

**POLICY AND RESOURCES CABINET COMMITTEE**

**Friday, 19th September, 2014**

**10.00 am**

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







## AGENDA

### POLICY AND RESOURCES CABINET COMMITTEE

**Friday, 19 September 2014, at 10.00 am**      Ask for:      **Ann Hunter**  
**Council Chamber, Sessions House, County**      Telephone:      **01622 694703**  
**Hall, Maidstone**

*Tea/Coffee will be available 15 minutes before the start of the meeting*

#### **Membership (14)**

Conservative (8):      Mr A J King, MBE (Chairman), Miss S J Carey, Mr N J D Chard,  
Mr J A Davies, Mr R L H Long, TD, Mr S C Manion,  
Mr L B Ridings, MBE and Mrs P A V Stockell

UKIP (3)      Mr J Elenor, Mr C P D Hoare and Mr R A Latchford, OBE

Labour (2)      Mr D Smyth and Mr N S Thandi

Liberal Democrat (1):      Mrs T Dean, MBE

#### **Webcasting Notice**

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council.

By entering the meeting room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately.

#### **UNRESTRICTED ITEMS**

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

#### **A - Committee Business**

A1 Introduction/Webcast announcement

A2 Apologies and Substitutes

A3 Declarations of Interest by Members in items on the Agenda

In accordance with the Members' Code of Conduct, Members are requested to declare any interests at the start of the meeting. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared

A4 Minutes of the meeting held on 10 July 2014 (Pages 7 - 12)

To consider and approve the minutes as a correct record

A5 Decision Number 14/00075 - Procurement of a Managed Print Service (Decision taken outside committee cycle) (Pages 13 - 20)

To note that Decision no 14/00075 Procurement of a Managed Print Service was taken in accordance with the process in Appendix 4 Part 6 of the Council's constitution

A6 Work Programme 2014/2015 (Pages 21 - 24)

To consider and agree the work programme for 2014/15

#### **B - Key or significant Cabinet Member Decision(s) for recommendation or endorsement**

B1 LASER flexible framework contracts for the supply of gas and electricity October 2016- September 20120 (Pages 25 - 28)

To recommend to the Cabinet Member that delegated authority be given to the Corporate Director of Strategic and Corporate Services to execute the flexible energy procurement frameworks on behalf of KCC for the period October 2016 to September 2020, in consultation with the Cabinet Member for Commercial and Traded Services

B2 Extending the Reach of Superfast Broadband Services (Pages 29 - 34)

To consider a report regarding Cabinet granting delegated authority to the Corporate Director of Strategic and Corporate Services, in consultation with the Cabinet Member for Economic Development and the Cabinet Member for Education and Health Reform to:

- 1) Enter into a contract to deliver the Kent and Medway BDUK Phase 2 project;
- 2) Enter into a grant agreement with BDUK to draw down the £5.6 million of Government funding

#### **C - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers**

C1 Facing the Challenge - Customer Services, Finance, HR and ICT (Pages 35 - 40)

To note a report that provides an update on the current progress of the Customer Services, Finance, HR and ICT service reviews being undertaken as part of Facing the Challenge

- C2 Facing the Challenge - Legal Services Review - Update Report (Pages 41 - 44)  
To consider and note the current proposals and progress in respect of the Legal Services Facing the Challenge Review (further information is contained in the exempt appendices at Item F1 on this agenda)
- C3 Supporting the Organisation Through Change (Pages 45 - 50)  
To note and endorse the changes made and direction proposed for continued support for KCC staff through this period of transformation
- C4 Update from the Member Working Group - Commissioning (Pages 51 - 54)  
To note the report

#### **D - Monitoring of Performance**

- D1 Strategic and Corporate Services Directorate Dashboard (Pages 55 - 68)  
To note the report
- D2 Financial Monitoring 2014-15 (Pages 69 - 72)  
To note the revenue and capital forecast variances from budget for 2014-15 that are within the remit of the Policy and Resources Cabinet Committee, based on the first quarter's full monitoring to Cabinet

#### **Motion to Exclude the Press and Public**

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 paragraph 3 of Part 1 of Schedule 12A of the Act.

#### **E -Key or significant Cabinet Member Decision(s) for recommendation or endorsement - none**

#### **F - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers**

- F1 Facing the Challenge - Legal Services Review - Exempt appendices relating to Item C2 (Pages 73 - 88)  
To receive exempt information relating to Item C2

Peter Sass  
Head of Democratic Services  
(01622) 694002

**Thursday, 11 September 2014**

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## 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 Thursday, 10 July 2014

PRESENT: Mr A J King, MBE (Chairman), Miss S J Carey, Mr R H Bird (Substitute for Mrs T Dean, MBE), Mr N J D Chard, Mr J Elenor, Mr C P D Hoare, Mr R A Latchford, OBE, 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 J D Simmonds, MBE and Mr B J Sweetland

IN ATTENDANCE: Mrs A Beer (Corporate Director Human Resources), Mr J Burr (Director Highways, Transportation & Waste and Principal Director of Transformation), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Ms B Cooper (Corporate Director Growth, Environment and Transport), Mr R Fitzgerald (Performance Manager), Mr M Scrivener (Corporate Risk Manager), Mr D Shipton (Head of Financial Strategy), Mr C Smith (Operations Manager Contact Point), Ms R Spore (Director Property & Infrastructure Support), Mr G Wild (Director of Governance and Law), Mr A Wood (Corporate Director of Finance and Procurement) and Mrs A Hunter (Principal Democratic Services Officer)

#### UNRESTRICTED ITEMS

**65. Introduction/Webcast announcement**  
(Item A1)

The Chairman announced a change to the order of the agenda and said that Item B3 – Performance of Kent Gov Website and Contact Point would be considered before Item B1 – Transformation Agenda.

**66. Apologies and Substitutes**  
(Item A2)

Apologies for absence were received from Mr Davies, Mrs Dean and Mr Long. Mr Bird attended as substitute for Mrs Dean.

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

Mr Hoare made declarations of interest in Conduit - an ICT company that places young people in employment in the construction industry and because his son was being assessed for a statement of special educational need.

**68. Minutes of the meeting held on 23 April 2014**  
(Item A4)

Resolved that the minutes of the meeting held on 23 April 2014 are correctly recorded and that they be signed by the Chairman.

**69. Minutes of the meeting of the Property Sub-Committee**  
*(Item A5)*

Resolved that the minutes of the meeting of the Property Sub-Committee held on 23 June 2014 be noted.

**70. Performance of Kent Gov Website and Contact Point**  
*(Item B3)*

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) introduced the report which outlined issues contributing to the performance indicators for Kent.gov website and the Contact Point as requested by the Policy and Resources Cabinet Committee at its last meeting on 23 April 2014. He encouraged all Members to visit the Contact Centre where officers were working very hard in a challenging environment.
- (2) Mr Sweetland said that historically the Contact Point and the website had performed well but a number of factors, including the Transformation Agenda, flooding, an increase in the number and complexity of calls relating to Children's Social Services, changes to the speed awareness courses, an increase in enquiries relating to secondary school admissions and the home care tender, had come together which had an impact on performance. He said that 12 more advisers were being recruited to resolve short term issues and that a new communications system that would increase flexibility to respond to peaks and troughs in demand would be implemented shortly. He also said that questions that would give an accurate measure of satisfaction with the website were being developed.
- (3) Ms Cooper (Director of Economic and Spatial Development) said that a new customer service policy was being developed to ensure the focus on customers remained at the centre of the transformation programme.
- (4) In response to questions Mr Smith (Operations Manager–Contact Point) said that calls relating to social services were often generated by stories in the media, the Contact Point conducted an initial screening before putting them through to Social Services, call volumes were similar to last year but the duration of each call had increased and there were fewer staff to respond.
- (5) It was confirmed that calls about children's and adults' social services were prioritised within the Contact Point, the website was being developed to enable customers to upload photographs of potholes and that, although the authority would continue to have a Contact Point, it was important that as many customer issues as possible were resolved through the website thereby driving down demand on the Contact Point.
- (6) Resolved:
  - (a) That the report be noted;
  - (b) That a further report on progress be received at the next meeting of the Policy and Resources Cabinet meeting on 19 September 2014.



## **71. Transformation Agenda - Verbal Update**

*(Item B1)*

- (1) Mr Burr (Principal Director of Transformation) gave a verbal update on Facing the Challenge. His presentation covered the approach to transformation, the outcomes and recommendations from Phase 1, the procurement activity and timelines, an update on Phase 2 and the priorities for communication and engagement with staff.
- (2) In response to questions, it was confirmed that fiscal challenges were likely to continue and that the Policy and Resources Cabinet Committee would have the opportunity to consider business cases before decisions were made on any changes to services.
- (3) Resolved:
  - (a) That the report be noted;
  - (b) That electronic copies of the slides be circulated to members of the committee.

## **72. Total Facilities Management**

*(Item B2)*

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which provided an update on the implementation of a Total Facilities Management solution and sought the views of the committee on a proposal to delegate a biannual review of performance against key contract outcomes to the Property Sub-Committee.
- (2) Ms Spore (Director of Property and Infrastructure Support) said that about 60 members of staff would be affected by the proposals set out in the report.
- (3) Resolved:
  - (a) That the report be noted;
  - (b) That a biannual review of performance against key contract outcomes be delegated to the Property Sub-Committee.

## **73. Strategic and Corporate Services Directorate Dashboard**

*(Item C1)*

- (1) Mr Fitzgerald (Performance Manager) introduced the report which set out progress made against targets for Key Performance Indicators. He drew Members' attention to GL03 Data Protection Act Subject Access requests completed within 40 calendar days which had a red "RAG" rating. He said the target had been increased this year, and performance had improved. The June position showed that performance was on target for the month.
- (2) Mr Wood (Corporate Director of Finance and Procurement) provided further information about FP01 (Pension Correspondence processed within 15 working days), FP03 (Invoices received by Accounts Payable within 20 days of KCC received date) and FP06 (Percentage of sundry debt due to KCC outstanding over 6 months old).

- (3) Regarding FP01 Mr Wood said that detailed guidance on the new Local Government Pension Scheme which came into effect on the 1 April was not received until 27 March. A letter was sent to all members of the scheme advising of the changes and this had resulted in increased correspondence and in particular for estimates for early retirements. The software provider had been unable to update the software resulting in a need for manual calculations. 170 requests for estimates were outstanding, the team had capacity to deal with 40 per week, about 40 new requests were received each week, four new staff had been recruited and although performance had improved in June, continued improvement in performance could not be guaranteed.
- (4) Mr Wood said that the number of invoices received by Accounts Payable within 20 days (FP03) was in line with previous years and that rolling out iProc would influence performance against this target. He also said that invoices were usually paid within 48 hours of being received by Accounts Payable.
- (5) Mr Wood said that negotiations with the Home Office were close to a result and it was likely that, a resolution on outstanding six-month debt would be achieved soon. It was suggested that, if necessary, figures including and excluding the Home Office debt be included in the next report.
- (6) Ms Beer (Corporate Director Human Resources) confirmed that HR01 (satisfaction with the resolution of people-management cases rated good or above) related to feedback from managers about the level of support they received from HR and said information about the numbers of grievances were considered annually by the Personnel Committee.
- (7) Resolved that the report be noted.

#### **74. Financial Outturn Report for 2014-15**

*(Item C2)*

- (1) Mr Wood introduced the report which set out the provisional revenue and capital outturn as reported to Cabinet on 7 July 2014.
- (2) Resolved that the provisional revenue and capital outturn for Council in 2013/14 be noted.

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

*(Item C3)*

- (1) Mr Scrivener (Corporate Risk Manager) introduced the report which presented the strategic risks relevant to the Policy and Resources Cabinet Committee, which included risks featured on the Corporate Risk Register for which Strategic and Corporate Services' directors are the designated risk owners. The report also asked the committee to consider and comment on the Strategic and Corporate Services risks outlined in appendices 1 and 2.
- (2) Resolved that the report be noted.

