

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 20th March, 2020

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

POLICY AND RESOURCES CABINET COMMITTEE

Friday, 20 March 2020, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Emma West**
Telephone: **03000 412421**

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

Membership (15)

Conservative (12): Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman),
Mr M A C Balfour, Mr P V Barrington-King, Mr T Bond,
Mr N J D Chard, Mr G Cooke, Mrs M E Crabtree, Mr P W A Lake,
Mr D Murphy, Mr H Rayner and Mr I Thomas

Liberal Democrat (2): Mr R H Bird and Mrs T Dean, MBE

Labour (1) Mr D Farrell

Webcasting Notice

Please note: this meeting may be filmed for the 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 into this 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)

1 Introduction/Webcast announcement

2 Membership

To note that Mr Balfour has filled the vacancy which had been left by Mr Payne.

- 3 Apologies and Substitutes
- 4 Declarations of Interest by Members in items on the Agenda
- 5 Minutes of the meeting held on 21 January 2020 (Pages 1 - 6)
- 6 Risk Management: Strategic and Corporate Services (Pages 7 - 34)
- 7 Property Accommodation Strategy - SHQ Review Next Steps (Pages 35 - 38)
- 8 Facilities Management Procurement (Pages 39 - 44)
- 9 Work Programme 2020/21 (Pages 45 - 48)

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 as it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

- 10 20/00019 - Grant of sublease to Dartford Youth Centre to Europa Weightlifting Club for a period of 30 years (Pages 49 - 60)
- 11 20/00023 - Letting of the building contract for the Barton Court Academy Trust Free School Project, Canterbury (Pages 61 - 68)
- 12 Investment and Disposals Update (Pages 69 - 76)

Benjamin Watts
General Counsel
03000 416814

Thursday, 12 March 2020

KENT COUNTY COUNCIL

POLICY AND RESOURCES CABINET COMMITTEE

MINUTES of a meeting of the Policy and Resources Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 21 January 2020

PRESENT: Mr B J Sweetland (Chairman), Mr R A Marsh (Vice-Chairman), Mr P V Barrington-King, Mr R H Bird, Mr T Bond, Mr N J D Chard, Mr G Cooke, Mrs M E Crabtree, Mrs T Dean, MBE, Mr D Farrell, Mr P W A Lake, Mr H Rayner and Mr I Thomas

ALSO PRESENT: Mr M A C Balfour and Mrs S Prendergast

IN ATTENDANCE: Mr V Bhatia (FM Commissioning Lead), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Ms Z Cooke (Corporate Director of Finance), Ms R Kennard (Chief Analyst, Strategic Commissioning Analytics), Ms E Sanderson (Strategic Business Adviser), Mr D Shipton (Head of Finance - Planning, Policy & Strategy), Mrs R Spore (Director of Infrastructure), Mr B Watts (General Counsel), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance) and Miss E West (Democratic Services Officer)

UNRESTRICTED ITEMS

207. Membership

(Item 2)

Mr M Payne had formally resigned as a Member of the Committee.

208. Apologies and Substitutes

(Item 3)

Apologies for absence had been received from Mr P Oakford and Mr D Murphy. Mr M Balfour attended as a representative for Mr P Oakford.

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

(Item 4)

No declarations of interest had been received.

210. Minutes of the meeting held on 8 November 2019

(Item 5)

RESOLVED that the minutes of the meeting of the Policy and Resources Cabinet Committee meeting held on 8 November 2019 are correctly recorded and that they be signed by the Chairman.

211. Minutes of the Property-Sub Committee meeting held on 17 December 2019

(Item 6)

RESOLVED that the minutes of the meeting of the Property-Sub Committee meeting held on 17 December 2019 be noted.

212. Policy & Resources Cabinet Committee Meeting Dates for 2020/21 - For Information Only

(Item 7)

RESOLVED that the 2020/2021 meeting dates for the Policy and Resources Cabinet Committee be noted.

213. Draft Capital Programme 2020-23 and Revenue Budget 2020-21

(Item 8)

Ms Cooke (Corporate Director of Finance) and Mr Shipton (Head of Finance (Policy, Planning & Strategy)) were in attendance for this item

- (1) Mr Balfour (Deputy Cabinet Member for Corporate and Traded Services), Mrs Prendergast (Cabinet Member for Communications, Engagement and People) and Mr Shipton introduced the report which provided Members with the opportunity to comment on the Draft Budget proposals for 2020-21 and make recommendations prior to presentation at Cabinet on 27 January 2020 and full Council on 13 February 2020.

Officers then responded to comments and questions from Members, including the following: -

- (a) Mr Shipton stated that Kent were awaiting announcements for departmental grants and for capital allocations for future years and therefore had estimated how much would be received. The estimated figures were those in italics within the budget book.
- (b) Ms Cooke referred to the awaited announcement from Public Health England in relation to the funding for 2020 and stated that there was no clarity as to when the announcement would be received. She added that Kent County Council continued to lobby both directly and through the Directors of Public Health and the Society of County Treasurers in relation to the funding.

- (2) RESOLVED that the report be noted.

214. Updating the Strategy and Policy Control Framework

(Item 9)

Ms Sanderson (Strategic Business Adviser (Corporate)) and Mr Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance) were in attendance for this item

- (1) Mr Whittle and Ms Sanderson introduced the report which set out the changes to the Strategy and Policy Control Framework and the review which had been undertaken.

Officers then responded to comments and questions from Members, including the following: -

- (a) Ms Sanderson confirmed that archived documents were not held on the Council's external website to minimise the risk of individuals accessing and quoting out of date documents. Mr Watts added that a project would be carried out in the near future in relation to ensuring that the Council's historic data was accessible and clear.
- (b) Mr Watts emphasised the importance of equality considerations in relation to decision making and suggested that a proposal be submitted to the Selection and Members Services Committee for Members to debate.
- (c) Mr Whittle referred to point 7g within Appendix A and confirmed that 'equality considerations' related to the Public Sector Equality Duty (PSED). He added that the completion of EqlA's was a local policy choice and stated that there were different ways in which services could demonstrate equality considerations.

(2) RESOLVED that the report be noted.

215. Strategic and Corporate Services Directorate Performance Dashboard (Item 10)

Ms Kennard (Chief Analyst, Strategic Commissioning Analytics) was in attendance for this item

- (1) Ms Kennard introduced the report which set out progress made against targets set for Key Performance Indicators.

Officers then responded to comments and questions from Members, including the following: -

- (a) Mr Watts referred to the significant amount of activity expected of the Council in relation to Freedom of Information Governance since the implementation of General Data Protection Regulations (GDPR), and the prioritisation of various activities to deliver performance targets within the financial year.
- (b) Mr Watts referred to the Council's Technology project which aimed to change the way in which both information and responses were provided. He added that Kent County Council would be working alongside the Council's technology partner, Microsoft, to create a mechanism that published responses onto the Council's website at the same time as sending out information to the individual requester, which in turn would provide Members with the opportunity to access information that had been responded to in relation to any other query on the Council's website.
- (c) Mr Watts said that two Information Governance graduates had been appointed to look at ways in which Strategic and Corporate Services use and work with data. He added that part of their activity for the next year would involve conversations with Members to understand the types of data

that Members were interested to see to aid in the design of the future technology platform.

- (d) Mr Watts referred to the ever-increasing number of Freedom of Information requests that the Council received and confirmed that he would circulate further information to Members of the Committee outside of the meeting in relation to the matter. He emphasised the importance and value of discussions relating to GDPR and thanked officers and Members for their engagement in discussions and for continuing to meet statutory GDPR duties. He confirmed that regular update reports on the matter would be submitted to future meetings of the Policy and Resources Cabinet Committee, Members generally supported this.
 - (e) Mrs Spore referred to the increase in the number of calls to the ICT Helpdesk and confirmed that she would circulate a detailed breakdown of the ICT Helpdesk's call trends outside of the meeting. She specifically referred to the implementation of a number of key change programmes during the last year, for example, the Windows 10 upgrade and roll out, which had significantly impacted the number of calls received by the ICT Helpdesk. Mr Watts confirmed that he would be attending a meeting with Microsoft on 24th January 2020 to devise an action plan which would be circulated to Committee Members once completed.
 - (f) Mr Watts confirmed that he would liaise with the Council's Corporate Management Team in relation to the information projected onto the Council's website.
 - (g) Mr Watts emphasised the importance of ensuring that data contained within the Council's website was easily accessible.
 - (h) Mr Watts referred to the variation in FOI requests and said that many of the requests received over the last year had been driven by specific, local issues. He added that a Monitoring Officer group had been established between Kent County Council and like-sized authorities to share best practice and expertise in relation to Freedom of Information Governance.
 - (i) Mrs Prendergast (Cabinet Member for Communications, Engagement and People) referred to the nature and complexity of some of the FOI requests received which contributed to response delays and reiterated comments made by Mr Watts in relation to next steps.
 - (j) Mrs Spore referred to the 'Percentage of rent due to KCC outstanding over 60 days' indicator within the performance dashboard and confirmed that she could provide a trend breakdown to Committee Members outside of the meeting.
- (2) A Member commended the ICT Helpdesk for the excellent, seamless service that they provided to Members.
- (3) RESOLVED that the report be noted.

