

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 19 September 2014

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mrs M E Crabtree, Mr J A Davies, Mrs T Dean, MBE, Mr J Elenor, Mr C P D Hoare, Mr R A Latchford, OBE, Mr R L H Long, TD, Mr S C Manion, Mr L B Ridings, MBE, Mrs P A V Stockell, Mr D Smyth and Mr N S Thandi

ALSO PRESENT: Mr G Cooke, Mr E E C Hotson, Mr J D Simmonds, MBE and Mr B J Sweetland

IN ATTENDANCE: Mrs A Beer (Corporate Director Human Resources), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr R Fitzgerald (Performance Manager), Ms E Harrison (Economic Development Officer), Mr N Hartnup (Assistant Director Laser Energy), Mr G Wild (Director of Governance and Law), Mr A Wood (Corporate Director Finance and Procurement) and Mrs L Whitaker (Democratic Services Manager (Executive))

UNRESTRICTED ITEMS

80. Apologies and Substitutes
(Item A2)

Apologies were received from Mr Chard.

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

- (1) Mrs Dean declared an Other Significant Interest in Item 7 – LASER flexible framework contracts for the supply of gas and electricity by virtue of her chairmanship of a parish council that contracted with LASER for the supply of street lighting. Mrs Dean would withdraw from the meeting for the duration of item 7.
- (2) Mr Long said that, although he was a solicitor in private practice, he did not consider the potential personal financial impact of proposed changes to Legal Services at KCC to be significant and therefore would not make a DPI or OSI and would not withdraw from the meeting during item 10 or item 15.

82. Minutes of the meeting held on 10 July 2014
(Item A4)

The minutes of the meeting of 10 July 2015 were agreed as a correct record and signed by the Chairman.

83. Decision Number 14/00075 - Procurement of a Managed Print Service (Decision taken outside committee cycle)
(Item A5)

- (1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which gave information about a decision taken outside of the cabinet committee cycle to procure a managed print service for KCC. He said the decision enabled £750,000 of savings per annum. In response to criticism from the leaders of the opposition groups about the taking of the decision without prior consideration by the cabinet committee, he said a group had now been established to monitor such decisions.
- (2) Concerns were expressed about decisions taken outside the committee cycle in general and this decision in particular. It was suggested that detailed information about the reasons for not referring decisions to cabinet committees be included in decision notices. Mr Cooke said he had undertaken a review of urgent decisions which had assured him that the urgent decision process was not being abused. He also said he would continue his meetings with group leaders to monitor the situation.
- (3) In response to comments made and questions raised, officers said that:
 - i. The establishment of a Framework had been the subject of a full competitive tender conducted collaboratively with Surrey County Council who had been the procurement lead. The contract for services at KCC was called off that Framework. Details of the number of companies that tendered for inclusion in the Framework were requested and would be distributed outside of the meeting;
 - ii. The contract was for five years, and worked on a 'pay as you go' basis whereby KCC would pay for each page printed. Capital costs for machinery would remain with Xerox. Savings of 15-25% on the current printing budget were anticipated;
 - iii. Built-in intelligence within each machine would notify Xerox when toner or other consumables were running low leading to productivity savings over and above the savings set out in the report;
 - iv. Improved security would be achieved by active release of documents – each member of staff would have to enter a code to gain access to the work printed.
- (4) The Committee requested a progress report on the delivery of the contract in six-months.
- (5) RESOLVED that:
 - (a) A report regarding the governance arrangements for decision-making and the involvement of cabinet committees, be received at the next meeting;
 - (b) A six-month progress report on the delivery of the Managed Print Services contract, and any savings realised, be received by the most appropriate meeting in 2015.

84. Work Programme 2014/2015

(Item A6)

- (1) Louise Whitaker, Democratic Services Manager, Executive, introduced the report detailing the proposed work programme and invited Members to make suggestions for topics for consideration at future meetings.
- (2) Mrs Dean said that it had been agreed previously to receive regular updates on the Council's transformation agenda and was assured that it would be added.
- (3) No further items were suggested for inclusion in the work programme.
- (4) RESOLVED that, subject to the inclusion of the transformation agenda in the work programme, the report be noted.