**76. Legal Services - Evolution, Efficiency, Enterprise Project Annual Report - 2013-2014**  
*(Item C4)*

- (1) Mr Sweetland (Cabinet Member for Commercial and Traded Services) and Mr Wild (Director of Governance and Law) introduced the report which gave an update on progress of the Legal Services Evolution, Efficiency Enterprise Project.
- (2) It was proposed by Mr Chard and seconded by Mrs Stockell that the Policy and Resources Cabinet Committee congratulate and thank Geoff Wild and his team for the continuing success of the Legal Services Evolution, Efficiency and Enterprise Project.

*Carried*

- (3) The committee also considered that it was important that Kent County Council maintained a controlling interest in whatever vehicle might be used to deliver the service in the future.
- (4) Resolved:
  - (a) That the report be noted;
  - (b) That Geoff Wild and his team be congratulated and thanked and for the continuing success of the Legal Services Evolution, Efficiency and Enterprise Project.

**77. Budget Consultation 2015-2016**  
*(Item D1)*

- (1) Mr Simmonds (Deputy Leader and Cabinet Member for Finance and Procurement) introduced the report which set out the preferred approach to consultation on the 2015/16 budget, building on and developing the most successful aspects of the consultation on the 2014/15 budget. The report also asked the committee to consider and endorse the proposed consultation arrangements and to make recommendations on any changes and enhancements.
- (2) Mr Simmonds also said that he had received only one request to attend a local public meeting although both he and Miss Carey had been willing to attend such events.
- (3) During the discussion concerns were raised about the possibility of multiple submissions from the same person, the desirability of gathering information about respondents balanced against concerns about responding to the consultation using a traceable email address. Members were reminded that the control mechanisms within the sample surveys were designed to give an assurance that consultation responses could be relied upon to represent the wider views of Kent residents.
- (4) Resolved that the report be noted.

**78. 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.

**79. Facing the Challenge - Property Review Update**  
*(Item E1)*

- (1) Mr Cooke (Cabinet Member for Corporate and Democratic Services) introduced the report which provided an update on the current direction of travel in respect of the Facing the Challenge Review for Property and Infrastructure Support Services).
- (2) Ms Spore (Director of Property and Infrastructure Support) said that a final decision about the future of the service had not yet been made, outlined the primary functions of the Property and Infrastructure Support Services and provided detailed information about the options considered and the proposed preferred option.
- (3) It was confirmed that if a local authority trading company (LATCO) were established it would be wholly-owned by Kent County Council, with appropriate governance arrangements and members would continue to have oversight of performance.
- (4) Resolved:
  - (a) That the report be noted;
  - (b) That the quality of the report be noted and that it be used as a template for the presentation of future proposals within the Transformation Programme.

From: **Mr G Cooke, Cabinet Member for Corporate and Democratic Services**  
**David Cockburn, Corporate Director of Strategic and Corporate Services**

To: **Policy and Resources Cabinet Committee 19 September 2014**

Subject: **Decision Number 14/00075 – Procurement of a Managed Print Service (Decision taken outside the committee cycle)**

Classification: **Unrestricted.**

**FOR INFORMATION ONLY**

**Summary:** The attached decision was taken in accordance with all relevant statutory requirements but outside of the Cabinet Committee cycle as it could not reasonably be deferred to the next programmed meeting of the Policy and Resources Cabinet Committee for the reason(s) set out in paragraph 1.3 below.

**Recommendation(s)** that Decision no 14/00075 Procurement of a Managed Print Service taken in accordance with the process in Appendix 4 Part 6 of the Council's constitution be noted

- 1.1 In accordance with the Council's governance arrangements, all significant or Key Decisions should be submitted to the relevant Cabinet Committee for endorsement or recommendation prior to the decision being taken by the Cabinet Member or Cabinet.
- 1.2 For the reason set out below it has not been possible for this decision to be discussed by the Cabinet Committee prior to it being taken by the Cabinet Member for Corporate and Democratic Services. Therefore, in accordance with process set out in the Council's Constitution, the Chairman and Group Spokespersons for this Cabinet Committee, the Chairman and Spokesmen for the Scrutiny Committee and the local members affected were informed prior to the decision being taken and their views were recorded on the Record of Decision (attached at Appendix 1). In addition, all members had the opportunity to view and comment on the proposed decision before it was taken. (A copy of the report is at Appendix 2)
- 1.3 The deadlines and dates of the Policy and Resources Cabinet Committee would have delayed the decision and the procurement of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd.

2. **Recommendation:** The Policy and Resources Cabinet Committee is asked to note Decision no 14/00075 – Procurement of a Managed Print Service – taken in accordance with the process in Appendix 4 Part 7 of the Council’s Constitution.

**Background documents:**

- Record of Decision No. 14/00075– Attached at Appendix 1
- Report to Cabinet Member – Attached at Appendix 2

**Contact details:**

Name Ann Hunter  
Principal Democratic Services Officer  
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# KENT COUNTY COUNCIL –RECORD OF DECISION

**DECISION TAKEN BY:**

Gary Cooke  
Cabinet Member for Corporate and Democratic Services

**DECISION NO:**

14/00075

**For publication****Key decision\***

As well as better management control the implementation of a Managed Print Service will deliver savings to the Council.

**Subject:**

Provision of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd

**Decision:**

As Cabinet Member for Corporate and Democratic Services, I agree that KCC enter into a contract for the provision of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd

**Reason(s) for decision:**

The implementation of a Managed Print Service will bring a number of important benefits:

1. Reduce cost – print policies – such as duplex by default - will reduce the amount of printing. Introduce efficiencies – the absence of any corporate strategy until now means that the authority has a wide range of makes and models.
2. Save space – as well as fewer devices, consumables will be delivered 'just in time'
3. Improve carbon footprint – fewer devices will require less energy and the more modern fleet will be more energy efficient
4. Be much more suitable for a mobile / flexible workforce - a single universal print driver provides 'follow me' printing so will eliminate the difficulty for flexible / mobile workers of producing hard copy from any location. A single manufacturer will mean a standard user interface for staff to familiarise themselves with regardless of where they are working
5. Improve security – prints have to actively be released

**Cabinet Committee recommendations and other consultation:**

The decision will not be considered by a Cabinet Committee as it is not reasonable to delay it until July but all members will be given the opportunity to comment on the proposed decision and comments will be recorded within the report to which the Cabinet Member will have regard on taking the decision.

**Any alternatives considered:**

1. Continue as at present, i.e. purchase / lease of equipment devolved to local budget management. Strategic approach would not be introduced and therefore benefits not realised
2. Commission KCS to provide a comparable service. No previous experience of such provision

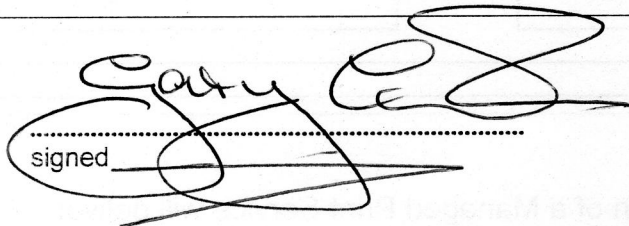
and acknowledgement that it would be necessary to buy in software and expertise

3. Solutions already implemented by SE7 partners were investigated but for various reasons were not accessible to KCC.

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

**Proper Officer:**

None

  
signed

22/07/2014  
date



From: Corporate Director of Strategic and Corporate Services  
To: Cabinet Member for Corporate and Democratic Services  
Decision No: **14/00075**  
Subject: **Procurement of a Managed Print Service**  
Key decision – Financial criteria exceeded  
Classification: **Unrestricted**

**Summary:** The report outlines the background to the proposal for KCC to contract for the provision of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd

**Recommendation(s):**

That the Cabinet Member for Corporate and Democratic Services agrees the provision of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd

**1. Introduction**

1.1 To date the purchase and leasing of printers and photocopiers in KCC has been managed locally. This approach risks unnecessary cost and lacks emphasis on strategic direction and control. For some time the authority has investigated alternative approaches and has identified that a third party solution – provided by specialists in the field – could result in a wide range of benefits. This will provide not only a more cost effective solution but one that more closely supports the shape and culture of the organisation in the future and the more flexible and mobile nature of its workforce.

**2. Financial Implications**

2.1 Introduction of a Managed Print Service is not only expected to save in the region of £700k p.a. but will also mean that spend is much more transparent and easily monitored.

**3. Detail**

3.1 Considerable time and effort has been spent studying the provision of printing and photocopying services. This included the use of KCC's contract with Forrester Research to gain a better understanding of the market and the potential it offered. Among other findings it quickly became clear that numerous large organisations – both public and private – had already outsourced this function to third parties including a number of technology organisations whose core activity lay outside the area of reprographics.

- 3.2 Three main alternatives to that currently proposed were considered and discarded. The first of these was to continue with the existing approach but the benefits sought were not achievable without radical change. The need to create efficiencies and eliminate the potential for waste means that the status quo is no longer tenable. A proposal from KCS was also considered and owing to a lack of experience in the sector also dismissed. Finally solutions already implemented by SE7 partners were investigated but for various reasons were not accessible to KCC.
- 3.3 The decision to adopt the approach suggested will require that the council enters into legal agreements with the chosen provider and Legal Services will be fully involved in the creation and authorisation of those contracts.
- 3.4 When fully implemented the provision of a single, modern and consistent user interface will better suit users with a range of disabilities.
- 3.5 A Managed Print Service compliments the Council's reduced property portfolio by reducing the demand for space – both for the equipment and the storage of consumables – but also compliments the more flexible and mobile workforce that will result.
- 3.6 “The Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder) provide the governance pathway for the implementation of this decision by officers. In this instance, the Director of Information and Communication Technology, Infrastructure and Support (on behalf of the Corporate Director Strategic & Corporate Services) will take all such steps as are necessary to implement the decision”.

#### **4. Conclusions**

- 4.1 Printing has been described as the last great hidden business cost. In the case of Kent County Council at the moment this could not be more true. The inconsistency between recorded costs of printing and the amount of paper bought within the organisation is a simple example of how standardising provision can improve the management of this area. The implementation of a Managed Print Service from acknowledged industry leaders will ensure that such issues are resolved.
- 4.2 A Managed Print Service will represent a significant cultural challenge for many as it will impose restrictions that have been absent hitherto and it must be clear from the outset that any exceptions to the corporate provision will incrementally undermine the business case and reduce the benefits possible.
- 4.3 Once the implementation has been planned and a schedule agreed – expected to take approximately two months – an aggressive timetable should see the service fully deployed within a year.

## **5. Recommendation**

The Cabinet Member for Corporate & Democratic Services agrees the provision of a Managed Print Service from Xerox (UK) Ltd using the Framework Agreement between Surrey County Council and Xerox (UK) Ltd

## **6. Background Documents**

None

## **7. Contact details**

Report Author: Frank Penfold  
Name and title: ICT – Business Relationship Manager  
Telephone number: 03000 411237  
Email address: frank.penfold@kent.gov.uk

Relevant Director: Peter Bole  
Name and title: Director of ICT  
Telephone number: 03000 410487  
Email address: peter.bole@kent.gov.uk

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From: Peter Sass, Head of Democratic Services  
 To: Policy and Resources Cabinet Committee – Friday 19 September 2014

Subject: **Work Programme 2014/15**

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 agree its work programme for 2014/15.

## 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 Chairman, Vice-Chairman and group spokesmen.
- 1.2 Whilst the Chairman, 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”.
- 2.2 Further terms of reference can be found in the Constitution at Appendix 2 Part 4 paragraph 21 and these should also inform the suggestions made by Members for appropriate matters for consideration.

## 3. Work Programme 2014/15

- 3.1 An agenda setting meeting was held on Friday 15 August 2014 at which items for this meeting’s agenda and future agenda items were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics that they wish to considered for inclusion on the agenda of future meetings.