216. Work Programme 2020/21

(Item 11)

RESOLVED that the work programme for 2020/21 be noted, subject to the inclusion of the following: -

- Freedom of Information Governance (Increased ICT demand)

217. Exclusion of the Press and Public

(Item)

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

Exempt Items

(open access to minutes)

218. Total Facilities Management

(Item 12)

Mrs Spore (Director of Infrastructure) and Mr Bhatia (FM Commissioning Lead) were in attendance for this item

- (3) Mrs Spore and Mr Bhatia introduced the report which set out the future options for the Facilities Management Service and the latest performance position for the current service performance.
- (4) Mrs Spore briefly referred to the financial aspects of the contract, expectations, engagement and partnership working, building maintenance and sustainability.
- (5) Mrs Spore responded to a question which related to security and the different elements that the security was made up of.
- (6) Mrs Spore confirmed that further information would be provided to Committee Members outside of the meeting in relation to uncapped deductions and a procurement timeline.
- (7) Mrs Spore and Mr Balfour (Deputy Cabinet Member for Corporate and Traded Services) responded to a question which related to the delivery of value for money for Kent and meeting statutory responsibilities.
- (8) Mr Balfour suggested that a discussion take place at the agenda setting meeting in relation to voluntary sector involvement.
- (9) Mr Rayner proposed, and Mr Bond seconded the following recommendation:

“The Policy and Resources Cabinet Committee recommends to Mr Oakford, as the Cabinet Member for Finance, Corporate and Traded Services, that he looks carefully at the proposed level of complexity of the proposed new contracts from October 2021 currently under consideration, in particular, the potential impact

upon the ease of administration of these contracts where hard and soft service provision is split.”

- (10) The amended recommendation was agreed without a vote.
- (11) RESOLVED that the Cabinet Member for Finance, Corporate and Traded Services looks carefully at the proposed level of complexity of the proposed new contracts from October 2021 currently under consideration, in particular, the potential impact upon the ease of administration of these contracts where hard and soft service provision is split.

From: Roger Gough, Leader of the Council
 David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy and Resources Cabinet Committee – 20th March 2020

Subject: **Risk Management: Strategic and Corporate Services**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper presents the strategic risks relating to the Strategic and Corporate Services directorate, in addition to the risks featuring on the Corporate Risk Register for which the Corporate Directors are the designated 'Risk Owners'.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and comment on the risks presented.

1. Introduction

- 1.1 Risk management is a key element of the Council's Internal Control Framework and the requirement to maintain risk registers ensures that potential risks that may prevent the Authority from achieving its objectives are identified and controlled. The process of developing the registers is therefore important in underpinning service delivery planning, performance management and operating standards. Risks outlined in risk registers are taken into account in the development of the Internal Audit programme for the year.
- 1.2 Directorate risks are reported to Cabinet Committees annually and contain strategic or cross-cutting risks that potentially affect several functions across the Strategic and Corporate Services directorate, and often have wider potential interdependencies with other services across the Council and external parties.
- 1.3 Strategic and Corporate Services Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register. The Directors in the Strategic and Corporate Services directorate are designated 'Risk Owners' (along with the rest of the Corporate Management Team) for several corporate risks.

- 1.4 The majority of these risks, or at least aspects of them, will have been discussed in depth at relevant Cabinet Committee(s) throughout the year, demonstrating that risk considerations are embedded within core business.
- 1.5 A standard reporting format is used to facilitate the gathering of consistent risk information and a 5x5 matrix is used to rank the scale of risk in terms of likelihood of occurrence and impact. Firstly, the current level of risk is assessed, taking into account any controls already in place to mitigate the risk. If the current level of risk is deemed unacceptable, a 'target' risk level is set and further mitigating actions introduced, with the aim of reducing the risk to a tolerable and realistic level. If the current level of risk is acceptable, the target risk level will match the current rating.
- 1.6 The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management action. Further information on KCC risk management methodologies can be found in the risk management guide on the 'KNet' intranet site.

2. Strategic and Corporate Services (ST) directorate led Corporate risks

- 2.1 The Strategic and Corporate Services directorate currently leads on seven corporate risks. A brief summary, including changes over the past year, are outlined below, with more detail contained in the risk register attached at appendix 1.

Risk No.	Risk Title	Current Risk Rating	Target Risk Rating
CRR0009	Future financial and operating environment for local government	20 (High)	12 (Medium)
<p>There remains uncertainty over the funding settlement for local government beyond 2020/21 in the absence of the Spending Review, which impacts on KCC's medium term financial planning. The uncertainty includes those services funded via ring-fenced grants e.g. special educational needs and disability (SEND) provision funded by the Dedicated Schools Grant (DSG) and capital expenditure funded by grants e.g. Basic Need grant. The council, along with other local authorities, has been lobbying Government on these matters.</p>			
CRR0014	Cyber-attack threats and their implications	16 (High)	12 (Medium)
<p>Continued vigilance is critical to mitigate this risk that could have serious implications such as unauthorised access to data and / or significant business interruption. In 2019, KCC engaged the 'National Computer Centre Group' to conduct a cyber security review to provide independent assurance on the ability of KCC's IT services to prevent, detect and respond to cyber-attacks. The main findings of this review were presented to the Policy & Resources Committee in late 2019 and actions arising are being progressed via the Strategic Technology Board.</p>			
CRR0039	Information Governance	16 (High)	8

			(Medium)
<p>The risk was raised from 'medium' to 'high' at the end of 2019 in the light of the increasing obligations and implications caused by the adoption of the Data Protection Act 2018 and the General Data Protection Regulation. Improved reporting procedures and awareness have led to increasing numbers of reported data breaches across the organisation which, in addition to the continued high risk to data security posed by cyber threats, means the overall risk is now considered "high". As part-mitigation, the Council is investigating options to optimise automated controls where appropriate, as well as reviewing methods for recording and identification of patterns or trends.</p>			
CRR0040	Opportunities and risks associated with KCC's Local Authority Trading Companies	9 (Medium)	4 (Low)
<p>The risk centres around KCC's companies achieving target financial dividends and / or return on investment within timescales and ensuring appropriate governance is in place. One significant mitigation in progress is the implementation of holding arrangements for KCC's companies. The risk will be subject to further review with the Corporate Management Team and Cabinet Members once implementation of holding arrangements for KCC's companies has been finalised.</p>			
CRR0045	Effectiveness of governance within a Member-led authority	10 (Medium)	5 (Low)
<p>The continued challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and robust internal control mechanisms.</p> <p>KCC's informal governance arrangements, authorised by the KCC constitution, clarify how officers work with elected Members to support effective decision making. This is in addition to KCC Operating Standards for KCC officers to help them discharge their responsibilities effectively. These are currently being reviewed, in addition to consideration of further amendments to KCC's Constitution by the General Counsel.</p>			
CRR0048	Maintenance and modernisation of KCC Estate - NEW	16 (High)	12 (Medium)
<p>While there has been significant investment in parts of our property estate over time, there continues to be strain on the Authority's capital budget due to ongoing demands for additional statutory and discretionary spend. As our property assets age, it is becoming increasingly challenging to ensure that they continue to be maintained to a sufficient standard, so that they remain safe, avoid significant business disruption, and are fit-for-purpose, in terms of supporting new ways of working and meeting our environmental objectives.</p>			
CRR0049	Fraud and Error - NEW	12 (Medium)	6 (Low)
<p>In any organisation, particularly a large and complex organisation such as KCC,</p>			

there is an inherent risk of fraud and / or errors that result in financial loss for the council. The Counter-Fraud team is conducting further proactive work with directorates, raising awareness and assisting services with fraud risk assessments. While a number of controls are in place, complacency must always be guarded against, and a corporate risk has been created to ensure visibility, particularly until the current tranche of organisation-wide work has been completed and reviewed, to ensure any key areas of risk are identified, assessed and proactively managed.

2.2 Several corporate risks led by officers in the Strategic & Corporate Services directorate were withdrawn from the corporate risk register at the end of 2019, as outlined below:

2.2.1 CRR0013: Delivery of in-year savings within agreed budgets. The financial environment continues to be challenging, requiring continued savings to be made and no room for complacency. However, ensuring the council delivers its budget each year is essentially a 'business as usual' task, with well established, robust monitoring and reporting mechanisms in place that enable mitigating action to be taken when necessary. While this risk has been withdrawn, the medium-term financial and operating environment risk (CRR0009) remains on the register as a 'high' rated risk.

