

## KENT COUNTY COUNCIL

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### SELECT COMMITTEE - COMMISSIONING

MINUTES of a meeting of the Select Committee - Commissioning held at Stour Room, Sessions House, County Hall, Maidstone on Wednesday, 29 January 2014.

PRESENT: Mr M J Angell (Chairman), Mr M Baldock, Mr M A C Balfour, Mr H Birkby, Mr N J D Chard, Mr G Cowan, Mr T Gates and Mr C R Pearman

IN ATTENDANCE: Mrs P Cracknell (Research Officer Scrutiny & Evaluation, Business Intelligence), Ms J Sage (Assisting Research & Business Intelligence), Mrs A Hunter (Principal Democratic Services Officer) and Mrs C Wade (Democratic Services Officer)

### UNRESTRICTED ITEMS

**11. 10.00am - Keith Harrison, Chief Executive Action with Communities in Rural Kent**  
(Item. 3)

1. Chairman welcomed Keith Harrison (KH) Chief Executive, Action with Communities in Rural Kent (ACRK ).

*Please see Select Committee Agenda Item 3 (pages 7 to 16)*

2. KH gave an overview of ACRK 's ethos. It was set up with the primary aim to provide advice and guidance to ensure that no one was disadvantaged because they lived or worked in a rural area.
3. ACRK has, over the last 40 years, focused on community development activities and is currently supporting around 600 community-led organisations for example with their regeneration projects.
4. ACRK is funded by about 40 different organisations (i.e. private sector, individuals, EU, Kent public sector). There is recognition this is not an efficient funding mechanism but an unfortunate reality. 60% of funding streams not Kent (county based, from public or private sectors) funding.
5. ACRK has changed/diversified. The charity is in a very different position to its thinking in 1992 (when existing KCC core-finance levels were set; they have varied within a £5,000 limit either way since.) This presents a major challenge. To continue to exist ACRK must undertake work which brings in the associated management fees which can in turn be used to fund the work ACRK wants to do but cannot get funding for.
6. KCC funding equates to 6% of ACRK core financing. Where work is co-financed by KCC each £1 of KCC funds has £10 in matched funding - contributors from public, private and civil society sectors, co-finance from Defra, which amounts to a mixed funding approach.
7. The Chairman took questions for each of the Select Committee Members:

**Q: How beholden is ACRK to its paymasters? What would make the organisation a better one in terms of the number of funders / pay masters? How does KCC support ACRK and can it play a more important role in the provision of KCC services as it becomes a commissioning authority?**

A: ACRK and KCC financial relationship very different to that of other County Councils and 'their' ACRKs; for example KCC annually fund ACRK £37,000, in Hampshire the funding is £300,000. Such disparities in funding effects stability and forces organisations such as ACRK to seek different fund sources to continue to exist, flourish and to enable research and investment in new ideas. It was suggested there should be a review of how KCC Directorates work with all VCSE organisations, Consideration of a more realistic core agreement for ACRK would be a good as a starting point as the relationship with KCC is vitally important.

**Q: KCC Members /tax payers of Kent needed certainty of outcomes, who commissions?**

A: Other Counties have a strategic over view. In Essex, for example the County Council Leader and Chief Executive have been meeting with RCC Essex (ACRK's equivalent) twice yearly, and had an interesting and mature relationship. Kent is a huge organisation, working in many different directions. KCC talk about control, Essex talk of enablement. The Essex relationship model is still based on political personalities and with a change in Leadership, it will be interesting to see how the relationship will (continue) to work. Additionally, in Essex a RCC Essex Trustee had become a County Councillor consequently a lot of trust has built up based on the personalities of the politicians involved.

A Member commented Kent was not organised in the same way as Essex but it was not unreasonable to ask if Kent was adequately accommodating organisations like ACRK and whether the current structures were working in the best way for the people of Kent.