3.3 When selecting future items the Cabinet Committee should give consideration to the contents of 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 Chairman or the Democratic Services Officer between meetings for consideration.

5. **Recommendation:** The Policy and Resources Cabinet Committee is asked to consider and agree its work programme for 2014/15.

#### 6. Background Documents

None.

#### 7. Contact details

Report Author:  
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Principal Democratic Services Officer  
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Lead Officer:  
Peter Sass  
Head of Democratic Services  
01622 694002  
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**WORK PROGRAMME – 2014/2015  
Policy and Resources Cabinet Committee**

| <b>Agenda Section</b>   | <b>Items</b>  |
|---|---|
| <b>December 2014</b>  |   |
| <b>B - Key or Significant Decisions for Recommendation or Endorsement</b> | <ul style="list-style-type: none"> <li>• <b>Customer Service Policy (suggested at P&amp;R Meeting in July 2014)</b></li> </ul>  |
| <b>C - Performance Monitoring</b>   | <ul style="list-style-type: none"> <li>• <b>Performance Dashboards</b></li> <li>• <b>Financial Monitoring</b></li> <li>• <b>Annual Diversity Report</b></li> <li>• <b>Contact Point Update</b></li> <li>• <b>Communications Update</b></li> </ul> |
| <b>D - Other Items for comment/ recommendation</b>                        |   |
| <b>JANUARY 2015</b>   |   |
| <b>B - Key or Significant Decisions for Recommendation or Endorsement</b> |   |
| <b>C - Performance Monitoring</b>   | <ul style="list-style-type: none"> <li>• <b>Performance Dashboards</b></li> <li>• <b>Financial Monitoring</b></li> <li>• <b>Draft Revenue and Capital Budgets</b></li> </ul>  |
| <b>D - Other Items for comment/ recommendation</b>                        |   |
| <b>SPRING 2015</b>  |   |
| <b>B - Key or Significant Decisions for Recommendation or Endorsement</b> |   |
| <b>C - Performance Monitoring</b>   | <ul style="list-style-type: none"> <li>• <b>Performance Dashboards</b></li> <li>• <b>Financial Monitoring</b></li> <li>• <b>Strategic Priority Statements incl risk registers</b></li> </ul>  |
| <b>D - Other Items for comment/ recommendation</b>                        |   |

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From: **Bryan Sweetland, Cabinet Member for Commercial and Traded Services**

**Mike Austerberry, Interim Corporate Director of Growth, Environment and Transport**

To: **Policy and Resources Cabinet Committee, 19 September 2014**

Decision No: **14/00096**

Subject: **LASER flexible framework contracts for the supply of gas and electricity October 2016 – September 2020**

Key decision : **Expenditure – Over £1m**  
**a) Flexible framework contract for the supply of gas, with a value of £625m over four years**  
**b) Flexible contract for the supply of electricity, with a value of £975m over four years**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: For Cabinet Member Decision

Electoral Division: All

**Summary:** LASER Energy Buying Group operates Kent County Council's flexible energy procurement frameworks to purchase the gas and electricity requirements of KCC and other LASER customers. This report provides an overview of the procurement process undertaken by LASER to renew the flexible frameworks for the period October 2016 – September 2020. The new flexible frameworks are to be executed during September 2014 to allow a two-year window for LASER to commence purchasing future energy requirements.

**Recommendation(s):**

The Cabinet Committee is asked to recommend to the Cabinet Member that delegated authority is given to the Corporate Director of Strategic & Corporate Services to execute the flexible energy procurement frameworks on behalf of KCC for the period October 2016 to September 2020, in consultation with the Cabinet Member for Commercial and Traded Services.

## **1. Introduction**

- 1.1 LASER is a successful division of Commercial Services Kent, using advanced energy procurement methods to minimise the gas and electricity spends of Kent County Council and its other public sector customers.
- 1.2 Kent County Council's current flexible energy procurement frameworks, operated by LASER, expire 30 September 2016.
- 1.3 An open OJEU compliant tender process has been utilised in order to appoint new framework suppliers for the period October 2016 to September 2020.
- 1.4 A total of six suppliers submitted tenders (four electricity offers and three gas offers). Npower (electricity) and Total GP (Gas) received the highest assessed tender scores. Npower and Total are the incumbent framework providers for electricity and gas respectively.
- 1.5 Contract documentation is being finalised with Npower and Total to allow Kent County Council to execute the frameworks prior to 30 September 2014.

## **2. Financial Implications**

- 2.1 KCC's energy spend under these frameworks will be approximately £65m over four years.
- 2.2 The remaining value is energy purchases made by LASER on behalf of other public sector customers who utilise the frameworks. There is negligible financial risk to KCC as customers remain responsible for paying suppliers for the energy purchased by LASER; either directly to the suppliers, or via LASER in the case of customers taking a managed service. This has been the case since LASER's inception in 1989.
- 2.3 To maintain a sufficient window for purchasing energy requirements from 1 October 2016 onwards, the new flexible frameworks will be established by 30 September 2014. This allows LASER to spread the purchases of future energy requirements, and mitigates the risk of purchasing at times of peak market pricing.

## **3. Bold Steps for Kent and Policy Framework**

- 3.1 LASER consistently purchases energy for KCC and other public sector customers at below average market prices, offering cost relief at a time of constrained public sector budgets. Across KCC's portfolio (including Kent Highways), LASER's flexible procurement frameworks have achieved an average cost avoidance of £1.1M per annum over the past four years. Across LASER's portfolio of public sector customers as a whole, the annual cost avoidance is £26.8M per annum.

- 3.2 In addition to the above, LASER offers further services that provide value to customers, including energy invoice validation, query management, reporting and energy management.
- 3.3 Consistent with KCC's Strategic and Corporate Services Directorate Strategic Policy Statement, LASER's surplus from servicing public sector customers is returned to KCC.
- 3.4 LASER employs over 65 people, providing local employment, training and development.

#### **4. The Report**

- 4.1 LASER has been purchasing gas and electricity since 1989 on behalf of Kent County Council and other public sector customers.
- 4.2 From 2008 onwards, LASER has been operating Kent County Council's flexible energy procurement frameworks. The frameworks permit LASER to purchase aggregated customer gas and electricity requirements in multiple blocks prior to the point of delivery. This helps to mitigate and spread market price risk. This method of purchasing energy was recommended by the Pan Government Energy Project in 2011 and has delivered financial benefits to LASER customers, including KCC.
- 4.3 Alternative options would include using fixed term fixed price contracts for all of KCC's portfolio. This provides price certainty, but carries significant budget risk from purchasing energy requirements at times of high market prices. Other approved Public Sector Buying Organisations could carry out the Procurement operation but this would not deliver returns to KCC and would not take advantage of the well developed procurement strategy and procurement knowledge available in LASER.
- 4.4 Due to the success of the 2008 – 2012 and 2012 – 2016 flexible frameworks, LASER has undertaken an open OJEU compliant procurement process to appoint new flexible framework suppliers for the period October 2016 to September 2020.
- 4.5 A total of six suppliers submitted tenders (four electricity offers and three gas offers). Npower (electricity) and Total GP (Gas) received the highest assessed tender scores. Npower and Total are the incumbent framework providers for electricity and gas respectively.
- 4.6 Nabarro, a law firm, have been engaged to finalise the flexible framework contract documentation with the successful suppliers. Nabarro will provide a document confirming the contracts are fit for purpose prior to being executed.
- 4.7 The flexible framework Contract is to be signed by the Corporate Director of Strategic & Corporate Services.

4.8 Council properties will benefit from LASER's flexible procurement and invoice validation services. There will be a return made to KCC through LASER servicing other public sector customers.

4.9 The frameworks comply with all relevant equality legislation.

4.10 The frameworks comply with all relevant Public Health legislation.

## 5. Conclusions

LASER Energy Buying Group operates Kent County Council's flexible energy procurement frameworks to purchase the gas and electricity requirements of KCC and other LASER customers. The frameworks are operated by LASER to minimise KCC's energy spend, and generate a return to KCC by servicing other public sector customers. Renewing the flexible procurement frameworks for the period October 2016 to September 2020 will permit LASER to continue the provision of these services.

## 6. Recommendation(s):

The Cabinet Committee is asked to recommend to the Cabinet Member that delegated authority is given to the Corporate Director of Strategic & Corporate Services to execute the flexible energy procurement frameworks on behalf of KCC for the period October 2016 to September 2020, in consultation with the Cabinet Member for Commercial and Traded Services.

## 7. Background Documents

7.1. Draft record of decision.

## 8. Contact details

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**By:** Mark Dance, Cabinet Member for Regeneration and Economic Development, Roger Gough, Cabinet Member for Education and Health Reform & David Cockburn, Head of Paid Service

**To:** Policy and Resources Committee - 19<sup>th</sup> September 2014

**Subject:** **Extending the Reach of Superfast Broadband Services**

**Classification:** Unrestricted

**Electoral Divisions:** All

### **For Decision**

Cabinet Committee is asked to consider this report regarding Cabinet granting delegated authority to the Corporate Director, Strategic and Corporate Services, in consultation with the Cabinet Member for Economic Development and the Cabinet Member for Education and Health Reform to:

- 1) enter into a contract to deliver the Kent and Medway BDUK Phase 2 project;
- 2) enter into a grant agreement with BDUK to draw down the £5.6 million of Government funding.

## **1.0 Introduction**

- 1.1 The Government has recently allocated additional funding of £5.6 million for Kent and Medway to further increase the rollout of superfast broadband services, which KCC has agreed to match. This is part of the BDUK's (phase 2) superfast extension programme which aims to build upon the work of the existing BDUK (phase 1) projects and get superfast broadband to 95% of premises in the UK by 2017.
- 1.2 Drawing down this funding will require Kent County Council undertaking a new procurement, securing state aid sign off (under the UK's state aid notification) and entering into a new grant agreement with BDUK for the additional allocation.

## **2.0 Background**

- 2.1 Improving access to good quality broadband services has been a long-standing priority for Kent County Council.
- 2.2 Despite significant investment in recent years by a number of commercial infrastructure providers (notably BT Openreach and Virgin Media) – around a quarter of the County's premises remain 'out of scope' of these commercial upgrade programmes. This is because these premises, or areas, are not deemed commercially viable to upgrade within the operators' current investment models.

2.3 Given the importance of broadband to business, education, public service delivery and, increasingly every-day life, Kent County Council has been working to bring better broadband to areas where there are no plans by commercial operators to upgrade provision (i.e. areas of market failure) – and without this work, would continue to have no or very slow broadband services.

### **3.0 Work currently underway to upgrade broadband services in areas of ‘market failure’**

3.1 KCC is currently delivering two major projects to upgrade broadband connectivity across the County. These are:

**3.1.1. The Kent and Medway BDUK (phase 1) project** – a £40 million infrastructure project working to bring superfast broadband to over 120,000 premises across Kent. In particular, the project is aiming to ensure that:

- 91% of all properties in Kent can access superfast broadband of at least 24Mbps broadband infrastructure by the end of 2015.
- Every property in the project area can access a standard broadband service of at least 2mbps by the end of the project.

The project, which commenced in March 2013, is currently on track and has already delivered better broadband to over 40,000 premises – and is anticipated to reach 50,000 premises by the end of this month. Further information on the rollout can be found at [www.kent.gov.uk/broadband](http://www.kent.gov.uk/broadband).

**3.1.2 The Regeneration Fund Superfast Broadband Pilots** – KCC is working with five communities to trial innovative, new ways of delivering superfast broadband in hard to reach areas. These schemes, which commenced in 2011 and cover 4,747 premises, are being delivered by Call Flow Solutions and services have now gone live in four of the pilot areas. The project represented also the first UK project which was officially recognised as using wireless broadband technologies to deliver superfast speeds.

