

## KENT COUNTY COUNCIL

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### **POLICY AND RESOURCES CABINET COMMITTEE**

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

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

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

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

### **UNRESTRICTED ITEMS**

#### **127. Apologies and Substitutes**

*(Item A2)*

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

#### **128. Declarations of Interest by Members in items on the Agenda**

*(Item A3)*

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

#### **129. Minutes of the meeting held on 16 January 2015**

*(Item A4)*

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

### **130. Work Programme**

*(Item A5)*

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

### **131. Renewal Of Microsoft Enterprise Agreements**

*(Item B1)*

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

### **132. Performance Dashboard**

*(Item C1)*

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

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

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

### **133. Financial Monitoring 2014-2015**

*(Item C2)*

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

### **134. Transformation Update - Verbal Update**

*(Item C3)*

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

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

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

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

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

### **136. Risk Management - Strategic Risk Register**

*(Item D2)*

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

### **137. Commercial Services Update**

*(Item D3)*

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

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

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

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

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

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

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

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

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

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