

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 Friday, 22 July 2016

PRESENT: Mr A J King, MBE (Chairman), Mr R H Bird, Mr J A Davies, Mr M J Harrison, Mr C P D Hoare, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr L B Ridings, MBE, Mr D Smyth, Mr A Terry, Mr N S Thandi and Mr J N Wedgbury

ALSO PRESENT: Miss S J Carey and Mr G Cooke

IN ATTENDANCE: Mr D Cockburn (Corporate Director Strategic & Corporate Services) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

226. Apologies and Substitutes

(Item A2)

- (1) Apologies for absence were received from Miss Carey (as a Member of the Committee), Mr Chard, Mrs Dean, Mr Heale, Mr Manion and Mrs Stockell.
- (2) Mr Harrison, Mr Bird, Mr Terry and Mr Wedgbury attended as substitutes for Miss Carey, Mrs Dean, Mr Heale and Mrs Stockell respectively.
- (3) Apologies for absence were also received from Mr Carter (Leader of the Council) and Mr Simmonds (Cabinet Member for Finance and Procurement).
- (4) Miss Carey deputised for Mr Simmonds as well as being in attendance as the Cabinet Member for Commercial and Traded Services.

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

(Item A3)

228. Minutes of the meeting held on 24 May 2016

(Item A4)

- (1) Resolved that the minutes of the meeting held on 24 May 2016 be approved as a correct record and signed by the Chairman subject to the deletion of the word "officers" in minute 214(3).
- (2) In response to a request for an update on work underway with the Property Group to identify premises suitable for meetings of Gurkha wives set out in minute 220(4), Mr Cooke (Cabinet Member for Corporate and Democratic Services) said the Gurkha wives had made alternative arrangements without involving KCC. Mr Ridings said he would follow the matter up through the Civilian Military Covenant Board. In addition, Mr Bird said Maidstone Borough Council had identified a suitable site and said he would speak with the Leader of Maidstone Borough Council and provide an update to Mr Latchford.

229. Minutes of the Property Sub-Committee held on 8 July 2016

(Item A5)

Resolved that the minutes of the Property Sub-Committee held on 8 July 2016 be noted.

230. Re-location of KCC Services and Commissioned Services from Dover Gateway

(Item B1)

Rebecca Spore (Director of Infrastructure) and Elizabeth Luxton (Head of Operations) were in attendance for this item

- (1) Miss Carey (Cabinet Member for Commercial and Traded Services) introduced the report which asked the Cabinet Committee to endorse or comment on a proposed decision to relocate KCC services and commissioned services from Dover Gateway to the Dover Discovery Centre.
- (2) Mrs Spore said the footfall for KCC services in the Dover Gateway was relatively small in comparison with the total transactions, the cost per transaction was high and that other KCC services were already delivered from the Dover Gateway.
- (3) In response to questions, she confirmed that the transaction cost for KCC at Dover Gateway was just over £113 per customer visit and the other figures in paragraph 2.2 of the report were industry benchmarking figures and not KCC costs.
- (4) *Post meeting note – The price of a telephone transaction varies depending on the volume of calls in a month and the average handling time. In July 2016 the price per telephone call for Kent County Council was £4.20. The price per call includes all calls handled 24/7 e.g. a call handled at 1am on Sunday morning. Comparing this price to SOCITM's channel benchmarking survey is, therefore, not accurate. The price of a website transaction will also vary depending on what the end user requires but again this will not be comparable to SOCITM's channel benchmarking survey.*
- (5) Mrs Spore said that 37 responses to the consultation had been received with 68% in favour of the re-location. She said concerns relating to access to the building would be addressed during the refurbishment of the Discovery Centre and that the break clause in the contract with the Dover Gateway would need to be exercised in June or July 2017.
- (6) Mr Cooke said that the Discovery Centre was owned by KCC and investigations were underway to determine the work necessary to bring the building up to the required standard to make it fit for purpose and to enable KCC services currently delivered at the Gateway to be located there. He also confirmed that work was required to the Discovery Centre regardless of whether or not additional services were provided from it.

- (7) Mr Cooke said the decision, would be taken by him, as Cabinet Member for Corporate and Democratic Services, and not by the Leader of the Council as set out in the report.
- (8) Resolved that the proposed decision by the Cabinet Member for Corporate and Democratic Services to relocate KCC services and commissioned services from the Dover Gateway to the Dover Discovery Centre be endorsed.