### **4.0 Further extending the reach of superfast broadband services**

4.1 Whilst the above work will create a real step change in broadband connectivity across the County - by ensuring that 91% of properties across Kent can get superfast broadband by the end of 2015 - we recognise that is very frustrating for those living or working in areas which are not likely to benefit from this current round of upgrades.

4.2 We are therefore working hard to further extend the reach of superfast broadband services beyond 91%. This work comprises:

- a) **Securing additional funding to extend coverage** – KCC has secured two pots of additional funding to extend coverage beyond 91%.

- i) Firstly, as a result of work undertaken in partnership with Ashford and Tunbridge Wells Borough Councils, and Sevenoaks and Shepway District Councils, KCC was awarded an additional £1.59 million of Government funding to extend existing BDUK project. This will bring better broadband to a further 3,673 households in these areas.
- ii) Secondly, KCC has been allocated an additional £5.6 million of Government funding to undertake a BDUK Phase 2 project – which KCC is matching. Whilst it is not possible to confirm the precise coverage uplift that will be achieved, it is anticipated that this additional funding should bring superfast broadband to at least 95% of premises across Kent by the end of 2017.

#### **b) Piloting new technological solutions for ‘hard to reach’ final 5% areas**

The final ‘5%’ areas represent those premises which are the hardest to serve – both on cost and technological grounds. For example, fibre to the cabinet technologies will not provide a speed uplift to properties who are too far away from the cabinet, whilst ‘line of sight’ issues (e.g. tree coverage, nature of the local topography, nearby buildings) can prevent properties in areas served by wireless operators from being able to receive the service – unless specific adaptations have been made in the operator’s local network design.

To help support the development of new, and more affordable solutions, KCC is working with BDUK as a pilot location for their national ‘Innovation Market Testing’ Scheme – and the findings of this work will subsequently inform the development of a new BDUK Phase 3 programme – which will focus on these ‘final 5%’ areas.

### **5.0 Taking forward the BDUK Phase 2 project**

- 5.1 As highlighted in section 4.2 above, KCC have been allocated additional government funding to extend the reach of superfast broadband beyond the 91% planned for the phase 1 project - as part of the BDUK phase 2 programme.
- 5.2 KCC is currently working with BDUK to take forward this project and has already:
  - Undertaken an Open Market Review with all broadband infrastructure providers to ascertain their current coverage and future commercial coverage plans for standard (at least 2mbps) and superfast broadband in the next three years.
  - Commenced the formal state aid notification process with BDUK
  - Reviewed the procurement options available to KCC.
  - Agreed with BDUK a slot on their procurement pipeline.
- 5.3 Given the market and programme constraints, KCC is planning to procure the phase 2 project utilising the BDUK framework – which is now officially a single supplier framework. This is because, having reviewed the options:

- All of the existing BDUK phase 1 projects in the UK have been awarded to BT, regardless of whether they were framework or non-framework due to a lack of competition in the rural infrastructure market for projects at this scale.
- Running a separate OJEU procurement would take longer and increase the risk of a no-bid scenario – especially if the local requirement and contractual terms varied from those associated with the BDUK framework.
- The UK's State Aid notification expires on the 30<sup>th</sup> June 2015. State aid sign off is a legal requirement and all projects wishing to use this scheme must be in contract by this date – otherwise they will need to apply directly to the Commission which could take between 12-18 months to secure.
- Utilising the BDUK framework significantly mitigates the risk of a 'no-bid scenario'. Should the procurement cycle need to be repeated, it is unlikely that a contract could be awarded ahead of the expiry of the UK's State Aid notification scheme.
- Our experience of running small scale broadband procurements indicates that it is highly unlikely that we could complete the necessary procurements and state aid sign off within the necessary timescale for a multiple-procurement option.
- An independent value for money review of the bid received for KCC's previous BDUK framework procurement concluded that the submission was within acceptable cost parameters.

## **6.0 Safeguarding Value for Money**

6.1 In order to provide the necessary assurances that value for money is being achieved, the following safeguards are being put in place:

- An independent value for money review is being commissioned for the Kent bid. This will compare the bid against anticipated modelled costs to ensure the proposed costs can be justified – and that any anomalies are flagged.
- The BDUK assurance team will also benchmark the costs of the Kent Phase 2 bid with financial data from the phase one and phase two bids. This will compare costs and red flag any cost differentials and local variations.

## **7.0 Timescales**

7.1 We are currently in the process of finalising timescales for the procurement with BDUK but it is anticipated that the Invitation to Tender will be launched by the end of October and that contract will be awarded in April 2015

7.2 Although precise delivery timescales cannot be confirmed until we have completed the procurement exercise, BDUK are anticipating that the additional coverage will be in place by 2017. As for the current programme,



KCC will seek to utilise every opportunity to accelerate the deployment plan wherever possible.

## 8.0 Conclusions

- 8.1 Good progress has been made to date in taking forward a range of projects to improve Kent's broadband connectivity. To date, this work has brought better broadband connectivity to almost 50,000 homes and businesses that would not otherwise benefit from commercial upgrade programmes.
- 8.2 The BDUK phase two project creates an opportunity to further build upon this work and go beyond the current targets of bringing superfast broadband to 91% of premises in Kent and Medway.
- 8.3 Whilst it is unfortunate that there still remains a lack of competition within the rural broadband infrastructure market for deploying projects at this scale, a robust framework is in place to manage the Kent and Medway BDUK phase two procurement and ensure that value for money is achieved.

## 9.0 Recommendation(s)

### Recommendation(s)

Cabinet Committee is asked to consider this report regarding Cabinet granting delegated authority to the Corporate Director, Strategic and Corporate Services, in consultation with the Cabinet Member for Economic Development and the Cabinet Member for Education and Health Reform to:

- 1) enter into a contract to deliver the Kent and Medway BDUK Phase 2 project;
- 2) enter into a grant agreement with BDUK to draw down the £5.6 million of Government funding.

## 10. Contact Details

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**Background Documents:**

None

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From: Paul Carter, Leader of the Council  
 John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement  
 Gary Cooke, Cabinet Member for Corporate and Democratic Service  
 Bryan Sweetland, Cabinet Member for Commercial and Traded Service

To: Policy and Resources Cabinet Committee – 19<sup>th</sup> September 2014

Subject: **Facing the Challenge — Customer Services, Finance, HR and ICT**

Classification: **Unrestricted**

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** N/A

**Electoral Division:** All

**Summary:** This report provides an update to the Policy and Resources Cabinet Committee on the current progress of the Customer Services, Finance, HR and ICT service reviews being undertaken as part of Facing the Challenge

**Recommendation(s):**

The Cabinet Committee is asked to note the update.

## 1 Introduction

1.1 The Customer Services, Finance, HR and ICT Divisions were all included in Phase 1 of the Facing the Challenge Service Review and Market Engagement workstream. This report updates members of the Policy and Resources Cabinet Committee on aspects of the work being undertaken on both the market engagement and the service review.

1.2 The *Facing the Challenge: Phase 1 Service Review and Market Engagement Outturn Report* agreed by the County Council in May 2014 noted:

“The preferred option of the Finance, HR and ICT review is to move to an integrated service offer run with a JV partnership. Although an options appraisal has been developed for each of these services independently of each other, it became very clear early on in the market engagement exercise that greater value could be derived by considering these services, in particular the transactional functions within each of them, as a single back office “offer”. The integration of the transactional functions was already

planned by the three services involved and so this approach will be applied irrespective of whether it is provided in-house or out-of-house. As such, the three services are being taken forward as a joint review with a shared preferred option. The outcomes of the competitive dialogue procurement will be benchmarked against an integrated services cost comparator.”

- 1.3 In the same paper, the preferred option for Contact Point was to include it in further market engagement discussions around a Joint Venture partnership.

## **2 Current Activity**

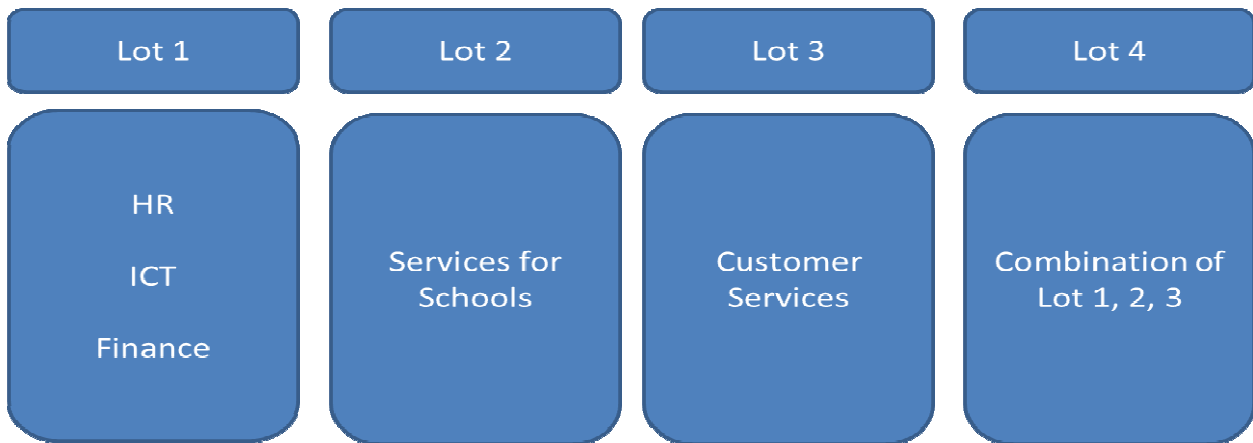
- 2.1 Support services have to make a contribution to the significant financial challenges facing the Authority and ensure overheads are reduced. There is also a need to model the services provided, whether in-house or in a Joint Venture, to be sufficiently flexible to respond effectively as the organisation changes and down sizes.

- 2.2 As a result of the Facing the Challenge County Council decision and being mindful of the need to reduce the overhead and become more flexible, work has been continuing on the three key components fundamental to the market engagement and service review:

- The procurement project, which is being managed by the Facing the Challenge team
- The work on establishing the Business Service Centre which brings together transactional activities from these services into a single integrated unit. This work will deliver 2015/16 savings and the outcome will provide the internal integrated services cost comparator
- Ensuring that the three Divisions and the Customer Services function have clear and robust commissioning and client functions to enable effective management of the commissioned services, wherever they are delivered.

## **3 Market Engagement**

- 3.1 The procurement project is being managed by the Facing the Challenge project team reporting through a project board formed of relevant service Directors and external strategic advisors.
- 3.2 The primary objective is to identify a potential solution that is better, cheaper and more profitable (where possible) than the current in-house models.
- 3.3 The services have been divided into the following Lots for procurement consideration. This report does not cover the aspects of the Services for Schools Lot (Lot 2) except as it relates to Finance, HR and ICT services.



#### 4 Market Engagement Project Overview

- 4.1 The project has successfully completed all planned stages and remains on target.
- 4.2 The project has reached the Pre-Qualification Questionnaire stage (PQQ) where bidders will be shortlisted to go through to the next stage. The PQQ stage evaluates bidders' financial standing and examines their track record in undertaking a contract of this nature.
- 4.3 The Council received sixty-one expressions of interest against the procurement notice which was issued in June 2014. The Council has received nine formal PQQ responses from organisations that all have a strong history of providing services to local government. The organisations with which the Authority will enter competitive dialogue are as follows:



#### 5 Competitive Dialogue

- 5.1 Following completion of the Pre-Qualification Questionnaire Stage, successful bidders will now be invited to take part in competitive dialogue (CD). Competitive Dialogue allows the Council to challenge the market to provide solutions and to discuss those solutions in light of KCC's current and future challenges, resulting in the best service delivery for Kent residents.