2.2.2 CRR0041: Maintaining a healthy and effective workforce. KCC's workforce makes a vital contribution to the delivery of the Council's strategic outcomes, through its energy, commitment and hard work and staff across the organisation need to be healthy, motivated and have the right skills to help the organisation to develop. To reflect this importance, there are several approaches and tools in place to engage staff and support their wellbeing and resilience. The council's comprehensive staff survey asks several questions relating to capacity and wellbeing. Headline results from the 2019 staff survey were reported to Personnel Committee at the end of January 2020. This highlighted positive movement in all themes, including increased positive responses about achieving a good work/life balance and making use of flexible working opportunities in the 'Resources and Workload' category; in addition to increases in positive responses in the 'My wellbeing' section. Therefore, rather than continue with a generic risk such as this, it was considered that the focus should be on risks flagged at directorate or divisional / service level that are more specific, with further analysis to be conducted to highlight any patterns or trends that require a corporate response. It should also be noted that workforce related risks and issues are embedded within several existing corporate risks i.e. recruitment and retention of qualified social workers etc.

2.2.3 CRR0011: Embedding KCC's strategic commissioning approach and consistency of commissioning standards. This risk was originally added to the corporate risk register several years ago as the Authority announced its intention to become a strategic commissioning authority and set out a list of 10 commissioning principles that have been adopted. However, it is acknowledged that there are still packages of work in progress, i.e. to fully embed consistent commissioning standards, and so consideration will be given by Corporate Board as to whether a revised risk is required that reflects how this risk has evolved.

2.3 Several comments relating to these risks were received at their presentation to Governance & Audit Committee on 22nd January. These were fed into the Strategic & Corporate Services Directorate Management Team for their initial views and will be considered further by Corporate Board in the coming weeks.

3. Strategic and Corporate Services (ST) directorate risk profile

3.1 There is currently one directorate risk featured on the Strategic and Corporate Services directorate risk register, rated as medium risk. The directorate register is underpinned by risk registers for each division that are considered for escalation in accordance with KCC's risk management policy.

ST0023	Workforce capacity across the directorate, capability and wellbeing	12 (Medium)	12 (Medium)
<p>This risk provides a Strategic & Corporate Services view of the KCC corporate risk, which has been adapted and given a narrower scope, focusing specifically on capacity to maintain day-to-day delivery while also supporting service changes across the Authority. As mitigation, resource requirements are reviewed regularly in light of projected workloads and project-based approaches are adopted and resource mapping takes place as required in order to aid capacity planning. In addition, as part of the Strategic Delivery Plan process, expected resource requirements of corporate services by directorates are highlighted to enable conversations regarding what support can realistically be offered within timescales.</p>			

3.2 A risk relating to anti-bribery and corruption was previously listed on the directorate risk register, but has been withdrawn as a specific directorate risk, to be included as part of the corporate Fraud and Error risk.

3.3 The Directorate Management Team is monitoring the evolving situation regarding Coronavirus (COVID-19), including business continuity arrangements. A COVID-19 KCC Business Continuity Taskforce has been established, chaired by KCC's Director of Public Health, focusing on resilience matters across all KCC services and commissioned services. At a partnership level the Director of Public Health also chairs the Kent Resilience Forum's COVID-19 Strategic Coordinating Group which involves central Government, the emergency services and all District/Borough Councils, among others. The Public Health risk relating to *chemical, biological, radiological, nuclear or explosives (CBRNe) incidents, communicable diseases and incidents with a public health implication* has been escalated to the corporate risk register.

4. Key Divisional Risks

4.1 Underpinning the corporate and directorate risks, there are a number of divisional risks across the ST directorate, typically of a more operational nature, for which the Directorate Management Team have regular oversight, such as:

- Compliance with legislative duties and associated requirements e.g. Freedom of Information Act; Equality Act 2010 duties or internal standards.
- Dependencies on ICT systems.

- Resource availability in individual divisions to discharge their functions in a timely fashion.
- Ensuring effective relationships with our partners.
- Embedding of multi-agency safeguarding board arrangements as a result of *Working Together* statutory guidance.
- Addressing safety risks, including fire safety.
- Supply chain failure.
- Health Visitor and school nurses staff recruitment.
- Chemical, biological, radiological, nuclear or explosives (CBRNe) incidents, communicable diseases and incidents with a public health implication.

5. Recommendation

The Policy and Resources Cabinet Committee is asked to consider and comment on the risks presented.

6. Background Documents

- 6.1 KCC Risk Management Policy and associated risk management toolkit on KNet intranet site. <http://knet/ourcouncil/Management-guides/Pages/MG2-managing-risk.aspx>

7. Contact details

Report Author:

- Mark Scrivener
- Mark.scrivener@kent.gov.uk

Relevant Director:

- David Whittle
- David.whittle@kent.gov.uk



Appendix 1

Strategic and Corporate Services Led Corporate Risks

FOR PRESENTATION TO POLICY & RESOURCES CABINET COMMITTEE – 20th MARCH

Corporate Risks - Summary Risk Profile

Low = 1-6 Medium = 8-15 High =16-25

Risk No.	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since March 2019
CRR0009	Future financial and operating environment for local government	20	12	↔
CRR0014	Cyber-attack threats and their implications	16	12	↔
CRR0039	Information Governance	16	8	↑
CRR0040	Financial, governance and service delivery risks associated with KCC's Local Authority Trading Companies (LATCos)	9	4	↓
CRR0045	Effectiveness of governance within a Member-led Authority	10	5	↔
CRR0048	Maintenance and Modernisation of KCC Estate	16	12	NEW
CRR0049	Fraud and Error	12	6	NEW

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

The overall risk score is derived from multiplying the likelihood and impact scores.

Likelihood & Impact Scales					
Likelihood	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Minor (1)	Moderate (2)	Significant (3)	Serious (4)	Major (5)

Risk ID	CRR0009	Risk Title	Future financial and operating environment for Local Government			
Source / Cause of risk	Risk Event	Consequence	Risk Owner (s)	Current Likelihood	Current Impact	
<p>Uncertainty over the funding settlement beyond 2020-21 in the absence of Spending Review. Whilst some aspects of the revenue budget and medium term financial plan can be predicted with reasonable accuracy (particularly spending pressures, tax base, full year effect of current year savings and savings already identified in existing plan) the uncertainty over the funding settlement means that there are a wide range of scenarios regarding the unfunded gap. Some of the scenarios would require the council to make substantial savings in order to balance the budget posing a significant risk to the council's financial sustainability and robustness of reserves.</p> <p>The uncertainty also applies to services funded via ring-fenced specific grants. Of particular concern is the special educational needs and disability (SEND) provision funded by the Dedicated Schools Grant (DSG). The high</p>	<p>Additional unfunded spending demands and continued real-terms funding reductions threaten the financial sustainability of KCC, its partners and service providers.</p> <p>In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.</p> <p>Delays and uncertainty surrounding Spending / Fair Funding reviews impacts on KCC's medium term financial planning.</p>	<p>Unsustainable financial situation, ultimately resulting in s114 notice.</p> <p>Potential for partner or provider failure – including sufficiency gaps in provision.</p> <p>Reduction in resident satisfaction and reputational damage.</p>	<p>On behalf of CMT:</p> <p>Zena Cooke, Corporate Director Finance (Section 151 Officer)</p> <p>Responsible Cabinet Member(s):</p> <p>All Cabinet Members</p>	<p>Likely (4)</p> <p>Target Residual Likelihood</p> <p>Possible (3)</p>	<p>Major (5)</p> <p>Target Residual Impact</p> <p>Serious (4)</p>	

needs block of DSG has not kept pace with the substantial increase in demand for SEND (see CRR0044) despite additional injections savings resulting is deficit accruing on DSG spending.

The uncertainty also applies to capital expenditure funded by grants. In particular, if the basic need grant is insufficient to provide the number of school places identified in the commissioning plan the authority may not have capacity to incur additional borrowing costs to make up for the shortfall.