231. Strategic and Corporate Service Directorate Dashboard

(Item C1)

Richard Fitzgerald (Performance Manager) and Andy Wood (Corporate Director Finance Procurement) were in attendance for this item

- (1) Mr Fitzgerald introduced the Performance Dashboard for Strategic and Corporate Services which showed progress made against targets set for Key Performance Indicators. He said this was the first report for the current financial year and that it reflected changes to the Key Performance Indicators as detailed in the Strategic and Corporate Services Business Plan 2016/17.
- (2) Mr Wood provided further information relating to FP02 – Retirement Benefits paid within 20 working days of all the paperwork being received. In April, the Department for Communities and Local Government had advised pension managers that factors used in pension calculations were changing with immediate effect and cases were to be put on hold pending clarification the following week. Software providers were not advised at the same time and updated software was not available for three weeks after the announcement. It was now considered unlikely that clarification would be received. Of 493 pension calculations requested 425 were paid within 20 days with the balance provided shortly afterwards.
- (3) Mr Wood said that other changes to legislation, including a requirement to provide annual illustrations of pension benefits in the first three months of the year, would put pressure on staff at this time every year. In addition, this year, the triennial actuarial re-evaluation took place requiring additional statistical information, a senior team member had been on long term sick, there were five positions vacant in an establishment of 58 and that training new staff was a long process. The combination of factors meant that the annual target of 98% would not be met.
- (4) The Committee endorsed the work being done by Mr Wood and his team and welcomed the explanation provided.
- (5) In response to a question about activity indicators, Mr Fitzgerald said that previous years' activity data tended to be used unless there were good reasons not to.
- (6) Miss Carey (Cabinet Member for Commercial and Traded Services) said that a reduction in the number of calls answered by the Contact Point freed up resources to respond to residents who were unable or did not wish to conduct their business with the Council using digital technology.

- (7) The inclusion of HR 13, 14 and 15 was welcomed and it was suggested that targets should be included particularly for training in relation to information governance and data protection.
- (8) Resolved that the performance position for Strategic and Corporate Services be noted.

232. New Budget Monitoring Report Format (Item C2)

Andy Wood (Corporate Director – Finance and Procurement) was in attendance for this item

- (1) Mr Wood introduced the report which set out a proposal for a revised format for the regular budget monitoring reports to Cabinet. He drew particular attention to the anticipated savings and format of the proposed report as well as the fact that it would reduce from 150 pages to fewer than 40 and would be provided about 35 days after the end of the accounting period instead of the current 70 days.
- (2) Miss Carey (Deputy Cabinet Member for Finance and Procurement) drew attention to the format and content of the proposed report and said the new format would focus on key matters.
- (3) In response to comments, Mr Wood said that the risk of creep-back would be avoided by treating any requests, from Cabinet Committees or Cabinet, to investigate a particular issue as a one-off and producing a separate report that would not become part of the standard budget report.
- (4) Resolved that the proposals for a new budget reporting format be endorsed

233. Commercial Services Update (Item C3)

John Burr (Managing Director of Commercial Services) was in attendance for this item

- (1) Miss Carey (Cabinet Member for Commercial and Traded Services) introduced the report which set out progress within Commercial Services over recent months as well as the future improvements and the direction of travel of the business. She drew particular attention to the fact that KCC had been commercially active for a very long time.
- (2) Mr Burr said Commercial Services had a variety of ambitions over the years with a consistent emphasis on providing a financial return to the Council. Mr Burr drew attention to: paragraph 1.3 which set out the services provided by Commercial Services; to paragraph 1.5 which set out the governance arrangements; and to the financial implications and policy framework set out in paragraphs 2 and 3 respectively.
- (3) In response to questions about transparency and the involvement of Members on the company boards, it was confirmed that Mr Simmonds, Mr Gough and

Miss Carey sat on the shareholder board and that Commercial Services reported regularly to the Trading Activities Sub-Group of the Governance and Audit Committee. It was suggested that the Policy and Resources Cabinet Committee received reports twice yearly from the Cabinet Member for Commercial and Traded Services and that Members were welcome to visit Commercial Services.

- (4) In response to further questions, Mr Burr said the payment of invoices from suppliers was monitored and reported regularly to the Board; most suppliers were currently on 35 day terms and it was intended to change to 30 day terms, however, any reduction in terms had an impact on cash flow. He also said he would welcome information about other successful local authority trading companies in the UK or elsewhere in order to identify learning.
- (5) Resolved that the update report be noted.