- 5.2 This process also allows the Council to understand the following:
- The total cost of the bidders proposal
  - The detailed nature of the bidders' proposals
  - The risk associated with each of the proposals
  - The cost of transition
- 5.3 There will be some decisions to be made during the dialogue process which include the following:
- Duration of contract
  - Payment mechanism
  - Contractor incentives and penalties
  - Scope
  - Use of and payment of property
  - Risk allocation
  - Performance measures and targets

## 6 Project Governance

- 6.1 The project is governed by a Commissioning Group which is made up of the Directors for each of the Services included in the process, the Director of Transformation and external business advisors. This Group meets regularly and offers support and challenge to the process as well as allowing for any key risks or issues to be escalated and, where possible, mitigated. It is responsible for making recommendations, based on the Programme Manager's report, to the Decision Group.
- 6.2 The project delivery team is headed by a Programme Manager, with functional leads from each service working alongside external specialists, who offer direct support to the service leads, particularly with designing and creating the service specifications.
- 6.3 The Facing the Challenge team have also engaged KPMG to offer any additional advice and guidance required and, importantly, to validate the process, including the internal cost comparator, as we move through each of the milestones.

## 7 Milestones

- 7.1 The procurement project is on target to meet the following high level, key milestones

| <b>Key Milestone</b>        | <b>Indicative Timetable</b> |
|-----------------------------|-----------------------------|
| Outcome of PQQ shortlisting | End of August 2014          |
| Competitive Dialogue        | October – December 2014     |
| Key Decision                | February/March 2014         |

- 7.2 Should the Council decide to accept one of the bidder's proposals, it is anticipated that the contract would commence in May/June 2015. However,

this timetable is dependent on the completion of the competitive dialogue phase.

## **8 Service Review**

- 8.1 The decision to establish a Business Services Centre, bringing together the transactional services provided by Finance, HR and ICT was taken by the Business Strategy and Support Directorate Management Team as a response to finding new ways to provide lower cost, improved quality, and integrated services to internal customers. It was also seen as providing a platform for maximising external income on traded services.
- 8.2 An interim Head of the Business Services Centre was appointed in April 2014 and she has been working to a Budget and Efficiency Review Board of the Service Directors and a senior representative of the internal customer base on ways to integrate and improve the service offer. She is supported by a project manager and a team made up of representatives from the three Divisions and Customer Services.
- 8.3 A number of workshops have been held with staff in the teams across the Divisions and internal customers to identify improved ways of working and the scope to do things differently. The level of staff engagement and willingness to contribute their thoughts and ideas has been strong and encouraging.
- 8.4 Staff engagement events have been held for all staff impacted, both to involve them in the Business Services Centre development and to update them on the procurement project process and progress.
- 8.5 In addition, the teams in Finance, HR and ICT not covered by the implementation of the Business Service Centre or the first phase of market engagement are also being reviewed within each Division. It is necessary for the total budgets for all the services to reduce significantly to meet MTFP targets. Action needs to be taken by the beginning of the next calendar year at the latest on implementing planned change to ensure year one MTFP savings are achieved.

## **9 Recommendation(s)**

### **Recommendation(s):**

The Cabinet Committee is asked to consider and note the current proposals in respect of the Facing the Challenge Review of Customer Services, Finance, HR and ICT.

## **Background Documents**

Facing the Challenge – Phase 1 update

## Contact details

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**From:** Paul Carter, Leader of the Council  
 Bryan Sweetland, Cabinet Member for Commercial and Traded Service  
 Geoff Wild, Director of Governance and Law

**To:** Policy and Resources Cabinet Committee  
 19 September 2014

**Subject:** **Facing the Challenge – Legal Services Review – Update Report**

**Classification:** **Appendices Exempt**

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** N/A

**Electoral Division:** All

**Summary:** This report seeks to update the Policy and Resources Cabinet Committee on the current direction of travel in respect of the Facing the Challenge Review for Legal Services.

**Recommendation(s):**

The Committee is asked to consider and note the current proposals and progress in respect of the Legal Services Facing the Challenge Review.

**1. Introduction**

- 1.1 Legal Services was considered as part of the ‘Facing the Challenge: Delivering Better Outcomes’ Phase 1 review process. A key part of the initial activity included desk research and informal market engagement to inform a detailed options appraisal and Outline Business Case. The primary objective was to identify a potential solution that was “better, cheaper and more profitable” than the current in-house Legal Services model.
- 1.2 An Outline Business Case was presented to the Transformation Advisory Group (TAG) in March 2014. The recommendation was to progress with an option to seek a commercial partner to form a joint venture (JV), and then to apply to the Solicitors Regulation Authority (SRA) for a licence to operate a legal practice under the Alternative Business Structure (ABS) arrangements.
- 1.3 The intention would be for the JV/ABS to not only undertake KCC’s legal work, but also to benefit from work streams supplied by the partner and to

trade in the wider market, unlike the current in-house model, which is not permitted to trade other than with a limited number of public sector bodies.

This will provide the following potential benefits:

- The opportunity for sustainable growth and for KCC to have an interest in an appreciating asset
- An increased income stream for KCC
- Recurring savings on the cost of the annual KCC legal spend

1.4 Further work on market engagement and financial analysis was undertaken, culminating in a Case to Proceed to Procurement being presented to TAG on 29 July 2014.

1.5 TAG considered this document and recommended it be passed through the agreed tiers of engagement and to move to implementing a formal procurement process to secure a commercial partner to form the JV/ABS.

## **2. Financial Implications**

2.1 Please see *Appendix A* which is exempt.

## **3. The Review process**

3.1. A full independent review of the options available to KCC for the future delivery of Legal Services was undertaken, which included a market engagement exercise to validate assumptions and confirm the results of the earlier desk research. Detailed work has also taken place on financial projections, clarifying both income and expenditure assumptions, and testing these against the results of the market engagement.

3.2 A Prior Information Notice (PIN) was published on the KCC Procurement Portal on 8 April 2014, inviting expressions of interest in the opportunity of working with KCC to develop a new delivery model for Legal Services.

3.3 The responding suppliers were all invited to attend individual supplier fact-finding meetings and were provided with an information pack and briefing note. It was made clear that this was not part of a formal procurement process and the outcomes of the meetings would not form part of any future OJEU procurement or give the attendees any advantage in any future tender evaluation.

3.4 Five organisations accepted and the meetings were held on 21 and 22 May and 8 July 2014. Please see *Appendix B* which is exempt.

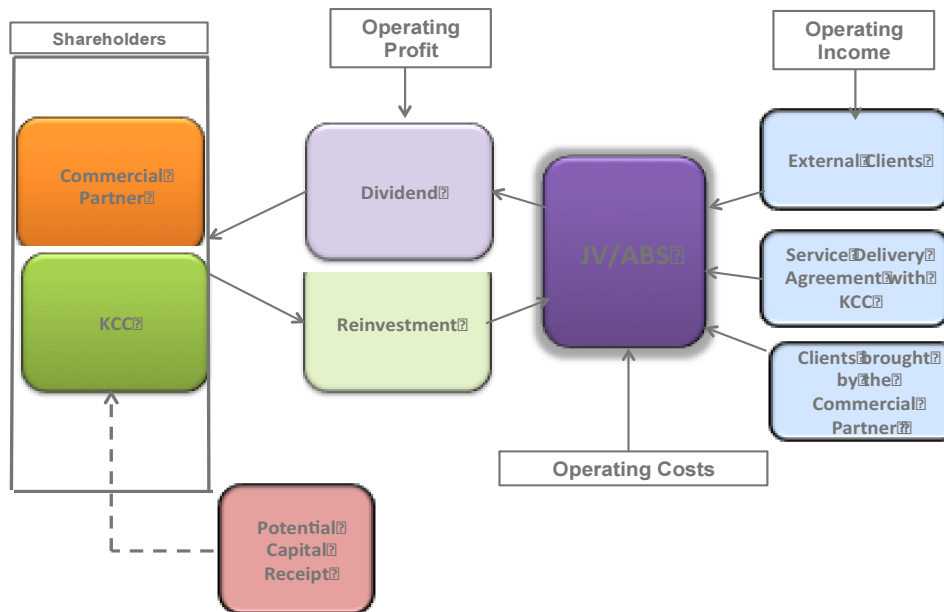
3.6 The responses from the various organisations suggest that they can bring significant added value to the current successful in-house legal team through:

- Investment
- Introduction of work streams
- Marketing and business development

- Access to wider markets

#### 4. Proposed operating model

4.1 The proposed high level operating model is shown below:



#### 5. Consideration of Risks

- 5.1. A full risk assessment has been undertaken (*Appendix C* which is exempt) and the risk register will be regularly reviewed as part of the on-going procurement process to ensure that risk levels are re-assessed and minimised, with any additional risks identified and included. This will also provide a baseline risk register for the implementation of a JV/ABS with a commercial partner.
- 5.2 While the JV/ABS option carries a number of risks to KCC, and is a major step change from the current delivery model, it also brings a significant opportunity for growth from trading in the wider market, income generation, cost saving and reputation building. KCC already has a reputation as a leading innovator in the field of legal services and the “brand” will attract interest from a large number of potential commercial partners and clients.
- 5.4 The risks of continuing with the current delivery model rest primarily with the projected reduction in the volume of work from KCC service teams, particularly as service areas for internal and external clients are moved to new delivery models where the internal legal team may not be instructed or permitted to provide legal advice. It is likely that the financial return to the Council will correspondingly reduce. A significant reduction in size of the unit would also lead to a loss of economies of scale and hinder the unit’s ability to retain specialist lawyers.

## 6. Procurement process and key milestones

- 6.1 On 4 September 2014, TAG confirmed that a full Competitive Dialogue procurement process and timeline will apply, including a Pre-Qualification Questionnaire (PQQ).

| Key Milestone   | Indicative Timetable          |
|---|-------------------------------|
| Case to proceed to procurement fully approved through all tiers of engagement | Mid-September 2014            |
| Procurement commences using the Competitive Dialogue process                  | Late September 2014           |
| Competitive dialogue process takes place                                      | December 2014 – February 2015 |
| Preferred supplier identified   | Late April 2015               |
| Contract Award  | June 2015                     |
| JV/ABS fully operational (ABS licence application process – approx. 6 months) | Late 2015                     |

## 7. Recommendation(s)

### Recommendation(s):

The Committee is asked to consider and note the current proposals and progress in respect of the Legal Services Facing the Challenge Review.

## 8. Background Documents

None

## 9. Contact details

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**By:** Gary Cooke - Cabinet Member Corporate and Democratic Services  
Amanda Beer – Corporate Director Human Resources

**To:** Policy and Resources Cabinet Committee

**Date:** 19 September 2014

**Subject:** Supporting the organisation through change

**Classification:** Unrestricted

**Summary:**

This paper highlights the existing and planned support being offered to managers and staff through the period of transformation required under Facing the Challenge

**Recommendation(s)**

The Policy and Resources Cabinet Committee is asked to note and endorse the changes made and direction proposed for continued support for KCC staff through this period of transformation.

**1. BACKGROUND**

- 1.1 KCC has demonstrated an established and competent practice in managing traditional change of its workforce. The pace, magnitude and breadth of the transformation now being undertaken requires all managers and staff to do things differently and it is critical that they feel engaged and supported through the change process.
- 1.2 Traditionally our change management and organisational design approach has been based on top-down measures and restructures. This is not sustainable or in the best interests of the organisation going forward and managers need to ensure that they engage with and support staff differently as well as putting customer and clients at the heart of their planned structural or service changes. The success of a more contemporary approach will be subject to a change in understanding, behaviour and application from managers. The following report highlights some of the changes being made and the support available for the workforce.
- 1.3 This paper outlines the policies and support in place for managers redesigning their service and leading transformation and for staff contributing to and dealing with change.

## 2. MANAGING CHANGE – HR POLICY AND DOING THINGS DIFFERENTLY

- 2.1 Our HR change management policy has been in place for some time, and proved to be suitable and appropriate for the challenges and changes of the past. Such is the pace, magnitude and breadth of change planned that this has been fundamentally reviewed.
- 2.2 HR policy is being reviewed to enable a shift from a traditional and increasingly unachievable continuous employment approach to a more realistic one. It provides greater flexibility in the way in which changes can be undertaken, emphasises the need for good and early engagement with trades unions and staff as well as a more pragmatic approach to redeployment opportunities.
- 2.3 Changes in behaviours and culture can be difficult to achieve. A different approach is being taken to bring about change in the way we do things. Using nine areas of change, supported by our values and behaviours, whole services and divisions, involving people from the front line to the Senior Management Team are creating fast-paced sustainable change that will support transformation. The nine areas of change are illustrated below.



