

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 25 September 2014.

PRESENT: Mr R J Parry (Chairman), Mr J E Scholes (Vice-Chairman), Mr H Birkby, Mr G Cowan, Mrs T Dean, MBE, Mr A J King, MBE, Mr R A Latchford, OBE, Mr N S Thandi (Substitute) (Substitute for Mr R Truelove), Mr M J Angell (Substitute for Mr L B Ridings, MBE) and Mr C Simkins (Substitute for Mr E E C Hotson)

ALSO PRESENT:

IN ATTENDANCE: Mr D Whittle (Head of Policy and Strategic Relationships), Ms L Jackson (Policy Manager), Mr J Cook (Scrutiny Research Officer) and Ms D Fitch (Democratic Services Manager (Council))

UNRESTRICTED ITEMS

54. Introduction/Webcast Announcement
(Item A1)

55. Substitutes
(Item A2)

56. Declarations of Interests by Members in items on the Agenda for this Meeting
(Item A3)

57. Minutes of the meeting held on 15th July 2014
(Item A4)

1. RESOLVED that the minutes of the meeting held on 15 July 2014 be approved as a correct record and that they be signed by the Chairman.

58. Commissioning Select Committee Implementation Plan
(Item D1)

1. John Simmonds as Cabinet Member for Finance, stated that Cabinet and the Council had welcomed the draft implementation plan following the Select Committee report. He was pleased that it gave a positive indication that the plans to address the issues identified in the Select Committee report are moving in the right direction. A key concern, though, was ensuring that small providers are only chosen when they have sufficient capacity to deliver that which KCC needed. The emphasis should be on supporting smaller providers to develop their skills and capacity to meet the market needs.

2. Mr Whittle explained that the development of the new KCC Outcomes Framework and an updated Voluntary & Community Sector (VCS) policy were taking place in parallel to the implementation planning being discussed today and these were expected to greatly assist KCC in responding effectively to the Select Committee's recommendations.
3. To summarise the key aspects of how KCC is approaching the issue of commissioning, Mr Whittle highlighted the following points; that understanding and adapting the supply chain for services was vital and that it was crucial that the VCS and small – medium businesses (SMB) could access this in order to compete effectively. The planned approach to all future commissioning would be built around the need for proportionate and appropriate contracts with carefully designed specifications.
4. The Social Value Act imposes a duty on KCC to consider how its decisions will impact on the community beyond simple financial considerations. Mr Whittle commented that he believed that, as a Local Authority, KCC has always done this as part of its normal processes but that in future this would have to be made more explicit.
5. Lydia Jackson explained that further work was being undertaken relating to consulting on European Union directives and considering the abolition of Pre-Qualification Questionnaires (PQQs) as well as standardising contracts. This is all hoped to streamline the commissioning process.
6. Members commented that they were pleased that the Executive had responded positively to the Select Committee report. Of note, the review of PQQs and support for the VCS and SMB were welcomed because these sectors do not have the finance or time resources to effectively compete within the strict system at present.
7. Members raised the issue of the need for them to receive training on the new Frameworks so that they would be better able to support the process and effectively fulfil their more prominent role under the new approach.
8. Members commented that the implementation plan would have to shift and evolve as the commissioning landscape did likewise and that this should be viewed as a continuous process. It was also noted that KCC would take time to adapt to the new way of working.
9. Members highlighted that a case by case approach should be maintained for commissioning, particularly to ensure better value in-house provision is not abandoned in favour of short-term private sector outsourcing.
10. Mr Whittle responded to the comments positively, agreeing that Social Value considerations include an important element of Member involvement as they provide the democratic accountability and representation for the decision making

while officers can focus on option development. This approach should merge the benefits of professional expertise and Member led Social Value and community need judgement.