85. LASER flexible framework contracts for the supply of gas and electricity October 2016 - September 2020

(Item B1)

- (1) Mr Bryan Sweetland, Cabinet Member for Traded Services, introduced the report which provided an overview of the procurement process undertaken by LASER to renew the flexible frameworks for the period October 2016 – September 2020.
- (2) Nigel Hartnup, Assistant Director, LASER gave a presentation which explained the history, the current flexible purchasing arrangements at LASER, the benefits of the current arrangements and details of the proposed renewals. He invited Members to visit the LASER team.
- (3) As a result of comments made and questions raised, officers said that:
 - i. The savings of £273k per annum reflected the figure by which LASER had outperformed the average market price in the past four years despite relatively benign market conditions;
 - ii LASER faced competition from other public sector buying organisations, which historically had been regionally based, and a central government equivalent that offered the framework but not the 'downstream' services. In addition some private sector companies offered similar services but generally only to private sector clients;
 - iii LASER would seek to expand its market share and offered services increasingly to other public sector organisations such as the NHS, Police and Fire Authorities and Housing Associations. In addition LASER had a sister company, Lumina, which provided similar services to the private sector.
- (4) The Committee was pleased with the proposed decision and with the work conducted by LASER to date.
- (5) RESOLVED that the proposed decision be endorsed.

86. Extending the Reach of Superfast Broadband Services

(Item B2)

- (1) In the absence of the Cabinet Member, David Cockburn, the Head of Paid Service, introduced the report about the BDUK programme to date and the proposal to expand the reach of superfast broadband in Kent. He said that Phase 1 of the programme had seen significant investment in infrastructure in Kent as part of a national programme and substantial progress had been made despite challenges. He welcomed the important work that would be continued should Phase 2 be endorsed by the Committee and ultimately agreed by the Cabinet Member.

- (2) Liz Harrison, Economic Development Manager, said that:
 - i. The proposed decision was intended to build on the work already underway to improve connectivity in the county;
 - ii. Without the programme, 25% of Kent's homes and businesses would have no, or poor, broadband connectivity as there were no commercial plans to upgrade systems in many parts of the county;
 - iii. Phase 1 was proceeding as planned and was intended to ensure that 91% of properties in Kent could access superfast broadband and all premises in the intervention area could get a basic service of at least 2mbps. Last month the 40,000 improved premises access milestone had been reached;
 - iv. Coverage maps could be found at www.kent.gov.uk/broadband and residents could also search connectivity by postcode;
 - v. The Government had recently allocated additional funding of £5.6 million to be match funded by KCC which would allow Kent and Medway to further increase the rollout of superfast broadband services;
 - vi. This was part of the BDUK's (Phase 2) national programme which aimed to get superfast broadband to 95% of premises in the UK by 2017;
 - vii. It was proposed that the BDUK procurement framework be utilised again to procure the works associated with Phase 2. It was unfortunate that there was a lack of competition in the market but safeguards would be included within the contract, as had been the case for Phase 1, to ensure value for money;
 - viii. Until the procurement had taken place an exact figure on uplift could not be ascertained but it was hoped that 95% would be achievable;
 - ix. BDUK had recently announced Kent as a pilot area for trialling new technologies and approaches for extending broadband to the hardest to reach areas (the final 5%).

- (3) In response to comments made and questions raised officers confirmed that:
 - i. Although state aid deadlines were tight, officers were confident that they could be met;
 - ii. County councils had limited influence on the matter of mobile phone coverage, however, a different BDUK project was looking to address 'not spot' areas where 2G coverage was not available from any provider and a number of such areas had been identified in Kent. The Secretary of State had also made clear his desire to introduce roving coverage in Britain, which would present a solution for many areas with partial operator coverage;
 - iii. Schools in Kent were on the Kent Public Service Network and could access superfast broadband;

- iv. Post 90% coverage solutions became substantially more challenging and expensive. KCC continued to work closely with BDUK about the prospect of a Phase 3 of the programme which would tackle the hardest to reach areas;
- v. The independent value for money review would be undertaken by Analysis Mason, a leading international expert.

(4) RESOLVED that the proposed decision of the Cabinet Member be endorsed.

87. Facing the Challenge - Customer Services, Finance, HR and ICT
(Item C1)

- (1) Mr Simmonds, the Deputy Leader and Cabinet Member for Finance and Procurement, Mr Simmonds, introduced the report which provided an update on the progress of the Customer Services, Finance, HR and ICT service reviews being undertaken as part of the Facing the Challenge programme.
- (2) Andy Wood, Corporate Director of Finance and Procurement gave a presentation on Lot 1 which included Finance, HR and ICT. The presentation covered the:
 - i. Background to the work being undertaken, the economic pressures faced by the Council and the savings that would have to be made as a result;
 - ii. Approach to savings targets through transformation and in particular the potential for alternative service delivery models;
 - iii. Journey to date for the services in the review, known as transactional services;
 - iv. Results of soft market testing which were encouraging.
- (3) In response to the comments made and questions raised officers said that:
 - i. Staff had been kept informed and had been engaged with the process. Service Managers would also be involved in the specification and the competitive dialogue.
 - ii. The Business Services Centre included services that already traded such as Schools' Personnel Service, Schools' Financial Service and Edukent. Bringing them together enabled them to be marketed together to maximise income. No decisions had been taken about services that would remain in-house and those that would be delivered differently.
- (4) RESOLVED that the report be noted.