## 3. ORGANISATION DESIGN

- 3.1 Whether we directly employ, indirectly employ or even remotely direct the people running our services, the deployment of staff or workers, systems and processes are critical to organisational performance.

- 3.2 There are a range of models in Organisation Design and we have looked at models from Chartered Institute of Personnel & Development, 'LEAN', Decision Making Accountability, Kelly Sears Consulting Group and Birmingham City Council – we have sought to use the best of others and not reinvent.
- 3.3 Organisation design is defined as the alignment of people, structure, processes, information, rewards and leadership, with the strategy of the business to create an effective organisation capable of achieving the business' objectives. It is therefore far more comprehensive than merely hierarchical structures.
- 3.4 Outcomes and the customer are at the heart of effective organisation design rather than internal structures/roles. It encourages managers to consider the best model of service delivery; defines where resources need to be deployed and what our priorities are; assists in changing culture and builds managerial capacity. Despite the undoubted organisational benefits, to be successful the design and its associated tools should and would be of benefit to individual managers.
- 3.5 There are four aspects to the organisational design approach:
1. People – workforce planning, workforce development, employment, reward etc.
  2. Work – service delivery model, tasks/activities, statutory duties, processes and systems
  3. Style – leadership, engagement, values/behaviours
  4. Structure – layers, spans, capacity, flexibility, relationship with “non-employees”
- 3.6 Having this Kent approach will encourage redesigns to consider how services are delivered, i.e. Alternative Service Delivery Models (ASDEMs), before changing structures, and is compatible with the project/programme management expectations.
- 3.7 The KCC Organisation Design principles aim to achieve a maximum of six layers in the organisation and an average span of control for managers of 7. The new design approach will enable managers to meet this target more consistently and will enhance this with a bottom up, customer experience starting point. There will be no 1 on 1 reporting; clear and distinct differences in managerial accountability and expectation; and all service designs will be aligned to Facing the Challenge transformation principles.
- 3.8 Managers have access to tools, related documentation and guidance through KNet and comprehensive support, development and advice has been produced.

## **4. WELLBEING**

- 4.1 Delivering this scale of transformation requires managers and staff to be resilient, healthy and enable to innovate and welcome change. A range of support is available to all staff including an online tool to assess and increase resilience; training on how to recognise and help people showing signs of mental health issues; a health kiosk that staff use to check their health with advice on how to improve it; and management development to increase personal effectiveness, resilience and well-being.
- 4.2 Our health promotion strategy supports physical and mental wellbeing, helping to minimise sickness absence, and enabling resilience and higher levels of staff motivation and effectiveness.

## **5 ENGAGEMENT**

- 5.1 Organisations which engender high levels of employee engagement experience improvements in performance, find it significantly easier to embrace change, innovate more effectively and deliver a quality customer experience. Ultimately employee engagement is about effective performance management and is therefore predominately in the domain of the manager.
- 5.2 However, a number of engagement tools exist to help support two way communication and feedback between teams and their managers and between staff and the organisation. These include on-line approaches such as Talk to the Top, the staff suggestion scheme and the Because of You staff awards and also face to face events including Challenger meetings (regular briefings for the 180 most senior managers) and “460” events for Challengers and their direct reports. A cohort called Transformation 200 which is made up of managers who have indicated that they wish to be active agents for change through the transformation is also well established.
- 5.3 The Trade Unions have an important role to play in the transformation process and support offered to staff and there is on-going formal and informal consultation with trade union representatives on a range of HR and Health and Safety issues.
- 5.4 We measure how well staff feel they are being kept informed as a specific part of the annual Employment Value Proposition (EVP). In 2013, the percentage of staff who felt informed was 59%. This has risen in 2014 to 65% against a target of 60% which is a high benchmark in itself. The percentage of staff who feel the information they receive is relevant to them has risen from 35% in 2013 and to 58% this year against a target of 45%.
- 5.5 The key findings of the wider EVP staff survey are:



- a) Despite the level of change the organisation has been facing there has been a small improvement in levels of employee engagement in the Council, compared to 2013.
- b) Kent County Council has a committed workforce which invests time, energies and concentration in their jobs and feels a sense of pride in doing so.
- c) Results for organisational level engagement have improved significantly showing increased levels of loyalty, affinity and advocacy toward the Council than employees show towards the services they work in.
- d) Employees perceive their contribution to the 'deal' as outweighing that provided by KCC (ideally this should be a balance between the employee and employer). How the balance is perceived by the employee has stayed the same as 2013.

## **6 DEVELOPING OUR EMPLOYEES**

- 6.1 Continuing to invest in the development of our employees for the future is critical to both improving business performance and maintaining morale and professional development. Key elements of our current workforce development plan include the Leadership and Management Framework; the Future Managers Programme; the Staff Development Framework, and continuing professional development for professional staff including social workers.

## **7 WORKFORCE PLANNING**

- 7.1 Planning for the workforce needed to deliver future service needs is a key management skill and requirement. Work is well underway to support managers do this effectively. An approach with managers has been piloted and tools developed that work for the business. In addition to the business benefits this work provides further opportunities and potential for employees to progress. There are currently two key strands of this work.

### 7.1.1 Succession Planning

Managers are being supported to identify their critical roles – 'roles that are critical to the delivery of the business *and* are difficult to fill' - identify potential successors who will be developed to undertake these roles.

### 7.1.2 Talent Management

HR is also working with managers to identify the future skills, knowledge and attitudes that are required now and in the future to deliver their services differently, often through alternative delivery models. We are supporting managers to identify employees that have, or have the potential to develop these skills, knowledge and attitudes.

- 7.2 Fundamental to succession planning and talent management is the need for managers to understand the talents of their staff, how to

develop them further and empower staff to be innovative and creative to deliver the best possible services at the lowest cost.

## **8. CONCLUSION**

- 8.1 Effective HR policy and practice makes a significant difference to the transformation programme. Enabling managers to have the right people in the right place at the right time and staff to feel engaged, valued and supported is at the core of successful HR practice. We continue to develop knowledge, systems and practice that increases flexibility and the speed with which this can be achieved.
- 8.2 The offer needs to continue to develop to provide new arrangements with support that adds value. The HR function's understanding of the options for content and delivery is being developed, working closely with external experts in the relevant HR fields and colleagues in other Divisions and the Facing the Challenge team.

## **9. RECOMMENDATION**

- 9.1 Policy and Resources Committee is asked to note and endorse the changes made and direction proposed for continued support for KCC staff through this period of transformation.

Report Author:

Amanda Beer – Corporate Director Human Resources, Strategic and Corporate Services, [amanda.beer@kent.gov.uk](mailto:amanda.beer@kent.gov.uk)

By: Eric Hotson, Chairman of the Member Working Group - Commissioning  
 Gary Cooke, Cabinet Member for Corporate and Democratic Services

To: Policy and Resources Cabinet Committee – 19 September 2014

Subject: Update from the Member Working Group - Commissioning

**Summary:** This report updates the Policy and Resources Cabinet Committee on the work of the Member Working Group Commissioning.

**Recommendation(s)**

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

**1. Introduction**

Members will be aware that at the briefing in the afternoon of the last County Council meeting on 17 July 2014 it was announced that Eric Hotson had been invited by the Leader to chair a Working Group on Commissioning.

**2. Member Working Group – Commissioning**

(1) Membership of the Working Group is :

|                    |                       |
|--------------------|-----------------------|
| Mrs A D Allen, MBE | Mr E E C Hotson       |
| Mr M J Angell      | Mr R A Latchford, OBE |
| Mr H Birkby        | Mr C R Pearman        |
| Mr A H T Bowles    | Mr C Simkins          |
| Mr N J D Chard     | Mr R Truelove         |
| Mr G Cowan         | Mr M E Whybrow        |
| Mrs T Dean, MBE    |                       |

(2) At the inaugural meeting of the Member Working Group on 29 July 2014, Eric Hotson was elected Chairman and Andrew Bowles, Vice-Chairman of the Working Group.

(3) The Working Group endorsed the terms of reference as presented to the County Council on 17 July which are sufficiently broad to respond to the emerging transformation and the role of the elected Member. To remind the Cabinet Committee the terms of reference are as follows:

- (a) To consider and make recommendations as to:
  - (i) The role of the Members at each stage of the commissioning cycle;
  - (ii) How the Member role in commissioning can be discharged including changes to the way Cabinet Committees and other council committees might change to support the member role in commissioning; and

- (iii) The skills needed by Members to support their role in each stage of the commissioning cycle and any other subsequent training priorities for Members.
  - (b) Link to the Market Engagement Reviews and ensure proposals coming forward clearly prioritise and embed the member role in commissioned services; and
  - (c) Oversee the overall effectiveness of the member role in commissioning, and the process established to discharge that role, and make recommendations to the Leader as may be required
- (4) The terms of reference are sufficiently broad and flexible, so that if necessary, they can be amended to reflect the discussions and evolution of the Member Working Group.
  - (5) The Working Group is currently preparing its initial views and recommendations for reporting to the Selection and Member Services Committee and the Leader of the Council.
  - (6) The Member Working Group will have met on four occasions before the meeting of this Cabinet Committee and has discussed thoroughly with Officers the role of the Members in the Commissioning cycle both in the short and long term. The recommendations for its first report will be around member involvement on the commissioning cycle in the short term.
  - (7) The Member Working Group have also started to discuss the governance arrangements for members and officers operating in a 'Strategic Commissioning Authority' including how the existing structure can be improved/enhanced whilst keeping all elected Members appropriately involved.

### **3. Impact on the Member Role**

- (1) The 'member role' is uppermost in the focus of the Working Group. The Committee is reminded that all Members were invited to attend one of four briefings delivered on 4 and 5 September by Professor Tony Bovaird. Professor of Public Management Policy, INLOGOV, University of Birmingham. Over fifty Members participated in these briefings.
- (2) Working with the Member Development Steering Group a programme of events and activity will be developed and offered to Members to enable them to develop or acquire the skills required for an elected Member operating within a Strategic Commissioning Authority.

### **4. Conclusion**

- (1) The Working Group will keep Members informed of its progress and will be reporting to the Selection and Member Services Committee. The KNet Members Area contains a link to the papers and information considered by

the Working Group which will be one way in which all Members will be kept informed of the work of the Group.

## **5. Recommendation(s)**

(1) The Policy and Resources Cabinet Committee is asked to note the report.

Report Author

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services  
John Simmonds, Cabinet Member for Finance and Procurement  
Bryan Sweetland, Cabinet Member for Commercial and Traded Services  
David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 19 September 2014

Subject: Strategic and Corporate Services Directorate Dashboard

Classification: Unrestricted

**Summary:**

The Strategic and Corporate Services Directorate Dashboard shows progress made against targets set for Key Performance Indicators.

**Recommendation(s):**

The Policy and Resources Cabinet Committee is asked to NOTE the report.

**1. Introduction**

- 1.1. Part of the role of the Committee is to review the performance of services which the Committee has oversight of.
- 1.2. Performance Dashboards are regularly reported to the Cabinet Committee throughout the year, and the current report includes data up to the end of July 2014.