11. A Member spoke at length regarding their views on how important it was that all Members and the Authority embraced Social Value, ensured that it was embedded into all decision-making processes and held onto the idea that all KCC business should benefit the community. He congratulated the Chair of the Select Committee, Mike Angell, noting that its report represented an excellent piece of cross-party engagement with tangible positive outcomes.
12. The Member did express concerns about the need for KCC to retain control of services and businesses through retaining at least 51% of the shares. He stated that relinquishing control for short-term financial gain or savings was not an effective approach to ensuring long term quality of service and that doing so represented an unacceptable risk in this regard that was worth paying more to avoid. He emphasised that when considering Best Value, in his opinion, this did not mean 'the lowest price' as Value had to be assessed first and foremost on quality of service. In terms of maintaining good quality, he stressed that the recommendation to improve contract management was a key aspect of how KCC needed to do better to address past mistakes, where contracts had been left to run their course rather than being managed effectively.
13. The Member reiterated others comments regarding the capacity of the VCS, in that they are often the most suitable providers to deliver services but that they lack the strategic infrastructure to engage with the commissioning and procurement processes. He emphasised that it was in this strategic area that KCC could do most to assist the VCS.
14. The Member finished by reminding all Members that while savings were important and that outsourcing where most appropriate was the right thing to do, it should be kept in mind that in his opinion, KCC staff morale could be negatively impacted by the huge financial challenge and the associated fears of job losses as work is outsourced.
15. Members voiced support for the above contributions.
16. A Member gave examples from Japanese approaches to business that may be worth considering, notably that short, detailed contracts are preferred as they offer specificity and tight controls around breaches while remaining flexible due to their short term nature – new contracts can be developed to address changing needs.
17. The Member continued by commenting that it was important to have the Member involvement in Contract development in terms of the specifications as well as contract monitoring. This will ensure the Social Value requirements will be met and will be auditable, in the more explicit format described by Mr Whittle. To this

end, the Member asked for clarification as to when the new frameworks and strategies will be in place.

18. Mr Whittle explained that the various strands of the new policy approach were to be reviewed and potentially endorsed at meetings in December; Outcomes Framework, Communication framework, VCS engagement plan and Social Value Toolkit. The two former items will be going to Full Council in due course. Mr Whittle explained that several contracts are still and will continue to run under the old model as they remain fit for purpose and thus the transition to a fully commissioning authority will take several years.
19. John Simmonds thanked the Committee for their helpful comments, agreeing that KCC needed to improve its contract management as a priority. Mr Simmonds further commented that he was very pleased with how well KCC staff have dealt with the changes but understands the concern around staff welfare around job security and has been assured that extensive internal consultation is taking place to mitigate the negative impact.
20. John Simmonds reassured the Committee that an all-party panel would review significant contracts and that Cabinet and Leader fully anticipated Member involvement in the commissioning process to be key aspect of KCC's future business. The allocation of over £1million to develop an excellent procurement team to support this process was demonstrative of KCC's commitment to getting this commissioning system right.
21. A Member expressed support for the principles of Social Value, agreed with the idea of maintaining 51% control of services and stressed the fact that all parties and Members have a common aim in improving KCC's commissioning approach, praising Mr Whittle and his team for their work in this regard.

RESOLVED that the Committee thank John Simmonds, Mr Whittle and Ms Jackson for attending and that the Committee note the Commissioning Implementation Plan. The Commissioning Select Committee will reconvene in May 2015, after which the Scrutiny Committee may review the Council's progress.

59. Select Committee Process report *(Item D2)*

1. A Member stated that it was important that a guidance document was developed to assist Members understand the processes involved in Select Committees and included detailed guidance on interviewing and appropriate enquiry. The Member explained that previous work undertaken with young people and people with addictions had highlighted the problems that can arise due to lack of interviewing experience and any failures to appreciate sensitive subjects and how to best approach them in the Select Committee format.

2. The Member also suggested that the Select Committee Process more should more often include public involvement as per the Parliamentary system. Previous Select Committees have successfully been preceded with advertising for public involvement in terms of being open to suggested areas of interest or avenues of questioning and the capacity to use expertise from members of the public.
3. A discussion took place where the Member explained that this had been achieved through advertising for public involvement and that the Research Officers then followed up with those that were able to provide useful and positive input. It was highlighted by a Member that there was a risk that such public involvement could be hijacked by political activism that would be disruptive and not assist with meaningful investigation. It was agreed by Members that the risk needed to be managed carefully but such an approach should be trialled.
4. A Member expressed how pleasantly surprised they had been in their experiences of Select Committees where Members of all political parties had worked together to identify the best solution or way forward, regardless of previously held opinions or political ideology. This led the Member to express that it was important to strive to prevent Politics from intruding so severely and that all those involved should focus on key practical issues of each Select Committee.
5. Mrs Fitch listed the key recommendations included in the report so Members could confirm their approval:
 - Select Committees should remain as Sub-Committees of the Scrutiny Committee
 - A formal meeting of the Select Committee will be required to sign-off the final report but informal meetings will be held during its development.
 - Select Committee reports will continue to be taken to Cabinet for comment prior to be taken to Full Council for endorsement.
 - That the required constitutional changes will be submitted to Selection & Member services for review.

RESOLVED that the Committee approve the above recommendations.