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Processes in place for monitoring delivery of savings and budget as a whole	Zena Cooke, Corporate Director Finance (Section 151 Officer)
KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period	Roger Gough, Leader of the Council
KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet	Rachel Kennard, Chief Analyst
Ongoing oversight of implications relating to proposed Local Authority pension fund changes	Alison Mings, Treasury and Investments Manager

Financial analysis conducted after each budget statement	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	
Engagement with CCN, other local authorities and Government of potential opportunities and issues around devolution and public reform	David Whittle, Director SPRCA	
Continued engagement with Government for a fair Basic Need allocation to meet the demand for school places	Keith Abbott, Director Education Planning and Access	
Action Title	Action Owner	Planned Completion Date
Work proactively with Government regarding how the new business rate retention scheme can be most effectively implemented	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	June 2020 (review)
Engage with Government for a fair-funding needs formula for Grant distribution and tariffs/top ups under business rate retention	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	June 2020 (review)
Ensure appropriate response to Government Spending Review 2020	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	September 2020
Assess impact of and respond to social care green paper	Penny Southern, Corporate Director ASCH	TBC – once paper is available
Assess implications arising from design of the UK Shared Prosperity Fund (cross-reference to CRR0003)	David Smith, Director Economic Development	TBC – once consultation is launched
Lobby Government for appropriate funding for KCC to cover the impacts of Brexit e.g. new burdens imposed.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	Ongoing
Lobby Government regarding High Needs funding concerns	Dave Shipton Head of Finance (Policy, Strategy and Planning)/ Matt Dunkley, Corporate Director CYPE	June 2020 (review)
Development of new KCC Strategic Statement 2020-2025, recognising the challenging environment and setting out refreshed strategic priorities.	David Whittle, Director SPRCA	March 2020

Risk ID	CRR0014	Risk Title	Cyber-attack threats and their implications			
Source / Cause of Risk	Risk Event	Consequence	Risk Owner(s)	Current Likelihood	Current Impact	
<p>The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent.</p> <p>KCC repels a high number of cyber-attacks on a daily basis, although organisations across all sectors are experiencing an increasing threat in recent times and must ensure that all reasonable methods are employed to mitigate them (within resource constraints), both in terms of prevention and preparedness of response in the event of any successful attack.</p> <p>KCC's ICT Strategy will move the Authority's technology to cloud based services. It is important to harness these new capabilities in terms of both IT security and resilience, whilst emerging threats are understood and managed.</p> <p>In information terms the other factor is human. Technology can only provide a level of protection. Our staff must have a strong awareness of their responsibilities</p>	<p>Successful cyber-attack (e.g. 'phishing' scam) leading to loss or unauthorised access to sensitive business data.</p> <p>Significant business interruption caused by a successful attack.</p>	<p>Data Protection breach and consequent Information Commissioner's Office (ICO) sanction.</p> <p>Damages claims.</p> <p>Reputational Damage.</p> <p>Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.</p>	<p>Rebecca Spore, Director Infrastructure</p> <p>Ben Watts, General Counsel and KCC Data Protection Officer</p> <p>Amanda Beer, Corporate Director People and Communications</p> <p>Responsible Cabinet Member(s):</p> <p>Peter Oakford, Finance, Corporate and Traded Services</p> <p>Shellina Prendergast, Communications, Engagement and People</p> <p>Roger Gough,</p>	<p>Likely (4)</p> <p>Target Residual Likelihood Possible (3)</p>	<p>Serious (4)</p> <p>Target Residual Impact Serious (4)</p>	

in terms of IT and information security.	Leader
Control Title	Control Owner
Systems are configured in line with best practice security controls proportionate to the business information being handled. Systems are risk assessed and reviewed to ensure compliance is maintained	Kathy Stevens, ICT Compliance and Risk Manager
Staff are required to abide by IT policies that set out the required behaviour of staff in the use of the technology provided. These policies are reviewed on an annual basis for appropriateness	Kathy Stevens, ICT Compliance and Risk Manager
Continual awareness raising of key risks amongst the workforce and manager oversight	Internal Communications function / Rebecca Spore, Director Infrastructure / All Managers
Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place	Andrew Cole, Head of ICT Strategy and Commissioning
External reviews of the Authority's security compliance are carried out to maintain accreditation and confirm best practice is applied	Kathy Stevens, ICT Compliance and Risk Manager
Persistent monitoring of threats, network behaviours and data transfers to seek out possible breaches and take necessary action	Kathy Stevens, ICT Compliance and Risk Manager
Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. Progress rates monitored regularly	Ben Watts, General Counsel
Further training introduced relating to cyber-crime, cyber security and social engineering to raise staff awareness and knowledge	Kathy Stevens, Compliance and Risk Manager
Messages to encourage increased awareness of information security amongst staff are being communicated to align with key implementation milestones of the ICT Transformation Programme	Diane Trollope, Head of Engagement and Consultation
Procedures to address data breaches from KCC 'client side' perspective are covered within the Infrastructure business continuity plan	Kathy Stevens, ICT Compliance and Risk Manager
Monthly updated remediation plans produced for the Director of Infrastructure and Senior Information Risk	Kathy Stevens, ICT

Owner. Quarterly reporting to the Directorate Management Team	Compliance and Risk Manager	
A Cyber incident response and management policy has been developed which strengthens the responsibilities and accountabilities across the Authority	Kathy Stevens, ICT Compliance and Risk Manager	
Changes and additions to security controls remains an on-going theme as the Authority updates and embraces new technologies.	Andrew Cole, Head of ICT Strategy and Commissioning	
Action Title	Action Owner	Planned Completion Date
Liaise with service partners / providers to ensure clarity regarding support available and respective responsibilities to address data breaches should they occur	Kathy Stevens, ICT Compliance and Risk Manager	March 2020
Implementation of action plan in response to findings of independent cyber-security and resilience review	Andrew Cole, Head of ICT Strategy and Commissioning	September 2020

Risk ID	CRR0039	Risk Title	Information Governance			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
The Council is required to maintain the confidentiality, integrity and proper use, including disposal of data under the Data Protection Act 2018, which is particularly challenging given the volume of information handled by the authority on a daily basis.	Failure to embed the appropriate processes and procedures to meet the new regulations.	Information Commissioner's Office sanction (e.g. undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).	Ben Watts, General Counsel and Data Protection Officer	Likely (4)	Serious (4)	
General Data Protection Regulations (GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.	Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality.	Serious breaches under GDPR could attract a fine of €20m.	in collaboration with: David Whittle, Senior Information Risk Owner	Target Residual Likelihood Unlikely (2)	Target Residual Impact Serious (4)	
There is insufficient resource available to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.	Council accreditation for access to government and partner ICT data, systems and network is withdrawn.	Increased risk of litigation.	Responsible Cabinet Member(s): Roger Gough, Leader			
There is a critical dependency on one of the Council's Local Authority Trading Companies (CBS) to support Information Governance compliance for the KCC systems and network.	Cantium Business Solutions prioritises commercial work or does not undertake information governance compliance work in an appropriate and timely fashion.	Reputational damage.	Shellina Prendergast, Communications, Engagement and People			

KCC services' requirement for non-standard systems creates vulnerabilities.	
Control Title	Control Owner
Data Protection Officer in place to act as designated contact with the Information Commissioner's Office	Ben Watts, General Counsel
Caldicott Guardian appointed with training and support to undertake the role	Penny Southern, Corporate Director ASCH
Senior Information Risk Owner for the Council appointed with training and support to undertake the role	David Whittle, Director SPRCA
Corporate Information Governance group to allow for effective management of information governance risks and issues between the DPO, SIRO and Caldicott Guardian	Ben Watts, General Counsel
Management Guide / Operating Modules on Information Governance in place, highlighting key policies and procedures	Caroline Dodge, Team Leader Information Resilience & Transparency
A number of policies and procedures are in place including KCC Information Governance Policy; Information Governance Management Framework; Information Security Policy; Data Protection Policy; Freedom of Information Policy; and Environmental Information Regulations Policy all in place and reviewed regularly	Ben Watts, General Counsel
Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum	Ben Watts, General Counsel / Amanda Beer, Corporate Director People and Communications
ICT Commissioning function has necessary working / contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit	Rebecca Spore, Director of Infrastructure
Cantium Business Solutions required to adhere to information governance standards and have controls in place to mitigate information governance risks, e.g. accreditation attained against the ISO27001 Information security management standard, internal audit programme, mandatory staff training, business continuity and disaster recovery arrangements.	Andrew Cole, ICT Strategy and Commissioning Manager / Mark Scott, Chief Executive Officer, Cantium Business Solutions

Information Resilience and Transparency team in place, providing business information governance support	Caroline Dodge, Team Leader Information Resilience & Transparency	
Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated	Caroline Dodge, Team Leader Information Resilience & Transparency	
Action Title	Action Owner	Planned Completion Date
Investigate the costs and benefits of introducing additional information governance controls utilising capabilities of Microsoft Office 365	David Whittle, Director SPRCA/Ben Watts, General Counsel	April 2020
Review methods of recording data breaches and identification / analysis of trends	Ben Watts, General Counsel	March 2020