**Q: How does ACRK work in rural areas without a parish council?**

A: The work is ad hoc as ACRK do not have the resources to generally go into areas without parish councils and can only work where invited to do so by the local community; for example working with village hall organisation - ACRK have a related project running in Thanet. ACRK does not have the resources to target 'bomb' rural areas and tends to rely on organisations making the initial contact. ACRK does try to ensure organisations are aware of their existence through village magazines, notice boards in pubs, village shops, etc.

**Q: What is ACRK 's criteria for a bid? If a good idea (not specifically defined) was tabled, would a test be applied, the project costed, bid for and commissioned?**

To work new projects had to be related to ACRK's core business for all bidding purposes. All projects are considered for eligibility in relation to ACRK's aims; if a project sits outside our area of expertise but ACRK believed running a pilot might assist the commissioning authority it would consider bidding. All major projects, i.e. with six-figure funding are referred to ACRK Trustees for consideration / agreement. It was reiterated that generally new projects must link to ACRK's strategic aims, for example a Community Foundation style project was declined

because it was deemed more suitable for other experienced organisations to consider.

**Q; What about the potential effect of staffing for example if ACRK did not have the appropriate staff for a project or skills to bid?**

A: Staff would be recruited as ACRK employees to either cover the 'normal' work load or ACRK would buy in expertise who might be subcontracted individual who were self-employed.

**Q: To clarify if a bid fitted the core aims of the charity and ACRK buy-in staff sub-contractors - was there a limit to securing expertise?**

A: ACRK uses the appropriate mechanisms to try and secure the right benefit for itself and commissioners. Sub-contractors are used by ACRK to achieve the best skills sets. It was suggested one idea might be to help VCSEs / SMEs would be to bank roll them via interest free loans, or to act as their financial guarantor so that a private sector organisation had confidence that a particular subcontract could be delivered.

**Q: Referring to page 11 of the papers and the point about disconnection and the expertise within VCSEs, is the solution to KCC's suggested 'incapability' to be able to organise itself - to hand everything over to ACRK with guaranteed funding for a period of years?**

A: The member's interpretation of the briefing paper was disputed but ACRK does have sufficient expertise to state KCC was inadequate in its work with rural communities. ACRK is one but not the only option and ACRK offered potential solutions, with the pitch "could it be done better? ". ACRK also needs funding to do better - there were models across the country which have not been tested in Kent and might be better. Primarily it was imperative to achieve the best for the people of Kent.

**Q: Does ACRK see itself in competition with other organisations i.e. CPRE**

A: No not in competition - as all organisations had their own specific remit or core business. ACRK looking to help make things better and more efficient not to take things over - ACRK wants to work together - not to appear to be arrogant.

**Q: Through our conversations with procurement team and community organisations we have become aware of 'soft' silo working, one possible outcome of the Select Committees might be a top to bottom review. What is ACRK s approach to KCC regarding procurement, does you for example speak to commissioners?**

A: There have been are no direct conversations between ACRK and KCC Commissioning Officers, these have primarily been held with officers working on specific projects; for example the ESF programme worked with Economic Development staff. KCC appear to be unaware globally of what ACRK was doing or able to do - as an example ACRK had emailed the Cabinet Member for Economic Development regarding a commission thought to be worth £80,000 to gather community assets information across the county that ACRK already held much of. This commission came from a separate directorate from that overseen by the

Cabinet Member for Economic Development (who does oversee the directorate ACRK has its core working relationships with). ACRK is registered on the South East Portal but had not been notified, through that system, of this commission.

ACRK were advised to register on the new Kent Business Portal.

**Q: Case Study 2 (p.12) suggests that £7m might have been saved. What is the effect on employees - concerns were expressed about zero hour contracts, lack of pensions and the need to consider both ends of life - retired life and working life?**

A: Employment laws must be complied with and ACRK did recognise work / life balance and paid pensions to staff, although these were not the same rates as KCC. Duty of care was a huge issue, but research showed there are savings to be made with the right social value which is not at the disadvantage of employees - investment needed to be awarded to the right contractor and project (Case Study 2) trialled.

