

KENT COUNTY COUNCIL

SELECT COMMITTEE - COMMISSIONING

MINUTES of a meeting of the Select Committee - Commissioning held at Wantsum Room, Sessions House, County Hall, Maidstone on Tuesday, 30 June 2015.

PRESENT: Mr M J Angell (Chairman), Mr M A C Balfour, Mr H Birkby, Mr T Gates and Mr M J Vye

PRESENT AS A WITNESS: Mr J D Simmonds, MBE

IN ATTENDANCE: Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Ms O Crill (Transformation Manager), Ms L Jackson (Policy Manager) and Mr J Cook (Scrutiny Research Officer)

UNRESTRICTED ITEMS

29. Commissioning Recommendations - Progress report (Item. 1)

Apologies

Apologies were received from Mr Baldock, Mr Chard, Mr Cowan and Mr Pearman.

1. Olivia Crill (Transformation Manager) provided an overview of the continuing work to implement the recommendation of the Select Committee since the Executive approved the 'Better Outcomes, Changing lives, Adding value' report. The key areas of progress included the following;

- Strategic Statement: Making the best use of resources to achieve desired outcomes. The Statement indicates what outcomes are being sought. This development had been well received by staff and partner agencies, attracting greater attention than previous strategic updates (4000+ views on Knet).
- Commissioning Framework: Outlines a consistent approach to commissioning to ensure that KCC may achieve the benefits across all services. The Framework has since been supported by the Commissioning Toolkit and Commissioning Network. These provided guidance for practical application of the Commissioning Principles and allowed for the sharing of best practice, joint problem solving and combined expertise.
- Voluntary, Community & Social Enterprise (VCSE) Policy had been out for consultation, the results of which were being considered. Work was ongoing to support the Arts & Cultural Commissioning toolkit that would assist VCSE bodies in commissioning and bidding preparation.
- Training developed on Commissioning and Contract Management. A two day intensive course for staff had been trialled as a pilot, with updates and minor alterations expected before full roll-out.
- Ongoing Member training on Commissioning had been delivered.
- Commissioning Advisory Board: Cross-party meeting implemented to involve a wider group of Members in considering Commissioning processes,

specific contracts and services with their recommendations submitted to the relevant Cabinet Members. This Board had successfully involved Members in the Commissioning process, as per the recommendation of the Select Committee's report. This had been welcomed by Members and Officers alike, particularly in respect of the closer working relationship it had fostered. Longer term Member involvement in the Commissioning process was being considered by CAB, to eventually contribute to an agreed process later in 2015.

- Joined up Commissioning: New approach delivered to encourage co-design co-production of services through commissioning, achieving greater consistency across the organisation and improving awareness and confidence of staff now dealing with Commissioning.
- Ongoing work to better ensure Social Value Return on investment through the development of improved measuring processes and contract performance reviews (focusing on outcomes).

2. Lydia Jackson provided a further update on progress with the VCSE Policy, explaining that it should be understood that VCSE bodies do not just provide services; they also play a key role in communities, often assisting in ensuring that Social Value objectives are met appropriately. She explained that a Grant Framework had been developed that sought to ensure a consistent approach to grants with improved understanding of their appropriate uses, ideally linked to KCC's corporate and strategic objectives. The Framework would provide guidance on accessing funding and professional support to assist with the bidding process. It was confirmed that Policy and Resources Committee would be considering the final draft of the VCSE Policy once it has been reviewed in light of the consultation response.

3. A Member commented on the VCSE Policy, explaining that they were aware of concerns raised by those from the VCSE sector that they did not have sufficient expertise or capacity to compete with professional organisations in the Commissioning and bidding landscape. Ms Crill responded, explaining that KCC should take the VCSE situation into account so that there is a level playing field and that this had been helped the removal of Preliminary Qualification Questionnaires(PQQs) which had previously placed a significant administrative and bureaucratic pressure on bidding organisations. Mr Simmonds added that it was appreciated that additional training on procurement was needed for the VCSE sector to better aid them in competing effectively.

4. Members commented that new regulations meant that self-certification was now possible, with requirement to fully investigate all bidders now limited to the smaller pool of successful first round candidates. This time saving process had streamlined the procurement process.

5. Members and Officers discussed the ongoing improvement of the Commissioning Portal which allowed service providers to bid for KCC contracts. Key points raised included;

- Open process with all potential providers being able to see updates and answers to questions on the portal system.
- Sub-contracting was achievable via the Portal which could be beneficial to the VCSE sector that may be better suited taking on smaller scale contracts.
- Local VCSE sub-contracting on behalf of major suppliers could have positive social value and community support benefits in addition to efficiencies.

- Sub-contract (via the portal or separately) had to be managed carefully to ensure appropriate controls and records of responsibility remained in place.
- Training requirements in relation to the Portal were being updated and addressed, with positive feedback being received.