**2. Directorate Dashboard**

- 2.1. The Strategic and Corporate Services Performance Dashboard is attached at Appendix 1.
- 2.2. The Dashboard includes results up to the end of July 2014 for the Key Performance Indicators (KPIs) included in this year's Strategic Priority Statement.
- 2.3. The Dashboard includes thirty-one (31) KPIs.
- 2.4. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.
- 2.5. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

- 2.6. Within the report, of the 31 KPIs included, current performance is Green for nineteen indicators, Amber for five indicators and Red for seven indicators.
- 2.7. Commentary is provided within the Dashboard for indicators which are currently showing as Red.
- 2.8. Net Direction of Travel for July was positive with 14 KPIs showing improvement in the month and with 10 showing lower results.
- 2.9. Although results for Contact Point remained below Target for July, new staff have been trained and became available for call answering during July and August provisional results are showing improvement and are on target for some weeks.

### **3. Recommendation(s):**

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

### **4. Background Documents**

The Strategic and Corporate Services Strategic Priority Statement

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/strategic-priority-statements>

### **5. Contact details**

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01622 221985, [richard.fitzgerald@kent.gov.uk](mailto:richard.fitzgerald@kent.gov.uk)



# **Strategic and Corporate Services Performance Dashboard**

## **Financial Year 2014/15**

### **Data up to July 2014**

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**Produced by Business Intelligence**

**Publication Date: 4 September 2014**



## Guidance Notes

### Key Performance Indicators

All Key Performance Indicators are provided with RAG (Red/Amber/Green) ratings and Direction of Travel Alerts.

RAG ratings are based on Targets and Floor Standards set out at the start of the year in the Strategic Priority Statements.

### RAG Ratings

|              |   |
|--------------|---|
| <b>GREEN</b> | Performance has met or exceeded the current target                              |
| <b>AMBER</b> | Performance at acceptable levels, below the target but above the floor standard |
| <b>RED</b>   | Performance is below the floor standard   |

### DoT (Direction of Travel) Alerts

|   |  |
|---|--|
| ↑ | Performance has improved in the latest month |
| ↓ | Performance has fallen in the latest month   |
| ↔ | Performance is unchanged this month          |

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### Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating or Direction of Travel alert. Instead, where appropriate, they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether results are within the expected range or not. Results can either be in expected range (**Yes**) or they could be **High** or **Low**. Expected activity Thresholds are based on previous year trends.

Many Activity Indicators did not have expected levels stated in the Strategic Priority Statements, and are shown in the report to provide context for the Key Performance Indicators. In such cases the activity indicators are simply shown with comparison to activity for the previous year.

|                                     |                                 |                        |
|-------------------------------------|---------------------------------|------------------------|
| <b>Service Area</b>                 | <b>Director</b>                 | <b>Cabinet Member</b>  |
| <b>Customer Service and Contact</b> | <b>Barbara Cooper (interim)</b> | <b>Bryan Sweetland</b> |

We are responsible for the quality and consistency of essential customer contact functions, providing a key interface with our residents and service users.

| Ref  | Indicator description  | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CR01 | Percentage of callers who rate the advisors in Contact Point as good     | 97%          | GREEN     | ↔   | 97%          | GREEN   | 95%    | 90%            | New Indicator |
| CR02 | Percentage of callers who rate their overall experience with KCC as good | 69%          | RED       | ↓   | 71%          | AMBER   | 80%    | 70%            | New Indicator |
| CR03 | Percentage of customers using Gateway who rated the experience as good   | 77%          | GREEN     | ↑   | 75%          | GREEN   | 70%    | 65%            | 68%           |
| CR04 | Percentage of calls to Contact Point answered                            | 80%          | RED       | ↓   | 81%          | RED     | 90%    | 85%            | 97%           |
| CR05 | Percentage of calls to Contact Point answered in 40 seconds              | 43%          | RED       | ↓   | 47%          | RED     | 80%    | 70%            | New Indicator |

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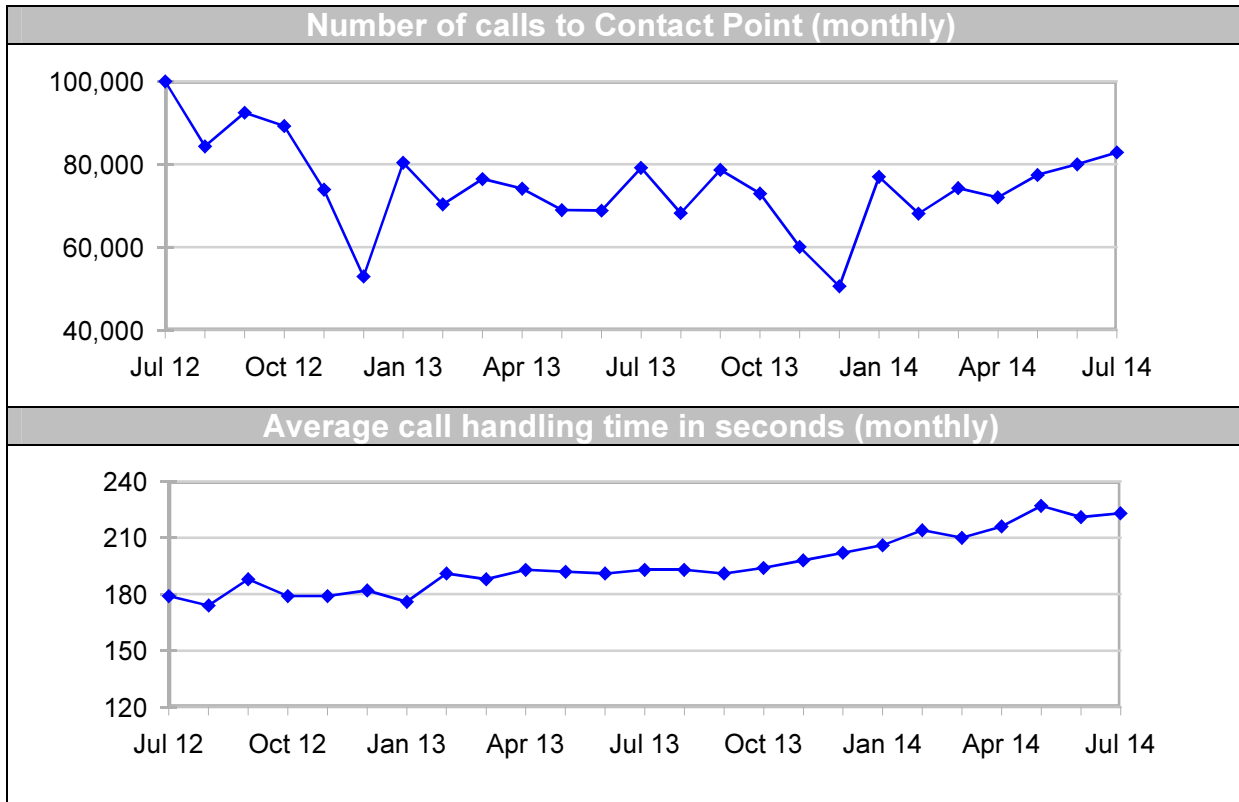
CR04/CR05 - Although for July the Performance continued to behind targets, during August new staff were available to answer calls following training and there has subsequently been improvement in call answering ahead of target for some weeks. Further staff will start in October. As previously reported at the last report the low call answering performance for Contact Point has been a result of the level of call volumes, increased call handling times and the level of staff currently available and trained for call answering. Other work in hand have been meetings with key services, to ensure we improve the quality and timeliness of communication regarding proposed changes to services as this is what has been driving a lot of the current excess demand.

CR01 - Despite the longer call answering times in Contact Point, caller satisfaction with Contact Point advisors remained very high.

CR02 – This is a new indicator and although currently showing as Red, it should be noted that the targets were set without a baseline position available. Including neutral responses the result is 94.3% year to date. Improved communications on service changes as mentioned above would assist with a more positive result here. More work is in hand to investigate the areas of neutral or negative satisfaction, so action can be taken to address the issues arising.

|                                     |                                 |                        |
|-------------------------------------|---------------------------------|------------------------|
| <b>Service Area</b>                 | <b>Director</b>                 | <b>Cabinet Member</b>  |
| <b>Customer Service and Contact</b> | <b>Barbara Cooper (interim)</b> | <b>Bryan Sweetland</b> |

| Ref  | Indicator description                   | Year to date | In expected range | Expected Activity |       | Prev. yr YTD |
|------|---|--------------|-------------------|-------------------|-------|--------------|
|      |   |              |                   | Upper             | Lower |              |
| CR08 | Number of calls to Contact Point (000s) | 312          | <b>HIGH</b>       | 308               | 268   | 291          |
| CR09 | Average call handling time (in seconds) | 222          | <b>HIGH</b>       | 222               | 190   | 192          |



| Service Area               | Director                 | Cabinet Member  |
|----------------------------|--------------------------|-----------------|
| Media and Public Relations | Barbara Cooper (interim) | Bryan Sweetland |

We provide a single, consistent voice for all KCC services to the public – ensuring messages have maximum impact and are communicated in the most cost-effective way.

| Ref  | Indicator description  | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CE01 | Average Govmetric positive smiley index score per KCC website page     | 31%          | RED       | ↓   | 32%          | RED     | 55%    | 51%            | 55%           |
| CE02 | The percentage of regional media coverage which is positive or neutral | 91%          | GREEN     | ↑   | 90%          | GREEN   | 80%    | 70%            | 85%           |

Govmetric is a tool used to gather customer feedback about our services through the external web-site. The results from Govmetric reflect resident views on the quality of council services and council policies and also in part reflect the quality of the information available on the web-site. Only 1% of visitors to the web-site choose to leave feedback through the Govmetric tool. Key issues where feedback has been left this year include changes to street lighting, the Young Person's travel pass and the Homecare Tender.

A new exit survey for the web-site has been deployed and this focusses questions and feedback on the usability of completing transactions online. A random sample of those users who access online transactions on the KCC website will be selected for a feedback survey to ensure a statistically robust sample.

### Activity Indicators

| Ref  | Indicator description   | Year to date | In expected range | Expected Activity  |       | Prev. yr YTD |
|------|---|--------------|-------------------|--|-------|--------------|
|      |   |              |                   | Upper  | Lower |              |
| CE03 | Positive mentions in the national media reflecting KCC priorities | 548          |                   | This indicator now includes closer monitoring of social media, so results are not directly comparable with past trend. |       |              |
| CE04 | Number of visits to the KCC website, kent.gov (000s)              | 1,608        | Yes               | 1,766  | 1,501 | 1,797        |

|                                     |                                 |                        |
|-------------------------------------|---------------------------------|------------------------|
| <b>Service Area</b>                 | <b>Director</b>                 | <b>Cabinet Member</b>  |
| <b>Customer Service and Contact</b> | <b>Barbara Cooper (interim)</b> | <b>Bryan Sweetland</b> |

Complaints are responded to by each service Division of the Council directly and the figures presented here are for the overall responses across the Council. Figures are reported by quarter.

Timeliness of response to complaints in the quarter to June 2014 was just behind target, partly as a result of a high numbers of complaints being received in the quarter.

| Ref  | Indicator description                                   | Latest Quarter | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|----------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| CR06 | Percentage of complaints acknowledged within timescale  | 87%            | AMBER     | ↓   | 87%          | AMBER   | 90%    | 85%            | 97%           |
| CR07 | Percentage of complaints responded to within timescales | 84%            | AMBER     | ↑   | 84%          | AMBER   | 85%    | 80%            | 83%           |

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### Activity Indicators

| Ref | Indicator description             | Year to date | Prev. yr YTD |
|-----|-----------------------------------|--------------|--------------|
|     | Number of complaints responded to | 985          | 627          |

Of the complaints received in the quarter, 380 were for Highways maintenance issues, which is in line with past proportions. Highways has in the past accounted for 40% of the complaints received by the council each year.

| Division | Director  | Cabinet Member |
|----------|-----------|----------------|
| Finance  | Andy Wood | John Simmonds  |

We ensure the robust and effective management of the authority's and partners' financial resources (including schools), in accordance with the council's financial regulations and have statutory responsibilities to produce the financial accounts and administer the Superannuation Fund.