Risk ID	CRR0040	Risk Title	Financial, governance and service delivery risks associated with KCC's Local Authority Trading Companies (LATCos)			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
<p>KCC has established a number of wholly-owned companies delivering a wide range of professional services that can bring benefits such as a change in culture and a more commercial approach to delivering services; more freedom to invest; the ability to secure new external clients; and the ability to grow the business and return a dividend to the Council as shareholder.</p> <p>As with any new company start up, there will also be risks to be managed.</p> <p>With the increased number of wholly-owned companies, the council has reached a cross-over point where the wider objectives of the shareholder (KCC) is of at least the same importance as the individual needs of the new companies.</p> <p>KCC does not make the necessary internal changes / decisions (e.g. internal commissioning arrangements)</p>	<p>Expected financial dividends not met or return on investment takes longer than planned to achieve.</p>	<p>Additional pressures on Council budget.</p> <p>Reputational damage.</p>	<p>Ben Watts, General Counsel</p>	<p>Possible (3)</p>	<p>Significant (3)</p>	
	<p>One or more company acts in a way that does not fit with KCC's values.</p>	<p>Companies may not be able to take advantage of commercial opportunities if decision-making is restricted.</p>	<p>Zena Cooke, Corporate Director Finance (Section 151 Officer)</p>	<p>Target Residual Likelihood</p> <p>Unlikely (2)</p>	<p>Target Residual Impact</p> <p>Moderate (2)</p>	
	<p>Council attempts to manage or run individual companies rather than acting as shareholder to extract the maximum value and benefit for the council in terms of both financial return and delivery of our identified outcomes as the owner of the businesses.</p>	<p>Insufficient quality of service from company to KCC 'client'.</p>	<p>Responsible Cabinet Member(s):</p> <p>Peter Oakford, Finance, Corporate and Traded Services</p>			

necessary to support the delivery of the agreed business plans of trading companies.		
Control Title	Control Owner	
Governance: shareholder and company boards exist for KCC-owned companies with respective roles, with matters reserved for shareholder decision outlined	Ben Watts, General Counsel	
Cultural and change factors are built into the planning for proposed creation of alternative service delivery models	Diane Trollope, Head of Engagement and Consultation	
KCC's Group Audit function conducts audits for KCC-owned companies	Francesca Chivers, Audit Manager	
Robust business cases developed for proposed new companies, subject to Member and Officer scrutiny – including consideration of market potential, governance arrangements etc.	Relevant Cabinet Member and Corporate Director.	
KCC company governance and ownership reviewed with regular updates given to Policy & Resources Cabinet Committee	Peter Oakford, Cabinet Member for Finance, Corporate and Traded Services / Ben Watts, General Counsel / Zena Cooke, Corporate Director Finance (Section 151 Officer)	
Action Title	Action Owner	Planned Completion Date
Finalise implementation of holding arrangements for KCC's companies	Ben Watts, General Counsel	March 2020

Risk ID	CRR0045	Risk Title	Effectiveness of governance within a Member-led Authority			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
<p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and robust internal control mechanisms.</p> <p>KCC's constitution explicitly references its Member-led / Officer managed demarcation, which consequently places dependency / risk on the effectiveness of the member governance of the Council. It is crucial that the Council avoids some of the inherent risks such as:</p> <p>Professional / statutory officers failing in their duty to provide robust professional advice needed by Members to effectively discharge their member leadership role, or unwillingness of elected Members to appropriately consider advice from professional / statutory</p>	<p>Members are unwilling or unable to agree necessary policy (service) decisions to deliver a legally balanced budget and sustainable medium-term financial plan (MFTP).</p>	<p>Decisions challenged under judicial review on the appropriateness of the decision-making within KCC.</p>	<p>Roger Gough, Leader of the Council</p>	<p>Unlikely (2)</p>	<p>Major (5)</p>	
	<p>Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in-year overspends.</p>	<p>Monitoring Officer / Head of Paid Service statutory report to Council.</p>	<p>David Cockburn, Head of Paid Service</p>	<p>Target Residual Likelihood</p>	<p>Very Unlikely (1)</p>	<p>Target Residual Impact</p>
	<p>Officers act on direction from members which has no basis in statutory decision making or the Council's constitution.</p>	<p>Reputational damage to the Council.</p>	<p>S114 Notice issued by the S151 Officer.</p>			
	<p>Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision-making.</p>					

officers.

Over reliance on informal governance arrangements and political group meetings to direct officers and make decisions outside of formal statutory decision-making and scrutiny arrangements.

Policy options regarding the service offer of the Council are not adequately or appropriately considered within the budget development/approval process.

Failure of the governance structures of the council (Cabinet, Cabinet Committee, Full Council, Scrutiny Committee/Governance & Audit) to provide robust internal and external oversight, scrutiny and challenge of budget options and delivery of agreed MTFP savings programme.

Control Title	Control Owner
Strategic Statement agreed by County Council and published setting out medium-term objectives and priorities of the Council	Roger Gough, Leader of the Council
MTFP and Budget Book agreed by Full Council and support/briefing provided for all political groups by officers on budget development options	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Key and significant decision-making process in place for Executive decisions and appropriately published	Ben Watts, General Counsel

Forward Plan of Executive Decisions	
Transformation plans and/or business cases for strategic change underpinning MTFP shared with non-executive members through Cabinet Committees as part of the executive decision-making arrangements	David Cockburn, Head of Paid Service
Member and Officer codes of conduct in place and robustly monitored and enforced	Ben Watts, General Counsel
Member development and training programme in place and overseen by Selection and Member Services Committee	Ben Watts, General Counsel
Appropriate officer development and training programme in place and overseen by CMT	Amanda Beer, Corporate Director People and Communications
Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Appropriate performance reporting of service and corporate performance to Cabinet, Cabinet Committee and Full Council	David Cockburn, Head of Paid Service
Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee	Zena Cooke, Corporate Director Finance (Section 151 Officer)
Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution	Ben Watts, General Counsel
Annual Governance Statement (AGS) arrangements in place with returns made across both senior and statutory officers	Ben Watts, General Counsel
Appropriate and effective corporate risk management procedures in place for the Council	David Whittle, Director SPRCA
Democratic Services appropriately resourced to support effective Committee governance and scrutiny arrangements	Ben Watts, General Counsel
Informal governance arrangements authorised by the KCC Constitution have been published on KNet, as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities.	David Whittle, Director SPRCA

New operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively.	David Whittle, Director SPRCA	
A single Strategic Delivery Plan for KCC has been developed	David Whittle, Director SPRCA	
Action Title	Action Owner	Planned Completion Date
Further amendments to KCC's Constitution	Ben Watts, General Counsel	May 2020
Review of informal governance arrangements	David Whittle, Director SPRCA	March 2020
Review of KCC Operating Standards	David Whittle, Director SPRCA	March 2020
Ongoing review of effectiveness of Cabinet Committees and consideration of alternative arrangements	Roger Gough, Leader / David Whittle, Director SPRCA	June 2020 (review)

Risk ID	CRR0048	Risk Title	Maintenance and modernisation of KCC Estate				
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	Target Residual Likelihood	Target Residual Impact
<p>While there has been significant investment in parts of our estate over time, there will never be enough funding available to satisfy all aspirations relating to modernisation of our estate.</p> <p>It is becoming increasingly challenging to ensure that all of our property assets are maintained to a sufficient standard, so that they are safe and fit-for-purpose.</p> <p>As parts of our estate age (e.g. some of our schools and our corporate headquarters), maintenance and / or modernisation costs will increase, and will be sub-optimal in terms of our environmental footprint and supporting new working practices.</p> <p>Ongoing investment to maintain and modernise our estate continues to compete with the other priorities to protect frontline services from effects of public sector funding restraint.</p> <p>Property asset considerations need to be viewed as part of a strategic picture alongside</p>	<p>Insufficient investment in KCC estate to ensure it remains safe and fit-for-purpose.</p>	<p>Business interruption due to increasing level of reactive / emergency repairs required, or parts of the estate decommissioned (in whole or partially) if deemed unsafe.</p> <p>Adverse impact on achievement of environmental targets.</p> <p>Adverse impact on opportunities to rethink current working practices and adopt new ways of working.</p> <p>Impact on staff morale and productivity.</p>	<p>On behalf of CMT:</p> <p>Rebecca Spore, Director of Infrastructure</p> <p>Amanda Beer, Corporate Director People and Communications</p> <p>Responsible Cabinet Member(s):</p> <p>Peter Oakford, Finance, Corporate and Traded Services</p> <p>Shellina Prendergast, Communications, Engagement and People</p>	<p>Likely (4)</p> <p>Possible (3)</p>	<p>Serious (4)</p> <p>Serious (4)</p>		

technology and people strategies and the appetite for change tested.		
Control Title	Control Owner	
Service Asset Utilisation Board reviews how service strategies align with use of assets and potential for changes	Barbara Cooper, Corporate Director GET	
Safety factors associated with our assets are given priority during the budget setting process.	Zena Cooke, Corporate Director Finance (Section 151 Officer)	
An annual programme of planned preventative maintenance is undertaken at KCC sites by the relevant Facilities Management contract partners	Vikram Bhatia, Infrastructure Commissioning	
Property commissioning function takes a 'hands on' approach to building compliance management	Vikram Bhatia, Infrastructure Commissioning	
Action Title	Action Owner	Planned Completion Date
Revisit KCC's Property Asset Strategy, reviewing the principles and ensuring an effective locality offer matched to need, in the context of financial constraints	Rebecca Spore, Director of Infrastructure	February 2020 (review)
Development of rolling 3-year Condition Programme in order to gain a clearer picture of long-term backlog of works	James Sanderson, Strategic Capital Programme Manager	March 2020 (review)
Consolidated lifecycle plan to be developed for properties	Lifecycle Programme Manager	March 2020 (review)

