

CABINET

8 MARCH 2022

KYNDI - SIX MONTHLY PROGRESS REPORT

Portfolio Holder Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services and Chairman of Kyndi

Report from / author: Phil Watts, Chief Operating Officer and Corporate Client for Kyndi

Summary

This provides Cabinet with a six-monthly progress report on Kyndi's trading performance for Quarter 2 and Quarter 3 for financial year 2021/2022.

1. Budget and policy framework

1.1 Cabinet through six monthly progress reporting are responsible for reviewing the trading and financial performance of Kyndi.

1.2 The last reporting cycle to Cabinet on Kyndi was on the 24 August 2021.

2. Background

2.1 Kyndi operates as a Local Authority Trading Company (LATCo) that is owned by Medway Council (Single Shareholder) and was established in 2016 originally as Medway Commercial Group (MCG) then rebranded in 2020 into Kyndi.

2.2 Kyndi trading market is principally split into 3 Business Areas of Activity:

- CCTV Services
- Telecare
- Recruitment Agency

2.3 As part of the Budget Setting Report for 2022/2023 to Cabinet on the 8 February 2022 (Decision Number 17/2022) Cabinet agreed to the Recruitment Agency being transferred back to Medway Council from the 1 April 2022. This will result in Kyndi operating from 2022/2023 in its original core market area of CCTV and Telecare when it was first established as a LATCo in 2016 by Medway Council.

3. Governance

- 3.1 The Company's Board of Directors comprises one Executive Director (Chief Executive Officer) and four Directors. The Council's Director appointments for this Municipal Year for Kyndi are Councillor Howard Doe who is the Chair of Kyndi and Councillor Wendy Purdy. Councillor Wendy Purdy replaced Councillor Rupert Turpin in November 2021. The external Board Members, who were both appointed in 2020 are Stephen Hughes, telecoms and commercial experience and Ashley West, finance and business turnaround experience.
- 3.2 Board Meetings are held on a quarterly cycle to ensure good governance protocols are embedded and opportunities for Business Growth are approved to safeguard commercial risk and operational effectiveness.
- 3.3 The Chief Operating Officer is the appointed Corporate Client for Kyndi and attends Board Meeting with the responsibility to safeguard the single shareholder interests of Medway Council and act as a strategic conduit between Medway Council and Kyndi on Business Growth opportunities between the two parties.
- 3.4 Services provided by Kyndi sit within the portfolio themes of the Portfolio Holders for Adult Services and Resources.

4. CCTV Services

- 4.1 The relationship between Kyndi's CCTV Service and clients is robust; and the estate is managed proactively and effectively. Communication flows freely in both directions and a suite of management reports are provided monthly to enable informed decisions regarding the effective deployment or decommissioning of assets (where deemed necessary, in terms of service need).
- 4.2 The CCTV management team are supportive of the CCTV Partnership (currently comprising of Medway and Gravesham local authorities) and are instrumental in fostering these relationships, and actively seeking new members.
- 4.3 A new CCTV Single Point of Contact (SPoC) on behalf of the Council was appointed in January 2022 and now sits within the Smart Cities section of the Business Change Team.
- 4.4 The SPoC is there to support the management of video surveillance systems across the local authority area of responsibility. A complex framework of legislation and regulation exists for such technology and the CCTV technology is becoming increasingly sophisticated. The Council is working closely with Kyndi, and other partners with CCTV assets, to ensure that the vast array of equipment; its siting, deployment, use, and management; continues to be effective and lawful.
- 4.5 In light of the above, a comprehensive review of all CCTV infrastructure is now underway, covering surveillance camera systems which includes: CCTV, body worn video (BWV), automatic number plate recognition (ANPR) and "dash cams".
- 4.6 One of the actions from the review will be to establish geospatial coordinates for all operational cameras under the purview of Kyndi, Medway Norse, and any other Council partners so that they can be plotted on the Council's GIS Mapping software. This will provide the Council, Kyndi and the partnership with an overview of camera locations to inform future decisions and reviews.

4.7 Following a recent maintenance review, the vast majority of the Council's CCTV infrastructure is in working order. However, it has been established that 44 cameras are nearing end of life and require HD upgrades; with 20 of those RAG-rated as red. The SPoC, and colleagues from the Community Safety Team, will work with Kyndi to agree a phased scope of works to form a programme of maintenance that addresses priority needs.

5. Telecare Services/Assistive Technology

5.1 The need to increase the use of assistive technology is important for both Kyndi and Adult Social Care. The use of assistive technologies, alongside traditional equipment and telecare, supports the Adult Social Care Strategy of enabling clients to remain independent in their own homes.

5.2 Assistive Technology is a key theme of the Adult Social Care Transformation and Improvement Programme and in the longer term is being supported by the Business Change Team as part of the Smart Cities Programme. However, the need to increase the use of technology now is important.

5.3 Processes have been established between Adult Social Care first response hubs and Kyndi to receive potential referrals directly. These are triaged and progressed by Kyndi staff with feedback to social care teams.

5.4 A task and finish group has also been established to review existing cases that could benefit from using assistive technology. Kyndi presented some anonymised data to demonstrate exactly what information the home sensors could gather.

5.5 The Social Care practitioners were impressed by the data and could see how this could be used to review packages based on client needs, with the potential of reducing the number of physical "check in" home visits by using the smart technology to provide 24/7 monitoring, which would be an enhanced service.

5.6 The group are identifying a suitable cohort for 10 trial projects with a view to producing "real world" case studies. These will then be presented to the Adults Social Care Transformation & Improvement Board and the Transformation Board in spring 2022.

6. Financial Performance

6.1 Kyndi posted year-end pre-tax profits of £345K for financial year 2020/2021 representing a significant improvement on previous years trading performance and reflective of the strong governance model put in place by Medway Council.

6.2 Financial performance for 2021/2022 for this reporting period to Cabinet (Quarters 2 and 3) is £451K. The yearend forecast for 2021/2022 subject to continued good trading activity is £569K.

7. Trading Performance

7.1 Appendix 1 provides a Trading Performance for the three Kyndi Business Areas of Activity for this reporting cycle to Cabinet.

8. Risk Management

- 8.1 Kyndi Board review Strategic & Operational Risks on a Quarterly cycle to ensure appropriate levels of Governance Controls around Risk. The key risks to be reported to Cabinet are shown in the table below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Shareholder control	Lack of appropriate governance levels present shareholder risk on subsidiary company performance	Six-Monthly progress reports presented to Cabinet. Corporate Client (Chief Operating Officer) attends Kyndi Board represent shareholder interests.	C2
Business Strategy	Inadequate business planning will impact on commercial performance.	Kyndi's Business Strategy was approved by Cabinet at its October 2020 Meeting (Decision Number 130/2020) delivery of which is managed through the Kyndi Quarterly Board Meeting Cycle.	C2

9. Finance and Legal implications

- 9.1 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 (I) enable Local Authorities to put in place Commercial Loans to wholly owned Trading Subsidiary Companies.
- 9.2 Cabinet act as the Single Shareholder on behalf of Medway Council for Kyndi and are responsible for reviewing trading and financial performance on a six-monthly cycle.

10. Recommendation

- 10.1 The Cabinet is asked to note the six-monthly performance report for Kyndi for the period Quarters 2 and 3 for financial year 2021/2022.

11. Suggested reasons for decision

- 11.1 When Cabinet agreed to establish Kyndi (previously MCG) it was also agreed that regular monitoring reports would be provided to Cabinet.

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Appendices

Appendix 1 – Kyndi Six-Monthly Performance Report

Background Papers

None