**Q: How can a more efficient service be realised at a reduced cost, whilst protecting staff and community?**

A: By trialling new partnership working, asking the questions - Is anybody else doing this? Can we give a better service more efficiently and reduce cost but protecting both the communities we serve and staff? It is all about piloting future work methods, commissioning a mix of services some in-house and some external. In one area an idea was commissioned and trialled by own internal staff.

**Q: With 6% core KCC grant and the 40 different funding organisations is there waste / inefficiency and how could it be made easier or stream lined?**

A: The example was given of the numerous funders for affordable housing contracting with ACRK - 13 Housing Authority and 7 or 8 Housing Associations offering a total pot of only £57,000 is totally inefficient. ACRK had suggested a single commissioning authority and setting fees to simplify the process and costs for the associations / authorities. The difficulty was the inability of the funders to agree to a financial rate or a joint specification - for example they would need to agree a common flat rate % of every new build.

**Q: How could KCC help?**

A: Ensure that any joint-commissioning or multi-agency partnerships are governed by clear formal agreements, setting out precise roles and responsibilities of all parties.

**Q: What opportunities been missed? Is ACRK able to do more if KCC relinquish the reigns? Is ACRK an enabling organisation or just taking over?**

A: ACRK have a history of running services but are happy to trial, if the bid aims indicated right to do so. It was hoped the review would look at whether there were ways for KCC to support innovation rather than stagnation. A review of infrastructure funding is needed, with benchmarking against other counties and the introduction of a degree of parity, transparency and fair formulae applied.

**Q: There are lot of small businesses in rural areas, often attracting apprentices could ACRK do more to help get information out to rural businesses?**

A: ACRK had a failed bid to the Princes Countryside Fund. Graduates and NEETS from Kent could have been mentored. If funds were available there were major options to pilot a scheme utilising ACRK's contacts, drawing funds from Central Government and EU funds, thus reduces the toll on KCC. There might be a role in helping SMEs find out about the grants / financial assistance available to them as both SMEs and to employ apprentices.

**Q: What offers are made in regard to piloting a particular project? What specific efforts are ACRK making to ensure on the radar of KCC commissioning and procurement teams?**

A: Some parts of KCC were good at commissioning and some were not. ACRK is part of the process but not THE process. It is about navigation and communication. Efforts had been made with specific KCC politicians and officers, such as Cabinet Member for Economic Development and Director for Economic Development and Spatial Awareness (Economic Development) who head-up the part of KCC that ACRK works most closely with. But, what had become clear from attending this session of the Select Committee is that ACRK were not necessarily connecting with the right KCC people across the directorates. It was clear they were not acquainted with the correct people/contacts at County Hall involved in commissioning and were unaware of the obvious person/link.

It was apparent from the discussions that there were barriers to partnership working and commissioning with KCC. The Committee took the point that there might be unnecessary repetition, the Committee suggested Keith Harrison email Mrs Cracknell the list of his current projects and Members agreed this was the best way forward.

Mr Angell thanked Keith for leading an informative debate and confirmed the Select Committee would give careful consideration to all aspects of re-commissioning and de-commissioning in Kent.

**12. 11.00am -Roger House, Chairman - Kent and Medway Region, Tim Colman, Director of Partnership Working Limited, Alison Parmar, Development Manager - Kent & Medway Federation of Small Businesses**  
*(Item. 4)*

- (1) The Chairman welcomed Mr House, Mr Colman and Mrs Parmar to the meeting and invited them to introduce themselves and outline the role of the Kent and Medway Federation of Small Businesses (KMFSB), before answering questions from Members of the Committee.
- (2) Mr House said the Federation of Small Businesses was the largest organisation representing small businesses with 190,000 members

nationally and 6,500 in Kent and Medway. The Federation had started as a lobby group and had extended its remit to support and represent small business on both national and local issues pertaining to the economy. In Kent and Medway the FBS was organised into five branches, each with a small committee and team who liaised with national government and district and borough councils. The KMFSB aimed to be a critical friend and bring forward solutions to problems.