Risk ID	CRR0049	Risk Title	Fraud and Error			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
As with any organisation, there is an inherent risk of fraud and/or error that must be acknowledged and proactively managed. It is critical that management implements a sound system of internal control and demonstrates commitment to it at all times, and that investment in fraud prevention and detection technology and resource is sufficient. This includes ensuring that new emerging fraud/error issues are sufficiently risk assessed.	Failure to prevent or detect significant acts of fraud or error from either internal or external sources.	Financial Loss. Reputational damage.	Zena Cooke, Corporate Director Finance (Section 151 Officer) Responsible Cabinet Member(s): Peter Oakford, Finance, Corporate and Traded Services	Possible (3)	Serious (4)	
				Target Residual Likelihood	Target Residual Impact	
				Unlikely (2)	Significant (3)	
Control Title				Control Owner		
Anti-fraud and corruption strategy in place and reviewed annually				James Flannery, Counter-Fraud Manager		
Systems of internal control which aim to prevent fraud and increase the likelihood of detection				Corporate Management Team/Statutory Officers		
Internal Audit includes proactive fraud work in its annual audit plan, identifying potential areas where frauds could take place and checking for fraudulent activity.				Jonathan Idle, Head of Internal Audit		
Training and awareness raising is conducted periodically				James Flannery, Counter-Fraud Manager / Amanda Beer, Corporate Director People and Communications		

Preventing Bribery Policy in place, presenting a clear and precise framework to understand and implement the arrangements required to comply with the Bribery Act 2010	James Flannery, Counter-Fraud Manager	
Whistleblowing Policy in place for the reporting of suspicions of fraud or financial irregularity	James Flannery, Counter-Fraud Manager	
KCC is part of the Kent Intelligence Network (KIN), a joint project between 12 district councils, Medway Council, Kent Fire & Rescue and Kent County Council which analyses and data matches financial and personal information to allow fraudulent activity in locally administered services to be detected more proactively within Kent	Nick Scott, Operations Manager, Kent Intelligence Network / James Flannery, Counter-Fraud Manager (KCC lead)	
An agreed Memorandum of Understanding is in effect with partners (District Councils, Police and Fire Service) outlining the minimum standards expected to be applied by collection authorities (District Councils) to address fraud and error relating to council tax and business rates. Additional work jointly funded to identify and investigate high risk cases based on each authority's share of the tax base.	Dave Shipton, Head of Finance (Policy, Strategy and Planning)	
Action Title	Action Owner	Planned Completion Date
Review levels of proactive and reactive counter-fraud work to ensure an optimum balance and address the impact of the scale of referrals received upon the team's ability to deliver preventative work and proactive fraud work, which returns savings and other benefits to the Council	James Flannery, Counter-Fraud Manager	Ongoing
Fraud risk assessments have been developed by the Counter-Fraud team and are being considered by service directorates to aid awareness and facilitate appropriate mitigations.	Directorate Management Teams	March 2020 (review)
Review existing arrangements for segregation of duties, with focus on high risk areas e.g. commissioning/procurement	James Flannery, Counter-Fraud Manager	March 2020 (review)

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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee - 20th March 2020

Subject: **Property Accommodation Strategy - SHQ Review Next Steps**

Classification: **Unrestricted**

Past Pathway of Paper: Policy and Resources Cabinet Committee meeting on 20th November 2018

Future Pathway of Paper: N/A

Summary:

This paper seeks to update Members on the review work undertaken to date and the workplan to consider the future use of the Strategic Headquarters Campus.

Recommendation(s):

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

1. Introduction

- 1.1 At the Policy and Resources Cabinet Committee meeting on 20th November 2018, an update was given on the work being undertaken to modernise the Council's Office Estate. As part of this work a review is being undertaken of KCC's (Kent County Council) Strategic Headquarters Campus. The Campus currently includes Cantium, Invicta and Sessions House. Sessions House particularly is facing a number of challenges to provide appropriate accommodation to meet the councils ongoing needs. Sessions House is a vast historic building which has become increasingly expensive and environmentally inefficient to maintain. In its current form, it also limits our ability to make the most of the technology that we have available and provide our staff with a modern workspace fit for delivering our services in the best way.
- 1.2 A review of the SHQ accommodation is being progressed to ensure that we are making the most effective use of the council's resources in the way that we deliver our services. Whilst a number of options will be considered KCC remains committed to Maidstone as the County Town and to a continuing presence in the town.
- 1.3 This paper seeks to update Members on the member and staff engagement undertaken to date and the workplan to complete the review. Further detail as to the approach will be included in the exempt section.

2. Establishment of a Member Working Group to consider Member accommodation

- 2.1 The cross-party Member Working Group was set up to inform set of design principles and a design brief for new Member accommodation. The group attendees are Eric Hotson, Rob Bird, Dara Farrell, Emma Dawson, Harry Rayner, Diane Marsh, Martin Whybrow, David Brazier and Sue Chandler.
- 2.2 To support the work site visits were organised to Somerset County Council, Birmingham City Council and the London Borough of Brent Council, to consider different approaches to working and the configuration of members accommodation.
- 2.3 Each authority was using space in a slightly different way, but all had invested in their use of technology to support a new working approach. This included the promotion of a mobile working culture, a multi-functional space including the council chamber with Member workspaces shared.
- 2.4 A series of workshops are now being planned with Members to capture the lessons learnt from the visits and how this can be applied to Kent. This work will help inform the key design principles, space standards and an accommodation brief.

3. Staff Engagement

- 3.1 Engagement with directorates has taken place facilitated as part of the Councils business change work. Each directorate set up a task and finish group to consider how they currently work. The feedback from the directorates emphasised key themes around spaces, technology, people and culture which are highlighted below:
 - Spaces – all directorates requested a mixture of specialist, confidential, flexible and desk-based space with collaborative spaces adjacent. The spaces must be high quality and consistent across the county, reflecting the demographic need for KCC services
 - Technology – available to all and consistently reliable, with the use of Artificial Intelligence and good video conferencing facilities. Services want a digital offering to clients and to facilitate partner working across networks
 - People – the need upskilling particularly in relation to digital skills with managers feeling confident to manage a more agile workforce. The importance of Team identity in a more transient culture was highlighted.
 - Behaviour/Culture – promoting use of technology and community focus and the importance of the business change programme were highlighted.
- 3.2 Further feedback sessions were held at the T200 Extended Group of front-line managers – where a series of questions posed to staff to gauge thoughts and ideas about, how and where they would like to work and what the key aspects of a workspace were for them. In addition, a questionnaire was sent out through

the task and finish groups, asking them to feedback on the same questions, with over 1100 responses, which are summarised below:

- All staff involved were keen to improve their work-life balance by working more flexibly, holding virtual meetings, reducing travel and engaging service users digitally
- Many services and staff groups want to use technology to automate manual processes
- 41% staff thought KCC service need was growing
- 76% staff thought they could be mobile and work remotely at least 1-2 days/week
- 43% staff thought they could be mobile and work remotely 2-4 days/week
- The most important aspects of a workspace to staff was a comfortable environment, immediate work area and car parking.

4. SHQ Review and Business Case Development

- 4.1 It has been clear from the engagement with both Members and staff that there is a desire to work differently building on our technology, environmental, asset strategies.
- 4.2 The feedback to date through staff engagement and the cross-party member accommodation group will help inform the SHQ work and our future working requirements.
- 4.3 To support the SHQ review a project governance structure has been established along with selected external partners, who will work together to develop a project initiation document and the strategic outline business case for consideration. In addition, a cross directorate Modern Ways of Working Group has been established and initial scoping has been completed with a series of workshops completed. The cross-directorate group feeds into an advisory group of corporate board which has been established to support the council's modernisation work.
- 4.4 To support the review discussions have commenced with key stakeholders including Maidstone Borough Council and a wider staff engagement plan has commenced to ensure that whilst this work is in the early stages that staff are aware of the work as it is progressed.
- 4.5 The project team are working through a series of options which will be evaluated against the Council's future requirements. Progress will be reported to the committee as the business case work progresses, through series of formal and informal briefings at key points as the business case develops.

4.6 The key milestones and planning activity are summarised below:

Activity	Date
Policy and Resources Committee – Update on approach	20 th March 2020
Review and Strategic Business Case Development	February - May 2020
Internal Review and Member Briefings	May – June 2020
Policy and Resources Committee - Presentation of Review work and recommendations	July 2020

5. Conclusions

5.1 As part of KCC’s wider strategy to modernise the way that we work, an integrated programme of activity is being progressed aligned to the Council’s ambitions. Due to the pressing issues at Sessions House, a review is being undertaken of SHQ to consider options as to how we best develop an accommodate strategy which meets the needs of our staff, elected members and service users, represents value for money for our residents and delivers against our technology and environmental objectives.