88. Facing the Challenge - Legal Services Review - Update Report
(Item C2)

- (1) The Committee received a report containing information which was open to the public regarding the current review of Legal Services at KCC.
- (2) The Chairman considered that, because of the inclusion of another report later on the agenda which was exempt from publication and the need for the

Committee to consider both, this item be deferred until item E1 when a motion would be put to exclude members of the press and public.

(3) The Committee agreed to the proposal.

89. Supporting the Organisation Through Change
(Item C3)

(1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which detailed the existing and planned support being offered to managers and staff through the period of transformation required under the Facing the Challenge programme. He said the report presented an opportunity for HR to explain how change was being managed and communicated to staff.

(2) Amanda Beer, Corporate Director of Human Resources gave a presentation; which included the following points:

- i. Organisation-wide support for staff, in particular the Council's 'Managing Change' policy;
- ii. Support for individuals, including Health Kiosks and manager development;
- iii. Helping staff to help themselves including a new online resilience tool and health promotion activities;
- iv. The creation of measurement indices to assess the success of the policies and initiatives;
- v. Staff survey results; and
- vi. General indicators of staff resilience such as sickness levels, turnover and disciplinary hearings, grievances and tribunals.

(3) In response to comments made and questions raised the following officers said that:

- i. The key messages from the staff survey were that flexi-time and training were valued highly, work/life balance was achievable and staff had pride in their work. Important notes of caution were that staff felt they contributed more to the 'employment deal' than the employer, they had difficulty balancing the demands of service delivery and efficiencies and that uncertainty about the future inevitably caused some stress;
- ii. Sickness absence rates were lower than other public sector bodies but were higher than in the private sector;
- iii. KCC normally performed well at employment tribunals, losing only one in the last five years and settling others prior to a hearing;
- iv. Measures were being taken to improve access to KNET for around 2000 staff who did not currently have access to it;
- v. Staff turnover was 12.9% annually.

(4) RESOLVED that the report be noted.

90. Update from the Member Working Group - Commissioning
(Item C4)

- (1) Mr Hotson, Chairman of the member working group examining the changing role of councillors in a commissioning council, presented the report and in particular he said that:
 - i. The group had met three times and at the last meeting draft recommendations had been put forward for consultation with groups;
 - ii. If the working group were to continue it would be as an advisory body to complement the cabinet committee system;
 - iii. It was hoped that any future system would bring members closer to both the administration and to officers;
 - iv. There was potential for cabinet committees to have a stronger role in review and performance management.
 - v. It was envisaged that the working group would report to the Selection and Member Services Committee in October 2014 before being considered a County Council meeting.
- (2) RESOLVED that the report be noted.

91. Strategic and Corporate Services Directorate Dashboard
(Item D1)

- (1) Mr Cooke, the Cabinet Member for Corporate and Democratic Services, introduced the report which contained the Strategic and Corporate Services Directorate Dashboard setting out details of progress made against targets.
- (2) Richard Fitzgerald, Performance Manager, said the direction of travel was positive, and drew the Committee's attention to the improvements in performance of the Contact Centre following the appointment of new members of staff.
- (3) In response to a comment, the Cabinet Member for Commercial and Traded Services said that the Contact Centre staff were well motivated and the number of callers rating their experience as good was 'green'. He acknowledged that cutting 30 jobs last year had affected performance negatively and that the appointment of new staff had been crucial to the improved performance reported. In the future it was necessary that each Directorate utilised the Contact Centre appropriately and managed the demand levels collaboratively through effective business planning and communication. This may necessitate different financial arrangements between the Contact Centre and directorates.
- (4) Mr Cockburn, Head of the Paid Service, said that the performance of the Contact Centre often reflected issues elsewhere in the organisation and that a pre-emptive and collaborative approach was being implemented with an 'end to end' approach to resident contact with the Council. He also said that flexible solutions such as home working were being considered in order to respond quickly to unforeseen demand.
- (5) In response to comments made and questions raised, the Cabinet Member for Commercial and Traded Services and officers said that:

- i. The website had recently been redesigned and many of the issues experienced when it was launched had been resolved. However, it was a work in progress and any problems should be reported;
- ii. Residents were encouraged to use the website as it was quick, efficient and cost-effective and allowed the Contact Centre to spend time on more complicated interactions that were not suitable for the website;
- iii. There was potential for increased demand on the Contact Centre as a result of the Social Care Act. Work would be undertaken to ensure that services worked closely with the Contact Centre to predict and manage demand. In addition the Contact Centre measured demand every 15 minutes and would continue to work with directorates experiencing spikes in demand;
- iv. The indicator showing rent owed at 60 days was adversely impacted by a few invoices that were the subject of negotiations. In addition it included invoices that were still within the 60 day collection period. Without those considerations the total outstanding at over 60 days was approximately £180,000. KCC was successful in collecting debt over a longer period and at 180 days overdue the total outstanding from income generation totalling £2.2million was only £4,000.