- (3) Mr Colman said he undertook a voluntary role within the KMFSB and focussed on procurement issues from the national to local level with a view to developing procurement practices that would benefit small and micro businesses.
- (4) Mrs Parmar said she acted as a link between the strategic / national FSB and KMFSB, a facilitator for KMFSB and KCC and between the FSB and small and micro businesses. This could be through face to face contact, liaison with a range of media and other activities which contributed to ensuring that such businesses had the right knowledge to be successful.

**Question – What practical steps could KCC take to get micro and small businesses involved in its work? What opportunities are being missed by not involving micro and small businesses in its work?**

- (5) Micro businesses (businesses with fewer than nine employees) account for between 84%-88% of the economy. They need an education programme with practical help on tendering and a clear pathway to enable them to bid for contracts with the county council.
- (6) There is not a clear and simple system within KCC for individual teams to advise the corporate communications team of the intention to procure goods or services and consequently there is no single point of contact for businesses interested in tendering for work. Neither is there a key email point on the website or person who could advise and assist small businesses about forthcoming tenders and the process to be followed to become a contractor with KCC.

**Question – Are you aware of the Kent Business Portal?**

- (7) Personally yes but it is important that thousands of business know about it and this requires constant messaging and communication.

**Question – What are the main barriers to trading with KCC?**

- (8) There are five principal issues.
  - (a) There is a lack of transparency in relation to low value contracts which could be of great interest to small businesses. Contracts with a value of £5,000-£8,000 are not included in the Kent Business Portal. Contracts of this size can be of considerable interest to small enterprises.
  - (b) Micro and small enterprises often lack understanding of the procurement process including an understanding of which contracts

they should and should not bid for and the mechanics of completing tender documents. It would be helpful to advise small business about what is available and what would be good to bid for as well as what not to bid for. Training could be offered at procurement workshops and “meet the buyer” events. Other local authorities including Hampshire County Council organise such events.

- (c) Contract terms need to be proportionate to the value of the contract. For example it is not reasonable to require £10m public liability insurance to bid for a contract for small value contracts.
- (d) Contracts should not be aggregated so they are beyond the capacity of small suppliers. There is a move nationally by enlightened councils to disaggregate some larger contracts.
- (e) Pre-Qualification Questionnaires (PQQs) need to be proportionate to the contract value. Often they are too long and complicated. Wakefield and Hampshire councils, among others, have agreed on simple, short PQQs that are used for 90% of their contracts - 4 pages and 4 simple questions.

**Question – While HS2 might be contentious are there any opportunities for Kent companies?**

- (9) Yes. The original intention of HS2 project managers was to let few large contracts to big players but following lobbying by the FSB there was a change of approach with HS2 directors giving a commitment to contract with small enterprises and to supporting such businesses to form consortia to enable them to bid for and deliver contracts.

**Question – Has the legacy from the Olympics 2012 made it easier for small businesses to win contracts?**

- (10) A Freedom of Information request revealed that less than 0.5% of contracts went to small business. Many of the small businesses that won contracts were, in reality, part of larger companies. Small businesses won a bigger percentage of contracts at the winter Olympics in Turin and the Olympics in Athens and Sydney.

**Question – What is being done to attract young entrepreneurs and how are young businesses supported?**

- (11) The FSB has done some work with the Kent Foundation and Young Business Initiative. Much time is spent talking to young people and young business about employability to ensure they know the support available. The FSB also supports Young Enterprise financially and provides advisers and competition judges for their events. Young people need to be supported and developed to take over from those about to retire. Many micro businesses are teetering on the edge of taking that step and being able to meet KCC contractual processes.
- (12) The FSB gave an example of a design agency based in Maidstone employing nine people locally but found it easier to access markets in

London and therefore most of their contracts were based there. Such organisations would benefit from easier access to KCC contracts.