6. Members noted the importance of pre-market engagement and intelligence to assess the quality and availability of required services in the private and VCSE sectors. Linked with this issue was the concern around stronger contract management processes to ensure the initial good commissioning and procurement work was not undermined by failure to manage poor performing contractors.

7. Mr Simmonds explained that considering the risks and benefits involved in every contract was key and formed part of normal business. For example, the benefits of VCSE or small / medium businesses (SME) working in local communities had to be balanced with the risk of exceeding their capacity and consequent service failures. Mr Simmonds confirmed that KCC was committed to improving and developing its performance monitoring and contract management.

8. Responding to comments from Members, Ms Crill explained that the e-learning packages and the externally provided intensive commissioning training course would be made available to Members.

9. Mr Whittle, responding to Member questions, explained that the VCSE Policy sets out a better framework for Grants so they are used appropriately, can be planned and developed effectively with the necessary monitoring in place. Mr Whittle noted that there had been a culture shift from grants for services toward commissioning for outcomes (as per the Commissioning Framework and KCC's strategic policies). The focus on outcomes rather than service details represents a significant change from the way all organisations have been used to working and that no organisation had developed the perfect system to manage the new approach. KCC was ahead of the curve, however, with a much better developed corporate approach to commissioning that had been widely understood and adopted across the authority. In relation to Member comments about grant monitoring at district level, Mr Whittle commented that he was aware of KCC staff around the county referring to the Commissioning Framework when dealing with local partner agencies. This represented excellent progress with embedding the new approach to commissioning.

10. Members discussed the various approaches to ensuring the Social Value element of commissioning was understood and achieved. Examples were given where KCC had contractually obliged larger providers to focus on addressing social value issues that fit with KCC's strategic priorities. This was welcomed by the committee; Members agreeing that more should be done to promote KCC's commitment to ensuring social value was a key consideration in all its commissioning work. Mr Whittle advised the Committee that Central Government had not fully defined how measurement of social value return on investment should be conducted or assessed and that this had presented some challenges. He also explained that any social value requirements included in contracts had to be defined by KCC at the outset, prior to the procurement process to ensure all providers had fair access with reasonable capacity to deliver. Mr Whittle advised the Committee that KCC had historically been good at this element of incorporating social value into its processes and was now focusing on the best method of evidencing and recording the work in a systematic way. Ms Crill commented that

as per the Commissioning Framework, social value should be considered in terms of outcomes rather than service delivery specifics.

11. Members discussed how best to address concerns regarding contract management. The Committee was supportive of a 'tough line' being taken with providers, with appropriate processes in place to address identified service failures. In terms of the Member role within this process, a discussion took place regarding the practicalities of allowing all Members to be involved. It was suggested by some Members that it was unreasonable for all Members to expect to be able to review and investigate all KCC contracts and to dictate contract management action. Some Members were keen for the Member role to include the capacity to investigate specific contracts. It was suggested that the best approach for Members would be to alert the relevant Cabinet Member of any service failures or concerns regarding any commissioned work as contract management was a function of the Executive, requiring the relevant decision making authority.

12. Mr Simmonds reassured the Committee that regular 'dip checks' on random samples of contracts were undertaken to confirm effective service delivery and contract management processes. He explained that this process helped pick up on where contracts could fail and that it had already been observed that contracts set up through the new commissioning process were performing better, evidencing the benefits of the ongoing development of KCC's Commissioning approach.

13. Mr Whittle, responding to Member questions relating to the ongoing re-letting of existing contracts, explained that KCC has been establishing itself in the marketplace as a Strategic Commissioning Authority. During the initial stages of the KCC's Transformation programme, the market had not been capable of responding effectively to all of KCC's needs which meant that continuing with existing suppliers and contracts was the only way to maintain effective service delivery. While the Commissioning Framework had been developed, extensive market engagement had taken place and it was now the case that a greater capacity to meet KCC's service needs existed in the private and VCSE sectors. With an effective Commissioning Framework and relevant strategic policies in place, KCC was now in an excellent position to make appropriate and efficient choices among a range of providers. The progress made with the VCSE Policy and the Commissioning Network have helped ensure that KCC can avoid repeating historic mistakes, build a solid base of best practice and can get the best possible outcomes from all potential providers.

14. The Chairman summarised the meeting, noting that the Committee was reassured by the update and that it was particularly pleased to hear of the progress around VCSE sector engagement, training programmes, Social Value consideration and the embedding of the Commissioning Framework.

RESOLVED that;

- The Committee note the report evidencing progress made in responding to the Select Committee's recommendations and that the Cabinet Member and Officers be thanked for the contribution.
- The Commissioning Team consider the Committee's comments.
- That the Committee re-convene in 6-12 months to review further progress.