5.2 A project team has been established to oversee the development of the strategic outline business case and updated options appraisal, which will be brought back to the Policy and Resources Committee in advance a key decision in the summer 2020.

6. Recommendation(s)

Recommendation(s):

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

7. Contact details

Report Author: Tom Porter-Williams Head of Asset Management - Infrastructure 03000 416304 tom.porter-williams@kent.gov.uk	Relevant Director: Rebecca Spore Director of Infrastructure 03000 416716 rebecca.spore@kent.gov.uk
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From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee – 20th March 2020

Subject: **Facilities Management Procurement**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper updates members on progress with the Facilities Management re-procurement and the future programme of procurement activities.

Recommendations: The Policy and Resources Cabinet Committee is asked to note progress.

1. Background

1.1 The council currently have three Total Facilities Management contracts with two providers delivering the Councils Facilities Management Services. The initial five-year term of the TFM Contracts has been extended to October 2021 in line with the contractual provisions. During this time replacement service providers need to be procured and mobilised to provide a smooth transition period.

2. FM Future Service Delivery Options

2.1 The current procurement options under consideration have been presented to the Policy and Resources Cabinet Committee previously with either a bundled hard and soft services or a TFM contract(s) model shortlisted to be explored further through the market engagement phase of the project.

2.2 The two models can be summarised as:

- **TFM Delivery** –a single contractor provides all FM services either directly or through sub-contractors. There are options for a single provider or for the county to be split into geographical areas. The TFM model enables less complex management and coordination with a single point of contact and the provider managing the interface between different FM services.

- **Bundled FM Services** – FM services delivered through a limited number of specialist contractors, with services split by broad types e.g. “Hard FM” – maintenance and repairs etc. and “Soft FM” – cleaning, security, office support etc. Grounds Maintenance could fit into either bundle. Each bundle is delivered county-wide and not split by region but with a single helpdesk operating across the county. The coordination and integration of service delivery is more challenging amongst multiple providers.
- 2.3 The service will be directly managed by KCC from April 2020. In parallel with this procurement, the management structure and processes are being reviewed and a Service Improvement Plan is being implemented. The staff structure and FM Management Team will be aligned to the delivery model chosen to ensure that the resources are in place to manage the contract effectively.

3. Recent Progress

- 3.1 During the last few months there have been a number of procurement activities that have taken place as part of Market Engagement phase of the programme. A PIN notice was published and advertised via the Kent Business Portal inviting potential providers to a supplier day on 13th February 2020 held at Oakwood House.
- 3.2 The supplier day was attended by approximately 40 organisations. KCC gave a short presentation on the opportunity, the programme and the procurement strategy. Following the presentation, one to one meetings of 45 minutes were held with suppliers to give them the opportunity to meet with KCC Officers and give some initial feedback and provide the opportunity for suppliers to ask questions.
- 3.3 The general comments on the supplier day were positive noting that it provided useful information, gave an understanding of the scope and scale of the opportunity and the engagement with the market was encouraging. The profile of the attendees ranged from small local Kent companies who were attending to become part of the supply chain of larger suppliers to large experienced organisations (including the incumbent providers) who were capable of bidding for either of the options, There were some organisations that did not attend that we hoped would be able to come but we do not have any feedback as to the lack of attendance although it could be that they did not see the OJEU PIN or the Kent Business Portal notification. By holding the bidder day and issuing the questionnaire the profile of this opportunity will be raised in the market which will increase the interest and number of potential bidders. More

specific feedback from suppliers at the one to one meeting produced a number of key themes which are summarised below:

- KPIs - Suppliers commented that there should not be too many KPIs, they should be proportionate to the value of the contract, be fair, provide an opportunity to earn back and balance “blame and accountability”. Many were keen to explore risk and reward sharing mechanisms
- Collaboration - To get true collaboration and enable investment by the suppliers it was felt that the contract term should be a minimum of 5 years with extension options.
- Data - Suppliers noted that good quality data will enable more accurate pricing
- Risks - There were some key contractual terms that suppliers raised as an issue these were the Local Government Pension Scheme, Insurance, limits on liability, Parent Company Guarantee, termination arrangements, LGPS pension and National Living Wage. They also raised the Comprehensive Maintenance Threshold level and the risk of the back log of works if the estate is in a poor state of repair.
- Mobilisation - Suppliers advised that the ideal mobilisation period is between 3-6 months depending on the quality of data and TUPE and handover from incumbent suppliers.
- Scope - Some suppliers did not appreciate the scale and scope of the contract and realised that they were too small to deliver directly but were keen to join local supply chains. Larger suppliers tended to feedback on a scope that fitted their organisations capacity and capability rather than what would be best for KCC
- Opportunities for Innovation - Most of the suppliers expressed a desire to implement continuous improvement and innovation as part of their service delivery. Proposals included innovations in measuring contract performance, incentivising the Contractor to achieve shared objectives, low / nil cost energy saving initiatives, condition based maintenance and streamlining of administration tasks to achieve cost savings and process improvements.

3.4 A questionnaire was issued to suppliers on the 21st February 2020 to obtain more detailed feedback in respect of the following areas:

- Contract Terms - including contract length and extensions
- Terms and Conditions - such as limits on liability and insurances
- Commercial models - bundled and TFM and variants to these

- Performance Regime – Over-arching models and more specific characteristics such as caps on KPIs, Percentage only or deductions earned back for performance improvement
- Data Pack - information that will enable less risk priced in and how this is best presented
- Social Value/ Innovation
- Mobilisation

3.5 This questionnaire is an on-line questionnaire which has been sent to all companies that attended the bidder day as well as those that expressed an interest on the Kent Business Portal. The questionnaire completion deadline was 6 March 2020. This together with the feedback from the bidder day will be used to finalise the procurement approach and scope.

4. Stakeholder Engagement

4.1 A series of meetings with stakeholders from the different Directorates started in early March 2020. The topics for these meetings include:

- Specification for Handypersons
- Cleaning specification for specific areas
- Key Performance Indicators (KPIs) - specifically feedback on current KPIs
- Reporting, dashboard information and access to Computer Aided Facilities Management (CAFM) system for service users
- Response times and rectification periods
- Evaluation Criteria and weighting

4.2 We will also share the full specification and contract documentation so that the users can feed in comments and can confirm service priorities against funding restrictions.

5. Programme

5.1 A detailed programme has been prepared setting out based on the key stages of the procurement process. The key dates are set out below. The most important of these are:

- Issue of OJEU notice which starts the formal procurement process.
- Shortlist following Supplier Questionnaire evaluation
- Submission of final bids
- Key Decision to award contract with delegated authority within specific parameters.

5.2 The timetable also identifies key update points for the policy and resources committee as part of the proposed contract award.

Year	Month	Activities / Milestones
2020	January	Prior Information Notice (PIN) issued
2020	13 th February	Supplier Day held
2020	February	Soft Market Engagement including questionnaire issued to Market
2020	February and March	Stakeholder engagement on Specification and contract KPIs etc
2020	March	Preparation of Draft Tender Documents
2020	15 th April	Procurement Strategy Finalised
2020	April	Preparation of Draft Tender Documents
2020	May	Preparation of Draft Tender Documents
2020	12 th May	P and R meeting-update on procurement strategy and approach
2020	June	Issue OJEU, Selection Questionnaire (SQ) & Draft Tender Documents
2020	July	SQ Returns & SQ Evaluation
2020	August	SQ Evaluation Report, Shortlist Approvals
2020	September	Issue Tender docs to shortlisted bidders
2020	11 th September	P and R Committee- Update on shortlisted suppliers
2020	December	Final Tender Period
2021	January	Tender Period & Tender Submission
2021	14 th January	P and R committee prior to a Key Decision on contract award with delegated authority to enter contract subject to specific terms
2021	February	Evaluation
2021	March	Evaluation Report, Approvals, Preferred Bidder & Standstill Period
2021	24 th March	P and R committee update on final bidders and award

Year	Month	Activities / Milestones
2021	April	Contract(s) Preparation & Signature
2021	May	Mobilisation Commences
2021	June- Nov	Mobilisation
2021	November	Service Commencement

6. Next Steps

6.1 Over the next few months the focus is confirming the scope and procurement approach, drafting of the contract documents and Supplier Questionnaire (SQ) as well as the contract evaluation and weighting. The key milestones will be completion of the specification, contract documentation and evaluation criteria prior to the issue of the OJEU notice in June 2020.

7. Recommendation(s)

Recommendation(s): The Policy and Resources Cabinet Committee is asked to note progress.