**Question – What have you done to assist MSEs to interact with the county council?**

- (13) About five years ago Mr House worked with Robert Hardy (a deputy KCC director) on a project “Making Micros Matter” which produced good results and demonstrated what could be done however people move on it had not become embedded in the local authority’s strategy. Such projects also required continuous refreshing and communication.
- (14) Pan-European research showed that as a country emerged from recession 84% of business was generated by SMEs which were more likely to take on new staff, recruit staff locally and therefore have a greater impact on the employment of the young. KCC needed to support and enable SMEs to employ young people.
- (15) The private business that Roger House operates has bases in three further education colleges and students work to provide solutions to issues set out in real briefs from SMEs and clients and, from such exposure, acquire the ability to form and run businesses.

**Question – Commissioning and Procurement are key elements of KCC’s transformation programme. What can Members do? How can they help?**

- (16) There are currently 6,500 businesses in Kent saying it is not easy to do business with KCC. Using the experiences elsewhere in the country it would be very helpful to bring in good practices such as simplifying PQQs and to reflect those policies at district and borough level.
- (17) It may be worth considering as an innovative move to appoint a lead member at cabinet-level who is responsible for small business interests. It is about listening, improving and simplifying process. Kent Works had been created without any prior consultation with businesses but may have had potential to support business if ‘we’ had got together and worked it out.
- (18) Hampshire County Council and the Isle of White Council have formed a business alliance with FSB, Institute of Directors and the Chambers of Commerce to work with the two local economic partnerships (LEPs) covering their area. One works well, one not so well. But this initiative had enhanced the exchange of information, acted as a single source of information and was used by the county council and the LEP to get messages out to 70,000 businesses.
- (19) KMFSB and Chambers need to be represented on Kent LEPs. The FSB expressed concern that at present there are a number of contracts which seem to be awarded to the same companies at the expense of others.

**Question - What more could the FSB do for its members? Could FSB underwrite due diligence for small businesses in a framework agreement or facilitate meetings between commissioners and providers?**

- (20) FSB is an independent organisation that does not receive public funding and does not operate as a certification or training organisation. The organisation is however keen to create new programmes, including meet the buyer and training on the procurement process, in conjunction with KCC as this would be welcomed by FSB members. FSB could host the events with KCC speakers on contracting and procurement - to talk businesses through the bidding process and a sample contract. As important are events which signpost organisations and develop their understanding of what tenders or contracts not to go for.
- (21) The venue is the most expensive element of such events. The ability of local authorities and further education colleges to provide suitable venues was acknowledged as was the desirability of a county wide approach including district and borough councils as well as chambers of commerce in events and programmes.

**Question - Is the absence of a track record a barrier to small or new businesses getting their first contract?**

- (22) Part of the education process for new businesses is to learn how to work up the ladder. Small businesses need to start with low value, low risk contracts and the challenge for commissioners is to publicise such contracts.
- (23) KMFSB work with members who have procurement experiences and could offer a training programme. Participation in agreed training events could be part of the approval process which would reinforce confidence of both the contractor and commissioner and reduce perceived risk.
- (24) For start-up organisations the biggest issue is absence of a financial track record. For local authorities it is a matter of mitigating risk and both sides need to build trust. Offering a bond against productivity / performance; could support small businesses to bid for and successfully deliver a contract.

**Question - Is the speed at which KCC pays suppliers causing problems for small businesses?**

- (25) There are no issues with KCC payment of invoices. The picture is mixed among the boroughs and districts. It would be helpful if KCC required all its tier 1 contractors to pay their sub contractors within the same timeframes it had set for itself. E-invoicing will speed up the payment process, increase transparency and save money. E-invoicing will become law from 2017 but efforts are being made to bring this forward to 2015.