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| Ref  | Indicator   | Latest Month | Month RAG | DoT | Year to Date  | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|---------------|---------|--------|----------------|---------------|
| FP01 | Pension correspondence processed within 15 working days                   | 99%          | GREEN     | ↑   | 96%           | AMBER   | 98%    | 95%            | 98%           |
| FP02 | Retirement benefits paid within 20 working days of all paperwork received | 100%         | GREEN     | ↑   | 99%           | GREEN   | 98%    | 95%            | 99%           |
| FP03 | Invoices received by Accounts Payable within 20 days of KCC received date | 84%          | AMBER     | ↑   | 81%           | AMBER   | 90%    | 80%            | 82%           |
| FP04 | Invoices received on time by Accounts Payable processed within 20 days    | 90%          | GREEN     | ↓   | 92%           | GREEN   | 85%    | 75%            | 91%           |
| FP05 | Percentage of sundry debt due to KCC outstanding under 60 days old        | 78%          | GREEN     | ↑   | Snapshot data |         | 75%    | 57%            | 77%           |
| FP06 | Percentage of sundry debt due to KCC outstanding over 6 months old        | 8%           | GREEN     | ↑   | Snapshot data |         | 10%    | 15%            | 9%            |

### Activity Indicators

| Ref | Indicator description            | Year to date | Prev. yr YTD |
|-----|----------------------------------|--------------|--------------|
|     | Pension correspondence processed | 822          | 427          |
|     | Retirement benefits paid         | 584          | 685          |
|     | Number of invoices paid by KCC   | 55,650       | 57,182       |
|     | Value of debt due to KCC         | £13.9m       | £18.6m       |

| Division           | Director   | Cabinet Member |
|--------------------|------------|----------------|
| Governance and Law | Geoff Wild | Gary Cooke     |

We are responsible for Democratic Services, supporting the Council's decision-making and overview and scrutiny processes, together with key administrative support to 84 elected Members including member induction and development, and managing elections.

| Ref  | Indicator   | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| GL01 | Council and Committee papers published at least five clear days before meetings | 100%         | GREEN     | ↔   | 100%         | GREEN   | 100%   | 96%            | 98%           |
| GL02 | Freedom of Information Act requests completed within 20 working days            | 94%          | GREEN     | ↑   | 92%          | GREEN   | 90%    | 85%            | 96%           |
| GL03 | Data Protection Act Subject Access requests completed within 40 calendar days   | 74%          | RED       | ↓   | 82%          | RED     | 90%    | 85%            | 76%           |

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GL03 – Although down for the month, performance so far this year is ahead of last year and this is being driven by a higher target set for this year. Performance this year should be significantly ahead of last year by the year end.

### Activity Indicators

| Ref | Indicator description                       | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
|     | Committee meetings                          | 55           | 41           |
|     | Freedom of Information requests             | 796          | 678          |
|     | Data Protection Act Subject Access requests | 114          | 90           |

Last financial year, KCC processed 2,021 Freedom of Information Requests.



|                 |                 |                       |
|-----------------|-----------------|-----------------------|
| <b>Division</b> | <b>Director</b> | <b>Cabinet Member</b> |
| Human Resources | Amanda Beer     | Gary Cooke            |

We are responsible for the delivery of the strategic HR function for the authority.

| Ref  | Indicator description   | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|------|---|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| HR01 | Satisfaction with the resolution of people-management cases rated Good or above | 100%         | GREEN     | ↔   | 100%         | GREEN   | 90%    | 80%            | 95%           |
| HR03 | Overall satisfaction with HR Connect rated as Good or above                     | 89%          | GREEN     | ↑   | 91%          | GREEN   | 75%    | 65%            | New Indicator |
| HR04 | Satisfaction with the response to H&S Advice Line enquiries rated Good or above | 100%         | GREEN     | ↔   | 100%         | GREEN   | 80%    | 70%            | New Indicator |
| HR07 | Satisfaction that Support Line counselling helped 'somewhat' or 'a great deal'  | 97%          | GREEN     | ↑   | 97%          | GREEN   | 80%    | 75%            | New Indicator |

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#### Annual Indicators

| Ref  | Indicator                             | 2014/15 | RAG   | DoT | Target | Previous Year |
|------|---------------------------------------|---------|-------|-----|--------|---------------|
| HR05 | Percentage of staff who feel informed | 65%     | GREEN | ↑   | 60%    | 59%           |

#### Activity Indicators

| Ref | Indicator description   | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
|     | Feedback responses provided on people management cases        | 91           | 82           |
|     | Feedback responses provided on HR Connect                     | 242          | N/a          |
|     | Feedback responses provided for Health and Safety advice line | 206          | N/a          |
|     | Feedback responses provided on Support Line                   | 150          | N/a          |

| Division | Director   | Cabinet Member |
|----------|------------|----------------|
| ICT      | Peter Bole | Gary Cooke     |

We work to maximise the value of investments in information and technology through the efficient management of resources to deliver the best outcomes for the communities and citizens of Kent.

| Ref   | Indicator description  | Latest Month | Month RAG | DoT | Year to Date | YTD RAG | Target | Floor Standard | Previous Year |
|-------|--|--------------|-----------|-----|--------------|---------|--------|----------------|---------------|
| ICT01 | Calls to ICT Help Desk resolved at the First point of contact        | 74%          | GREEN     | ↑   | 72%          | GREEN   | 70%    | 65%            | 72.3%         |
| ICT02 | Positive feedback rating with the ICT help desk                      | 99%          | GREEN     | ↔   | 99%          | GREEN   | 95%    | 90%            | 98.4%         |
| ICT03 | Working hours where Kent Public Sector Network is available to staff | 100%         | GREEN     | ↔   | 100%         | GREEN   | 99.8%  | 99%            | 100%          |
| ICT04 | Working hours where ICT Service available to staff                   | 98.9%        | AMBER     | ↓   | 99.6%        | GREEN   | 99%    | 98%            | 99.7%         |
| ICT05 | Working hours where Email are available to staff                     | 100%         | GREEN     | ↔   | 100%         | GREEN   | 99%    | 98%            | 100%          |

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### Activity Indicators

| Ref | Indicator description                         | Year to date | Prev. yr YTD |
|-----|---|--------------|--------------|
|     | Calls to ICT Help Desk                        | 25,661       | 27,689       |
|     | Feedback responses provided for ICT Help Desk | 2,962        | 3,531        |

| Division                            | Director      | Cabinet Member |
|-------------------------------------|---------------|----------------|
| Property and Infrastructure Support | Rebecca Spore | Gary Cooke     |

We are responsible for acting as KCC's 'Corporate Landlord', managing KCC's diverse land and property portfolio.

| Ref  | Indicator  | Latest Month | Month RAG | DoT | Year to Date  | YTD RAG | Target | Floor Standard | Previous Year |
|------|--|--------------|-----------|-----|---------------|---------|--------|----------------|---------------|
| PI01 | Percentage of rent due to KCC outstanding at 60 days                             | 47%          | RED       | ↓   | Snapshot data |         | 5%     | 15%            | 0.3%          |
| PI02 | Property Service Desk call out requests responded to within specified timescales | 50%          | RED       | ↓   | 53%           | RED     | 95%    | 90%            | 98%           |

PI01 – Outstanding rent is from public sector partners and we are working closely with these partners to recover the amounts overdue.

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PI02 – Reported results are low mainly due to information on request completion times not being available. Some contractors are still not correctly completing the required Job Completion Certificates to provide the information on response times. A reminder of the procedure has been sent to all contractors during July and they have been informed that failure to comply with this requirement will affect their performance scorings and could delay processing of payment.

**Annual Indicators** - The indicator below is provided as a forecast rather than a year to date figure.

| Ref  | Indicator   | Current Forecast | Forecast RAG | DoT | Target | Floor Standard | Previous Forecast |
|------|---|------------------|--------------|-----|--------|----------------|-------------------|
| PI03 | Percentage of annual net capital receipts target achieved | 94%              | AMBER        | ↑   | 100%   | 90%            | 91%               |

### Activity Indicators

| Ref | Indicator description                        | Year to date | Prev. yr YTD |
|-----|--|--------------|--------------|
|     | Total rent outstanding                       | £466k        | £111k        |
|     | Number of service desk requests responded to | 761          | 469          |

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From: **John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement**  
**Gary Cooke, Cabinet Member for Corporate & Democratic Services**  
**Bryan Sweetland, Cabinet Member for Commercial & Traded Services**  
**David Cockburn, Corporate Director for Strategic & Corporate Services**

To: **Policy & Resources Cabinet Committee – 19 September 2014**

Subject: **Financial Monitoring 2014-15**

Classification: **Unrestricted**

Past Pathway: **Cabinet 15 September 2014**

**Summary:**

The Cabinet Committee is asked to note the first quarter's full budget monitoring report for 2014-15 reported to Cabinet on 15 September 2014.

**Recommendation(s):**

**The Policy & Resources Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2014-15 that are within the remit of this Cabinet Committee, based on the first quarter's full monitoring to Cabinet.

**1. Introduction:**

1.1 This is a regular report to this Committee on the forecast outturn.

**2. Background:**

2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each directorate together with key activity indicators and will be reported to Cabinet Committees after they have been considered by Cabinet. These quarterly reports also include financial health indicators, prudential indicators, the impact on revenue reserves of the current monitoring position and staffing numbers by directorate. In the intervening months a shorter report is made to Cabinet outlining the financial position for each directorate. A link to the first quarter's monitoring report for 2014-15 is provided below:

<https://democracy.kent.gov.uk/documents/s48345/Item%205%20-%20Financial%20Monitoring%20-%20Quarter%201.pdf>

*(Please press down the control button and click on the link above, which will open the report)*

2.2 Although the full Cabinet report is provided, each Cabinet Committee only needs to consider the items that are within its remit. For Policy & Resources Cabinet Committee, these items are contained within annex 6 of the Cabinet report.

2.3 Annex 6 shows that the Strategic & Corporate Services Directorate is reporting a potential overspend of £703k but has management action in place to deliver a breakeven position by the end of the financial year.

Most units within the Directorate have variances of +/- £150k. Two of the services who transferred to S&CS came with existing budgetary pressures. The Contact Centre transferred with a previous year saving of -£573k and a further -£213k saving for 2014-15 in the base budget. Delivery was focussed on staffing reductions which has not been entirely possible due to the unanticipated effect on performance/outputs. The current forecasted overspend of £576k is due to these partly unachieved savings together with the need in the current year to address an increase in the number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to address performance. The Community Engagement service also transferred with a pre-existing budget reduction of -£327k based on an anticipated service review which should have happened in the previous financial year but is now being undertaken in the current year and will be subject to a Member decision on scoping the future nature of the service.

Property Group are forecasting a £301k potential overspend as there was a -£300k base saving taken from their budget which depends on service changes and reviews taking place in other parts of the Authority in order to enable the overall property portfolio to reduce. Property Group are working with services to suggest possible asset rationalisations.

2.4 As Policy & Resources Cabinet Committee has overview of the whole Authority, Members of the Committee are asked to additionally note that the overall revenue position for the authority is a real concern. The net projected variance against the combined directorate revenue budgets is an overspend of £12.427m, before management action, but management action is expected to reduce this to £5.374m. However, there is some minor re-phasing which we are legally obliged to roll forward to 2015-16, therefore this changes the position to an overspend of £5.386m. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the current proposed management actions are provided in Appendix 3 of the Cabinet report.

2.5 Corporate Board has collectively considered how we can deal with this residual forecast overspend of £5.386m: it is anticipated that there should be an improvement in the position arising from other measures that have only recently commenced, which are now starting to take effect, but were not reflected in the Quarter 1 position submitted by budget managers as it was too early to quantify the effects of these actions.

We also need to look at all areas of non-essential spend, including both staffing and non-staffing, and introduce a process to reduce spend in these areas which will not directly impact on front line services.

**3. Recommendation(s):**

**The Policy & Resources Cabinet Committee** is asked to note 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 first quarter's full monitoring to Cabinet.

**4. Contact details**

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