(5) RESOLVED that the report be noted.

92. Financial Monitoring 2014-15
(Item D2)

- (1) Mr Simmonds, Deputy Leader and Cabinet for Finance and Procurement, introduced the report which contained the revenue and capital forecast variances from budget for 2014-15, within the remit of the Policy and Resources Cabinet Committee, based on the first quarter's full monitoring to Cabinet.
- (2) He referred to the first quarter predicted overspend of £12million and expressed concern, despite overspend reporting in the first quarter not being unusual. Management action was predicted to reduce the overspend to £5.3million. Actions to produce a further reduction in the predicted Adult Social Care overspend of £2.5million had been put forward by the Directorate. The remaining overspend related to the employment of agency foster carers and social workers and work was ongoing to recruit permanent staff in both areas. The issue of overspend on 'all rights exhausted' unaccompanied asylum-seeking minors continued, as did negotiations with government to address it.
- (3) Mr Simmonds also referred to work in Essex that had reduced demand for services and said this work was being mirrored in Kent however the impact of preventative services would take some time to impact positively on the budget.
- (4) Finally he acknowledged that targets were challenging but not unrealistic.
- (5) Jackie Hansen, the Finance Business Partner, referred to Annex 6 which related to the Strategic and Corporate Services Directorate (S&CS). S&CS was currently reporting a predicted overspend of £703k, with management

actions in place to reduce this to zero by the end of the financial year. Three main issues were responsible including the impact of the introduction to the Directorate of the Contact Centre and the Community Engagement Service which had pre-existing base budget reductions, not fully realised. The Contact Centre also had an in-year pressure as a result of increased staff numbers in response to an increase in the volume and duration of calls. Finally, Property group reported a further £301k overspend as a result of a reduction to the budget that relied upon service reviews resulting in a reduction of properties which had, to date, failed to transpire.

- (6) In response to a question, the Cabinet Member for Corporate and Democratic Services and the Corporate Director of HR said there was an additional cost associated with employment of agency social workers, and work had been undertaken to examine why people chose to work permanently in the agency sector. It appeared to be a retention rather than recruitment issue and actions were being taken to encourage workers to stay with KCC at key periods. They also said a paper was to be considered by the Children's Social Care and Health Cabinet Committee later in the month.
- (7) The Chairman considered that the full papers could be usefully included in the agenda pack rather than as a link to the Council's website.
- (8) RESOLVED that the report be noted.

93. 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.

94. Facing the Challenge - Legal Services Review - Exempt appendices relating to Item C2 *(Item F1)*

- (1) Geoff Wild, the Director of Governance and Law, introduced a report detailing the direction of travel in respect of the Facing the Challenge Review for Legal Services and exempt appendices detailing the commercially sensitive financial and other information. He said KCC faced a time of great challenge which also presented a great opportunity. Legal Services had an opportunity to create a Joint Venture with a private company and to explore new markets. He set out the benefits of such an approach and explained the work that had been undertaken to identify this option and exploratory exercises conducted in the market place.
- (2) The Committee was reminded that at its last meeting it had been resolved that the Committee thought it desirable that Kent County Council maintained a majority interest in whatever vehicle was used for the delivery of legal services in the future but that this was not mentioned in the report. The Principal Director of Transformation, John Burr, assured the Committee that no detailed

decisions had been made and such matters would be considered during the dialogue with interested parties. He offered further assurance to Members that this and other details would be fully considered by the Committee before any decision on the future of Legal Services were taken.

(3) Following comments and questions, officers said that:

- i. Senior officers within the Legal Services Team were conscious that, at some point in the process, conflicts of interest might arise. From that point, until the completion of the transformation, all advice would be taken from an external legal team;
- ii. Although the Joint Venture would be profit-making, it was also possible to deliver services more cheaply by using private sector ideas, new and more efficient software and the potential for reduced staffing costs;
- iii. The proposed model was ground-breaking, and as such continued dialogue during the process and input from Members would be crucial to its success.

(4) RESOLVED that the report be noted.