

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 1 July 2015

PRESENT: Mr A J King, MBE (Chairman), Mr R H Bird (Substitute for Mrs T Dean, MBE), Miss S J Carey, Mr N J D Chard, Mr J A Davies, Mr C P D Hoare, Mr B E MacDowall (Substitute for Mr J Elenor), Mr S C Manion, Mr C R Pearman (Substitute for Mr R L H Long, TD), Mr L B Ridings, MBE, Mrs P A V Stockell, Mr D Smyth and Mr N S Thandi

ALSO PRESENT: 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), Mrs J Dixon-Sherreard (Policy Manager), Mr D Farquharson (Head of Capital Projects), Mr R Fitzgerald (Performance Manager), Mrs G Galloway (Procurement Programme Manager - Legal Services), Mrs C Head (Head of Financial Management), Mrs C Jenden (FTC - Review Team Manager), Mrs R Spore (Director of Infrastructure), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

141. Apologies and Substitutes
(Item A2)

- (1) Apologies for absence were received from Mrs Dean, Mr Elenor, Mr Latchford and Mr Long. Mr Bird, Mr MacDowall and Mr Pearman attended as substitutes for Mrs Dean, Mr Elenor and Mr Long respectively.
- (2) Apologies for absence were also received from Mr Carter (Leader of the Council).

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

There were no declarations of interest.

143. Minutes of the meeting held on 22 April 2015
(Item A4)

Resolved that the minutes of the meeting held on 22 April 2015 be approved as a correct record and signed by the Chairman.

144. Minutes of the meeting of the Property Sub-Committee held on 27 March 2015
(Item A5)

Resolved that the minutes of the meeting of the Property Sub-Committee held on 27 March 2015 be received and noted.

145. Work Programme

(Item A6)

- (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.

146. Extraordinary meeting - 29 July 2015

(Item A7)

Resolved to note that an extraordinary meeting of the Policy and Resources Cabinet Committee had been scheduled for 29 July 2015.

Post meeting note – The extraordinary meeting was subsequently cancelled.

147. Facing the Challenge - Legal Services - Report on the Procurement Process

(Item B1)

The Chairman said that the consideration of this item would be deferred to Part 2 of the meeting.

148. Facing the Challenge - Back Office Procurement Project including the following services: HR; Finance; ICT; EduKent; and Contact Point and Digital Communications

(Item B2)

- (1) Mr Simmonds (Deputy Leader) said much of the information in the report was already known and invited Claire Jenden (Market Engagement Team Manager) to introduce the report.
- (2) Mrs Jenden said the report built on previous updates to the committee and provided a detailed account of the back office procurement process as well as documenting the journey of the Customer Services (Contact Point and Digital Communications), Finance, HR, ICT and EduKent procurement project which was part of Phase 1 of Facing the Challenge. She drew Members' attention in particular to paragraphs setting out the value for money test and next steps.
- (3) In response to a question about the evaluation criteria Mr Burr (Director of Transformation and Commercial Services) said that bidders were required to score at least satisfactory against the evaluation criteria in each of the service areas. As both the Financial, and Business Development and Vision criteria were complex, and required bidders to score maximum points, no base points had been allocated.
- (4) Resolved that the progress to date and the next steps be noted and endorsed.

149. Strategic and Corporate Services Directorate 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. He drew Members' attention to a new indicator, CS11 – percentage of customers satisfied with their visit to the KCC website. He also said that performance appeared to be on track and there was nothing of concern in the data for May.
- (2) In response to a question he acknowledged that the targets for HR03, HR04 and HR07 for 2015/16 had been set lower than the actual achievement last year because they had been rolled over and would be reviewed as part of the procurement of back office services.
- (3) He also explained how the Govmetric tool used to assess customer satisfaction worked and confirmed that the results were statistically very reliable. He undertook to circulate more detailed information to the members of the committee.
- (4) Resolved that the report be noted.

150. Provisional Financial Outturn Report for 2014/15
(Item C2)

- (1) Mr Simmonds (Deputy Leader) introduced the report which set out the provisional revenue and capital outturn for the Council for 2014-15. He drew Members' attention to the fact that this was the fifteenth consecutive year that the Council had been able to demonstrate sound financial management by containing its revenue expenditure within the budgeted level and commended the finance team and directors for delivering an underspend in the context of a savings requirement of £81 million in 2014-15 and £270 million in the previous three years. He said he was pleased that £2 million of the uncommitted balance had been allocated to pot-hole repairs and just under £4 million had been transferred to reserves to help balance anticipated gap in the 2016-17 budget. He anticipated that it would become increasingly difficult to deliver a balanced budget because of increasing cuts to funding and continuing high demand for services.
- (2) Cath Head (Head of Financial Management) said the final outturn report would be presented to Cabinet on 6 July and that it would be very similar to the provisional outturn.
- (3) It was proposed by Mr Smyth, seconded by Mr Chard and agreed that the finance team and directors be congratulated on delivering a significant underspend and balanced budget.
- (4) Resolved that:
 - (a) The provisional revenue and capital outturn for the Council for 2014-15 be noted;
 - (b) The Finance team and directors be congratulated on delivering a significant underspend and balanced budget.