8. Background Documents

None

9. Contact details

Relevant Author: Karen Ripley
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Relevant Director: Rebecca Spore, Director of Infrastructure
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 Phone number: 03000 416716

From: Peter Oakford, Deputy Leader, Cabinet Member for Finance,
Corporate and Traded Services

Ben Watts, General Counsel

To: Policy and Resources Cabinet Committee – 20th March 2020

Subject: **Work Programme 2020/21**

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 a work programme for 2020/21.

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 2020/21

- 3.1 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 to be considered for inclusion on the agenda of future meetings.

3.2 The schedule of commissioning activity that falls within the remit of this Cabinet Committee will be included in the Work Programme and is considered at agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.

3.3 When selecting future items, the Cabinet Committee should consider 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 a work programme for 2020/21.

6. Background Documents

None.

7. Contact details

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Benjamin Watts
General Counsel
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POLICY & RESOURCES CABINET COMMITTEE - WORK PROGRAMME 2020/21

	When was item added?	Has item been deferred?
Tuesday 12 May 2020		
• Enterprise Business Capabilities (EBC)		Deferred from Mar 2020 mtg (Report in March would have been too early)
• 19/00096 – KCC’s Civil Society Strategy	Key Decision	
• Contract Management Review Group update (Exempt)	Bi-annual	
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Work Programme 2020/21	Standing item	
Thursday 9 July 2020		
• Strategic Delivery Plan Monitoring	Agreed at Corporate Board in July 2019 to go to Cabinet Committees on a 6-monthly basis	
• Invicta Law Update (Exempt)	Bi-annual	
• Total Facilities Management (Exempt)	Bi-annual	
• Work Programme 2020/21	Standard item	
Friday 11 September 2020		
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Work Programme 2020/21	Standard item	
Friday 6 November 2020		
• Annual Report on the Implementation of the Armed Forces Covenant in Kent	Annual Report	
• Update on Legislative Changes around Business Rate Retention		Deferred from Nov 2019 mtg (put on hold for a year as a result of the one-year spending round.)
• Strategic Delivery Plan Monitoring	Agreed at Corporate	

	Board in July 2019 to go to Cabinet Committees on a 6-monthly basis	
• Work Programme 2020/21	Standard item	
Thursday 14 January 2021		
• Invicta Law Update (Exempt)	Bi-annual	
• Policy & Resources Cabinet Committee Meeting Dates for 2021/22 - For Information Only		
• Total Facilities Management (Exempt)	Bi-annual	
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Work Programme 2021/22	Standard item	
Wednesday 24 March 2021		
• Strategic and Corporate Services Risk Management	Annual report (Mark Scrivener)	
• Work Programme 2021/22	Standard item	
Thursday 10 June 2021		
• Invicta Law Update (Exempt)	Bi-annual	
• Strategic Delivery Plan Monitoring	Agreed at Corporate Board in July 2019 to go to Cabinet Committees on a 6-monthly basis	
• Strategic and Corporate Service Directorate Performance Dashboard	Standing item – every other month	
• Work Programme 2021/22	Standard item	

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Agenda Item 10

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

**Peter Oakford Deputy Leader and Cabinet Member for
Finance, Corporate and Traded Services**

DECISION NO:

20/00019

For publication

Key decision*

This is a key decision as the proposed lease length is over 20 years.

Subject:

Authority to enter into a sub-lease at Dartford Youth Centre with Europa Weightlifting Club for 30 years

Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services I authorise KCC entering into a sublease at the Dartford Youth Centre to Europa Weightlifting Club for a period of 30 years; and delegate authority to the Director of Infrastructure to finalise the terms and enter into the necessary legal documentation.

Background:

Kent County Council (KCC) has a long ground lease interest in a site known at Dartford Youth Centre (DYC). The land is located in the Temple Hill area of Dartford. The land upon which DYC is built; is owned by Dartford Borough Council (DBC) who is landlord to the County Council.

The centre requires complete refurbishment to bring it into reasonable repair. Most of the property has been occupied by a private gym operator who wishes to take a long lease of the entire property to enable it raise funds for refurbishment.

Financial Implications:

See exempt report

Legal Implications:

See exempt report

Equality Implications:

The proposed sublease will provide an opportunity for the club to invest in the building; providing an enhanced community facility; which in turn will help to improve the health and wellbeing for the community.

Business Plan:

N/A

Cabinet Committee recommendations and other consultation:

A paper is to be presented to March 2020 Policy and Resources Cabinet Committee.

Any alternatives considered: surrendering KCC's lease was considered as set out in the exempt report

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: N/A

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signed

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date

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Agenda Item 11

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KENT COUNTY COUNCIL –RECORD OF DECISION

DECISION TAKEN BY:

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

19/00023

For publication, with the exception of addendum note.

Key decision*

YES

This is a key decision, as it involves expenditure over £1m

Subject: Letting of the building contract for the Barton Court Academy Trust Free School Project Canterbury

Decision:

As Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services I agree to;

- award a building contract to Kier Construction Limited for the Main Construction Contract for the Barton Court Free School; and
- delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Finance, Corporate and Traded Services, to finalise the contractual terms and enter into any associated documentation including the building contract, DfE Works Funding Agreement and DfE Development Agreement.

Reason(s) for decision:

KCC is delivering the construction of the new Barton Court Free School on the former Chaucer School site in Canterbury. The DfE has appointed KCC to act as the Local Delivery Agent (Responsible Body). As the Responsible Body, KCC will be the contracting authority for the purpose of delivering the scheme. The new school will be located on part of the former Chaucer School site, with the remainder allocated to the land disposal programme. The school's places are identified in the Kent Commissioning Plan to meet school demand in the area.

The previous Record of Decision, 19/00077 which was taken on 30 December 2019, related to entering into a JCT Minor Works building contract with Kier Construction for the enabling works. This decision relates to the Main Contract works for this project.

Reason for Urgency:

An urgent decision is required prior to the completion of the 28-day FED publication period and before the next available P&R Cabinet Committee meeting on 20 March 2020. This is in order to avoid further delay to the delivery programme, which would extend the period of time the school would have to spend in temporary accommodation after opening in September 2021. Delay would also cause the contractor to vacate the site at the end of the enabling works, causing KCC to incur demobilisation and remobilisation costs together with security costs for holding the vacated site. Further delay will also see the expiration of the Contractor's tender offer allowing them to claim increased inflation costs in accordance with the terms of the DfE framework. Delay to the current programme is also preventing the DfE from making payment to the Academy Trust of start-up funding grant, to offset the costs that they have invested to date.

Financial implications:

The main contract sum amounts to £20,690,642. This is funded by the Project Delivery Grant provided by the Department for Education. KCC applies for the grant on a stage by stage basis.

Legal Implications:

A Department for Education Bespoke Design and Build (2018 edition) building contract with Kier Construction for the Main Contract works will be entered into. This form of contract has been designed for use with procurements from the Department for Education Construction Framework 2017 and is suitable for Local Authorities and other public bodies.

Equalities Implications:

N/A

Cabinet Committee recommendations and other consultation:

The proposed decision was discussed by the Policy and Resources Cabinet Committee on 8 November 2019 and the proceedings were as follows:

- (1) Mr Oakford (Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services) and Mrs Spore introduced the report which set out information relating to letting of the building contract for the Barton Court Academy Trust Free School Project in Canterbury.
 - a) Mrs Spore and Mr Watts then responded to comments and questions from Members which related to Kier's performance as a contractor, projected delivery costs, the risks associated with the projects delivery and how the risks could be mitigated.
- (2) In the information set out within the report about sources of funding, Mrs Spore corrected one entry.
- (3) RESOLVED that the proposed decision to be taken by the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to approve the award of building contracts to Kier Construction Limited for the Barton Court Free School be noted, and authority be delegated to the Director of Infrastructure in consultation with the Cabinet Member for Finance, Corporate and Traded Services to finalise the contractual terms and enter into any necessary documentation including land sale and development agreements.

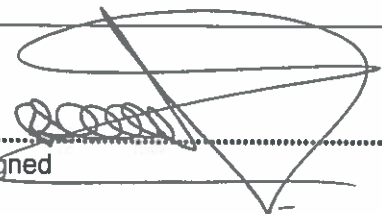
An updated exempt addendum note was circulated to Members of the Policy and Resources Cabinet Committee on 3rd March 2020 for information in regards to questions raised at the Policy and Resources Cabinet Committee on 8th November 2019 regarding performance of Kier and mitigating risks, no Member objections were received.

Directorate action:

In response to Cabinet Committee Member comments, further due work was undertaken to review and consider the contract and legal implications prior to this Phase 2 decision being progressed.

Any alternatives considered: Hand back the project to the DfE to deliver – dismissed, as would delay the process of forming the new school by the DfE and Academy Trust and put at risk the delivery of school places as required by the Kent commissioning plan. KCC would be responsible for funding any costs associated with the provision of school places should the build be delayed or not proceed.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:


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signed

.....12 MARCH 2020.....
date

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Agenda Item 12

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