

## **CABINET**

**30 MARCH 2021**

### **KYNDI LIMITED – BUSINESS PLAN**

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services and Chairman of Kyndi Ltd  
Councillor Rupert Turpin, Portfolio Holder for Business Management and Director of Kyndi Ltd

Report from/Author: Perry Holmes, Chief Legal Officer and corporate client for Kyndi Ltd

#### **Summary**

This report provides Cabinet with an updated Business Plan for Kyndi Limited (formerly known as Medway Commercial Group) for approval and details of the company's rebrand.

#### **1. Budget and policy framework**

- 1.1. Kyndi operates as a Local Authority Trading Company (LATCo) that is owned by Medway Council (as the sole shareholder) and was established in 2016.
- 1.2. Cabinet undertakes the role of shareholder and must approve the Business Plan which is then monitored through six monthly progress reporting and is responsible for reviewing the trading and financial performance of Kyndi. On the 20 October 2020 Cabinet received and approved a Business Strategy (Decision Number 130/2020) which has led to further detailed work to produce the attached Business Plan which is attached at Exempt Appendix 1 to the report.

#### **2. Background**

- 2.1. Kyndi's trading market is now focussed into 3 market segments of:
  - CCTV Services through the CCTV Partnership hosted by Medway Council and direct CCTV provision for third parties including an Out of Hours Call Centre Model
  - Telecare Services
  - Recruitment Agency for Medway Council and other third party clients.

2.2. Medway Council is the single shareholder of Kyndi Limited which has one subsidiary Kyndi Care Limited which enables the company to trade with both the public and private sector:

- Kyndi Limited trades with the public sector
- Kyndi Care Limited trades with the private sector.

### 3. Kyndi Business Plan

3.1. The Company's Board of Directors, which comprises two Councillor Directors, two non-Executive Directors with industry experience and shortly will include the Chief Executive Officer has approved the Business Plan set out at Exempt Appendix 1 to the report.

3.2. The summary of the 2021-22 projected financial performance set out in detail in the exempt appendix is a forecast net profit before tax of circa £600,000 (6.5%).

### 4. Rebrand

4.1. Cabinet approved the new Business Strategy for Medway Commercial Group which informs the revised core business priorities, and this included proposals for a rebranding of the Company. The Kyndi Board approved the change of name from Medway Commercial Group to Kyndi Limited and from Medway Commercial Services to Kyndi Care Limited at its Board meeting in January 2021. The necessary changes were then made at Companies House in March 2021.

4.2. The Kyndi rebranded website [www.kyndi.co.uk](http://www.kyndi.co.uk) consolidates the three services into a single site to reinforce the new brand image, supporting independent living, 24/7. The brand reflects the new culture 'to ease the worry of carers and the cared for' and embodies the mission statement 'to innovate care with values of compassion, commerciality and creativity'.



### 5. Risk management

5.1. The Kyndi Board review strategic and operational risks on a six monthly cycle to ensure appropriate levels of governance controls around risk. They have adopted the same risk management matrix as the Council.

5.2. The key risks to be reported to Cabinet are shown in the table below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Poor business planning	Inadequate business planning will impact on commercial performance and subsequent return on investment to the Council	Kyndi Board have commissioned an evidence-based business strategy to set out a clear strategic direction for MCG to maximise commercial growth. This has been converted into a Business Plan with ambitious but achievable growth.	C2
Limited business growth	Business growth opportunity is limited or restricted by market conditions.	Kyndi Board have adopted a business rebrand to position the offer better and a marketing strategy to drive sales.	C2

## 6. Financial and legal implications

- 6.1. Local Authorities have powers to establish Local Authority Trading Companies under the Local Government Act (2003) and Localism Act (2011). The Local Government Act 2003 – Section 15 (l) enable Local Authorities to put in place Commercial Loans to wholly owned Trading Subsidiary Companies.
- 6.2. Cabinet act as the sole shareholder on behalf of Medway Council for Kyndi and are responsible for reviewing trading and financial performance on a six monthly cycle.
- 6.3. The level of service charge it has been agreed that Kyndi will pay Medway Council in 2021/22 is in accordance with the Council's budgeted figure.

## 7. Recommendations

- 7.1. The Cabinet is asked to approve the Kyndi Business Plan as set out at Exempt Appendix 1 to the report.

## 8. Suggested reasons for decision(s)

- 8.1. Cabinet acting as the shareholder must approve the Business Plan presented. This will enable the regular monitoring against progress.

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## Appendices

Exempt Appendix 1 – Kyndi Ltd Business Plan

## Background papers

None.