151. Schedule of Commissioning Activity

(Item E1)

- (1) Mr Simmonds (Deputy Leader) introduced the report which included a schedule of commissioning activity across KCC over the next three years which enabled Members to have oversight of significant service delivery decisions in advance. He said the main purpose of the report was to indicate the size, scope and complexity of KCC's business and that the ultimate intention was to transfer the oversight of commissioning activity from the Commissioning Advisory Board to the cabinet committees.
- (2) David Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance) said the schedule of commissioning had been produced following a request from Members as it would assist with agenda planning and the identification of issues to consider in greater detail. He said that directorate business plans for 2016/17 onwards would need a greater focus on the medium term and commissioning planned for the following 2-3 years.
- (3) During discussion, views were expressed that it was important to: differentiate between commissioning activity and procurement or one-off capital investment; identify the most important commissioning activities for more detailed review; and increase awareness of the Kent Business Portal among local businesses.
- (4) In response to a question, Mr Whittle undertook to circulate information to the committee about the spend on consultancy services to support the development of the Kent and Medway Growth and Infrastructure Framework, the anticipated savings as a result of such investment and the impact on directly employed staff.
- (5) Resolved that the schedule of commissioning activity and the issues raised in the report be noted.

152. Basic Need Delivery Update and Outturn Costs

(Item E2)

- (1) Rebecca Spore (Director of Infrastructure) gave a short presentation which is available online as an appendix to these minutes as an introduction to the report. The report provided an update on the Basic Need Outturn Costs and a delivery update of the Basic Need Programme consisting of primary and secondary school expansions and new primary school provision.
- (2) During discussion, comments were made about the: need to ensure that quality schools were built; successful lobbying that had resulted in Kent receiving the highest Basic Need Allocation of any authority in the country; continuing pressure on budget; and the over-riding objective of providing every child with the best start.
- (3) Questions were raised about apprenticeships and developer contributions.

- (4) Mrs Spore confirmed that Property Services had delivered all the requirements of the Education Commissioning Plan and undertook to provide information about the number of temporary classrooms in use, changes in their number over the last 5 years as well as information about the number supporting basic need requirements, the number supporting the general requirement and their condition.
- (5) Resolved that the achievements to date on the delivery of the Basic Need Programme be noted.

153. Exclusion of the Public

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

154. Facing the Challenge - Legal Services - Report on the Procurement Process *(Item B1)*

- (1) Mr Simmonds (Deputy Leader) asked Gilli Galloway (Procurement Programme Manager) to introduce the report which provided an update on the process undertaken to conduct a compliant Competitive Dialogue process to secure a commercial partner to enable KCC to form a joint venture. She also provided an update on the bidders and the negotiations that were currently taking place.
- (2) Mr Cockburn (Corporate Director of Strategic and Corporate Services drew Members' attention to paragraph 1.2 of the report and said that the aim of the Competitive Dialogue was to identify a commercial partner to form a Legal Joint Venture and as such would require a different comparator than the procurement of back office services.
- (3) During the discussion questions were asked about the infrastructure required to enable Kent Legal Services to further extend and develop its services without a partner as well as the implications for KCC of holding various numbers of shares in a joint venture.
- (4) The importance of ensuring all alternatives including investment in an in-house expansion and all outsourcing options were properly considered was emphasised as was the need for a robust internal comparator.
- (5) Mrs Galloway confirmed that negotiations were continuing and that the timetable for decision making would become clearer over the next few days.
- (6) Resolved that:
 - (a) The details and progress of the Competitive Dialogue process for Legal Services be noted;
 - (b) A further detailed report be considered by the cabinet committee setting out details of the outcome of negotiations, a strong internal comparator and details of the investment in infrastructure required to enable Kent Legal Services to expand without a partner;

- (c) The timetable for the decision required be confirmed as soon as possible.

(Post-Meeting Note – The meeting on 29 July was cancelled and it is anticipated that a further report will be considered at the next meeting of the cabinet committee scheduled for 10 September 2015)