultation Planned: To be discussed at the Policy and Resources Cabinet Committee on 24th March 2022.

Views of Local Members:

The views of local members will be sought and reported to the Cabinet Member prior to the decision being taken.

Any alternatives considered and rejected:

Options were considered as set out within the decision report.

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

Proper Officer:

None

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Signed

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