

KCC Select Committee Commissioning and Procurement 4 February 2014

CXK's Response to Select Committee - Terms of Reference and Scope

- a) **To determine what KCC needs to do to become a better commissioning authority, with a particular focus on removing barriers to entry for the provision of KCC services from new providers, particularly small to medium sized enterprises (SMEs) and members of the voluntary, community and social enterprise sector (VCSE).**

KCC need to keep frameworks more open to accommodate new and emerging VCS organisations and at the least have an annual framework intake or review as this will take account of organisations that no longer exist.

TUPE considerations when commissioning out a service and the impact of LGPS pensions and the need for new contract holder having to take out bonds to provide indemnity to risk exposure and that this is required as an up front payment.

The quality of specifications is poor, they very often specify outcomes but measure the contract in outputs rather than outcomes which restricts provider's ability to drive innovation and develop new more efficient ways of working.

Commissioning Teams need to recognise that VCS organisations need to be able to create small surpluses in order to grow and still be able to meet their reserves policy and remain sustainable.

- b) **to consider if the authority is using its commissioning processes to ensure it meets its duties under the Social Value Act**

there is a general lack of respect for service users and minimal engagement if any in the commissioning process, when consultations take place with the public and service users there is a lack of transparency, e.g. Youth Service consultation outcome of which seemed to have been ignored in the commissioning outcome. The consultation outcome on children's centres bears no relation to the plan designed by KCC which begs the question on why consult if you are going to ignore the results or there is no real chance of influencing the plan for commissioning.

KCC disinvested in User participation in 2010 which is now having a significant impact on the openness and transparency of decisions, there is also a distinct lack of engagement with the VCS to the extent that the only county wide infrastructure body representing the sector is to close at the end of January!

- c) **to examine how, in becoming a commissioning authority the voluntary, community and social enterprise sector (VCSE) can play a more important role in the provision of KCC services**

The lack of engagement or providing dynamic purchasing opportunities to the VCS restricts the opportunity for innovation, and the removal of the community chest has had significant impact on smaller charities that carry out crucial support services to the most vulnerable people in Kent.

There is an issue with the need for KCC commissioners to understand and support market development of the VCS, this should include supporting VCS advisory organisations to be an impartial interface with the sector, this will require commissioners to not allow infrastructure bodies to become providers which compromises their impartiality and independence e.g. VAWK, Young Kent.

- d) to make recommendations around the role of KCC as a commissioning authority and the programme of activity through Facing the Challenge that will move the authority to have a commissioning focus and improve how we do commissioning.**

In order to become a commissioning authority KCC must apply fairly the commissioning process, currently KCC are pulling services back in house which is contradictory to this policy and lack transparency.

Length of contracts needs where possible to be extended and budgets secured for the duration of the contract to minimise contract variations and reductions and costly contract variations at short notice.

Commissioners should take into account the opportunity to broker supply chain discounts by using their buying power and offering these discounts to their supply chain partners thus freeing up valuable resource to direct to delivery activities.

Improve the understanding of commissioning by senior and middle managers, as well as the relationship between commissioning and procurement i.e. procurement is a process within commissioning not the other way round.

Scope - The issues to be explored are

- a) **The strategic context and our role as a commissioning organisation** – this needs to be reflected in culture and behaviour, involving and allowing delivery partners and service users to contribute to the design and development of specifications of services.
- b) **The costs of entry into KCC commissioning and procurement exercises, and if these costs present a significant barrier to new providers** – this must be proportional to the contract value and tenure including TUPE, surplus, mobilisation costs.
- c) **How any barriers to entry for new providers might be mitigated or removed** – open framework to new entrants each year, allow for consortium and collaborative bids to take part in the tendering process.
- d) **The extent to which KCC decommissions and re-commissions services based on provider performance** – this is a very weak area in the KCC commissioning team there is a distinct lack of communication with providers in this area, PM systems change many times in the duration of a contract without negotiation or consideration of cost of these changes. Performance and contract management benchmarks and timescales need to be by negotiation and reflect outcomes rather than just outputs. A clearer and more robust impartial dispute resolution process needs to be in place to ensure openness transparency and fairness in the commissioning cycle.

- e) **How KCC can best discharge its responsibilities through the Social Value Act**
- Openness and transparency with active participation of stakeholders and service users that is heard and acted on.

The development of a supply chain culture more akin to John Lewis or Waitrose rather than Wal Mart or Tesco's, develop longer term relationships with providers that have the ability to prove outcomes that only long term tenure allows.

- f) **The type of social benefits that should be sought through commissioning /procurement practices (e.g. apprenticeships)** - The integration and seamless pathways between services and transition points should be considered rather than commission in silos also greater consideration of the added value additional complimentary services can bring to achieving outcomes.

The use of supply chain specification or incentives to support wider strategies like youth employment, Disability employment and social enterprise suppliers that enhances the impact of spending public funds.

- g) **The extent that social value requirements be sought throughout the KCC supply chain** - I believe that there is an opportunity to embed a change in culture and behaviour through including social value principals in all tiers of the supply chain, which includes the purchaser as well as the provider thus promoting a outcomes commissioning cycle.