

CABINET

18 OCTOBER 2022

KYNDI - SIX MONTHLY PROGRESS REPORT

Portfolio Holder Councillor Gary Hackwell, Portfolio Holder for Business Management

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 Quarter 4 for financial year 2021- 2022 and Quarter 1 for financial year 2022-2023.

1. Budget and policy framework

1.1 Cabinet through six monthly progress reporting are responsible for reviewing the trading and financial performance of Kyndi. The last reporting cycle to Cabinet on Kyndi was on the 22 March 2022.

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 CCTV Services and Telecare that includes being the Contractor for the CCTV Partnership between Medway Council (Host Authority) and Gravesham Borough Council.
- 2.3 As part of the Budget Setting Report for 2022/2023 to Cabinet on the 8 February 2022 Cabinet agreed to the Recruitment Agency being transferred back to Medway Council from the 1 April 2022.

3. Governance

- 3.1 Kyndi Board is appointed to by Medway Council in its capacity as single shareholder for Kyndi and is composed of four non-executive directors being two Council Appointments and two External Appointments. The Chair of Kyndi and Veto Rights on Kyndi Board Decisions is held by one of the Council Appointments.
- 3.2 For this reporting cycle to Cabinet (January – June 2022), the two Council Appointments were Councillor Howard Doe who was Chair of Kyndi and Councillor

Wendy Purdy. Both Councillor Howard Doe and Wendy Purdy have now resigned from Kyndi. New appointments to the Kyndi Board are in the process of being made by Medway Council.

- 3.3 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.
- 3.4 The Chief Operating Officer is the appointed Corporate Client for Kyndi and attends Board Meetings 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.
- 3.5 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. The Partnership Board meetings have been reinstated following the pandemic, with decisions being taken in readiness for the Council budget build for 2023/24.
- 4.3 A comprehensive review of all surveillance camera systems is underway, covering fixed CCTV, body worn video (BWV), automatic number plate recognition (ANPR) and "dash cams". As part of the review, Council Officers, alongside Kyndi counterparts, are in the process of geo-locating each camera location onto the corporate GIS system.
- 4.4 The Council has undertaken a tranche of capital improvement works to upgrade CCTV cameras from legacy analogue systems to modern digital platforms in Twydall, Strood, Rochester and parts of Chatham. 19 cameras have been updated so far this year, with more planned over the next 6 months.
- 4.5 The Council and Medway Task Force were successful in bidding for Safer Streets (SS4) Funding from the Police and Crime Commissioner's Office (PCC) to install four state-of-the-art, next generation, CCTV cameras on each floor of Rochester Multi Story Car Park. Kyndi is currently in the midst of reconfiguring the entire system in the car park to accommodate the new cameras, with works due to completed by October 2022.
- 4.6 Kyndi have invested in the upgrade of their Veracity (Video Management and Alarm receiving platform) system at the CCTV Control Centre in Strood.

5. Telecare Services/Assistive Technologies

- 5.1 Technology has a key role to play in supporting adult social care. It is vital that technology is not seen as a way of replacing the highly skilled and dedicated social care workforce, but rather as a tool that can enhance the level of care and support offered to the residents of Medway that are in need.
- 5.2 The Council recognises the potential for assistive technology to supplement the work done by care staff. Projects will be taken forward with Kyndi to work with the adult social care service to identify the problems and issues technology could support with solving.
- 5.3 Potential annual savings of £160,235.66 (£122,547.17 in year savings) have been identified to date from assistive technology projects, for example, trialing the Canary Care system over a period of time with a small number of people, provided evidence that a small number were coping well and no package of care was required; others required residential care due to evidence of wandering from the property which put them at high risk; the system was able to evidence where requests for waking night support were made that were not required; and we are awaiting results for other clients whose situations are currently being monitored.
- 5.4 A breakdown of the numbers of people cannot be provided, because each of these are under 5, which could lead to people being identified.
- 5.5 Kyndi and Adult Partnership Commissioning are beginning to identify alternative additional technologies available on the market to meet needs identified within Adult Social Care, such as addressing social isolation.

6. Recruitment

- 6.1 Kyndi staff for the temp agency transferred on TUPE to Medway Council on 1st April 2022. The temporary placements held with Kyndi transferred over on 1st July. Due to procurement procedures it has been necessary to continue to use the Kyndi PSL, so a contract variation has been agreed for this until December 31st. Medway are currently out to procure via a Dynamic Purchasing system.

7. Financial Performance

- 7.1 Subject to Final Accounts Kyndi's year-end forecast for 2021-2022 is £677K and represent the second positive trading year for Kyndi.
- 7.2 Financial performance for Quarter 1 for 2022 – 2023 is £47K and the year-end forecast, subject to continued good trading activity, is £160K. The reduced year-end forecast for 2022-2023 compared to the prior year is the result of the Recruitment Agency transferring back to Medway Council from the 1st April 2022.

8. Trading Performance

- 8.1 Appendix 1 provides a Trading Performance for this reporting cycle.

9. Risk Management

9.1 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

10. Finance and Legal implications

10.1 Local Authorities have powers to establish Local Authority Trading Companies under the Local Government Act (2003) and Localism Act (2011).

10.2 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.

11. Recommendation

11.1 The Cabinet is asked to note the six-monthly performance report for Kyndi for the period Quarter 4 (2021-2022) and Quarter 1 (2022 – 2023).

12. Suggested reasons for decision

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

Lead officer contacts

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Appendices

Appendix 1 – Kyndi Six-Monthly Performance Report

Background Papers

None