234. KCC/Agilisys Partnership

(Item C4)

Amanda Beer (Corporate Director Engagement, Organisation Design and Development) and James Pestell (Interim Head of Kent Communications) were in attendance for this item

- (1) Miss Carey (Cabinet Member for Commercial and Traded Services) introduced Mr Pestell and thanked him for his work in relation to the broadband project and for the work he was now doing in unlocking the value from the contract with Agilisys.
- (2) Mrs Beer introduced the paper which reported on the status and progress of the strategic partnership between Agilisys and KCC. She said the contract had started on 8 December 2015 and covered the direct delivery of the Contact Point and kent.gov.uk as well as the development of the Council's digital channels and the end-to-end delivery of customer contact services.
- (3) In response to comments, Mrs Beer said:
 - The difference between calls received by the Contact Centre and calls answered was mostly attributable to abandoned calls
 - The issues relating to the out of hours service in being able to respond quickly to peaks in calls, particularly during adverse weather such as Storm Katie, had resulted in the development and agreement of a rectification plan. Agilisys had implemented 80% of the actions agreed and were on target to complete all actions by the end of August
 - The implementation of Netcall would not result in major changes for staff or Members but would improve access for residents contacting the council.
- (4) Mrs Beer undertook to provide further information to Mr Harrison, Mr Terry and other Members about emails they had received relating to Netcall.
- (5) Resolved that the report be noted and that the approach to the development, governance and management of the partnership be endorsed.

235. Work Programme 2016/17

(Item C5)

Resolved that the work programme for 2016/17 be noted subject to:

- (a) The inclusion of Commercial Services monitoring and monitoring of the Agilisys contract;
- (b) Consideration of a paper at the September meeting of the Cabinet Committee setting out the approach to managing contracts including timescales.

236. Kent Environment Strategy Implementation Plan and new 5-year environment targets

(Item D1)

Carolyn McKenzie (Head of Sustainable Business and Communities) and Elizabeth Luxton (Head of Operations) were in attendance for this item

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report. He said the targets and ambitions set out in the Kent Environment Strategy had previously been endorsed by the Environment and Transport Cabinet Committee and the Growth Economic Development and Communities Cabinet Committee.
- (2) Ms McKenzie said the Kent Environment Strategy had been adopted by Cabinet in January 2016 and had the potential to realise a range of positive outcomes including:
 - increasing resilience in relation to severe weather events, mitigating the impact of climate change and fluctuating energy prices as well as reducing fuel costs
 - growing the local economy and increasing the council tax base by supporting the green and low carbon sector
 - reducing demand for services through measures such as the Warmhomes initiative which would reduce fuel poverty and enable vulnerable people to stay in their own homes
 - Supporting forest schools which had a positive impact on outcomes for early years, looked after children and unaccompanied asylum seeking children as well as the treatment of childhood trauma.
- (3) She also said that one third of the greenhouse gas target related to KCC's own estate and infrastructure.
- (4) Mrs Luxton outlined some of the work being done to implement the strategy across the Council's estate including asset utilisation to ensure buildings were used efficiently and minimised energy costs as well as working with the facilities management contractors to identify savings in energy and water costs.
- (5) In response to comments and questions, Mr Cooke said that energy costs were constantly monitored and reviewed.

- (6) Resolved that the Kent Environment Strategy new 5-year targets and support required from the Strategic and Corporate Services Directorate in the delivery of the implementation plan be noted.

237. Exclusion of the Press and 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 grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

238. Legal Services - Progress Report

(Item E1)

Geoff Wild (Chief Executive (Designate) Invicta Law, Ben Watts (General Counsel (Interim)), Gilli Galloway (Procurement Programme Manager – Legal Services) and Peter Baldock (Financial Analyst) were in attendance for this item

- (1) Mr Wild introduced the report which provided an update on progress with the formation of an Alternative Business Structure to deliver legal services to KCC and the wider market as well as a breakdown of the investment made by KCC.
- (2) Mr Wild answered Members' questions about staff retention, corporate branding and the staff surveys planned for July 2016. He also confirmed that at least one more update on progress would be presented to the Policy and Resources Cabinet Committee before Christmas 2016.
- (3) Resolved that the progress of the initiative be noted.