**Question - Final points?**

- (26) KCC internal processes and culture are complicated. Targets need to be bold.

**13. 12.00am - Jan Perfect, Chief Executive Case Kent**  
(Item. 5)

- (1) The Chairman welcomed Mrs Perfect to the meeting and asked her to introduce herself before answering questions from Members of the Committee.
- (2) Mrs Perfect said CASE Kent was similar to an old-style council for voluntary services and to avoid mission drift and conflict of interest did not compete for contracts against its members. Mrs Perfect felt that CASE Kent would not be able to advise other organisations on how best to complete procurement documents if they were going to then compete against them. CASE Kent worked with a range of charities from very small to large ones such as Age UK including giving advice on legal issues such as setting up and in some cases closure. Most of the work was with smaller charities which provided a range of services that were valued locally and by users.
- (3) CASE Kent received an annual grant of £117,000 from the Families and Social Care directorate within KCC. Originally the purpose of the grant had been to support the charitable sector but more recently FSC had been trying to assign responsibility for particular outcomes allied to their policies and strategies
- (4) Mrs Perfect said CASE Kent had successfully completed the Pre Qualification Questionnaire for the provision of services for children but did not proceed because of the nature of the contracts and the legality of some of the clauses – for example KCC Children Services right to discipline contractors' employees. CASE Kent had also tendered for the Men's Sheds' project and was interviewed. The bid was, however, ultimately unsuccessful and Mrs Perfect thought this was because it was marginally more expensive than the successful tender. KCC should consider may need extra margin for voluntary sector not just go with the cheaper provider. Cheapest does not always come with VFM for the service user and she was concerned that the effect of the current structure could lead to large and small voluntary sector organisations folding.
- (5) Commissioning may know what they want but procurement is almost mathematical. Thinking in simply business-like terms can stifle creativity and sharing of good practice / ideas across the sector. Why would you share in the new commissioning domain it does not make good business sense.
- (6) Grant funding is not VAT eligible but contracts are. The final arbiter of whether or not VAT is liable is HMRC and they make decisions on a contract by contract basis. The sector is still waiting for HMRC to take a view but the outcome could have huge implications for the sector and associated costs.
- (7) TUPE raises issues for the sector in terms of the transfer of staff and associated HR, governance and legal costs.
- (8) Tender bidding and presentation do not provide a level playing field regarding the quality of the service ultimately provided. Larger organisations can afford professional expertise for their bids. Smaller organisation are often resource light and do not have the capacity or the experience to

complete tender documents. Tendering and contracting for specified services denigrates innovations / good ideas which the grants system enabled to flourish.

**Question – Where you (CASE Kent) bidding for contracts beyond your capacity?**

- (9) No. I have the personal capacity and experience from running Age Concern and CASE Kent as an organisation also had experience and capacity. It felt as if there was a difference in the expectations of the commissioners and providers about what could be done for the money.

**Are you saying that KCC should allow a greater budget for the voluntary sector? Why should KCC not go for the cheapest option?**

- (10) It is important to reflect the true cost of providing the services otherwise contracting organisations would not be able to provide the best service to users. There appeared to be a conflict in that commissioners know what they want the service to look like and the procurement process itself focuses on the financial and mathematical aspects .

**Question – Does CASE Kent get involved in discussions with commissioners?**

- (11) No but over the last 5 years CASE Kent has attended meetings about services for older people. The commissioners of services tend to talk to providers (such as Age UK), user groups (such as Carers' Association) and umbrella organisations. FSC had also been clear that they do not want lots of small contracts.

**Question – Meet the market events appear to work for other sectors. Why does the voluntary sector appear reluctant to get involved in such events?**

- (12) The charitable sector is diverse in both size and in its beneficiaries. Individual charities tended to be risk averse and their resources are becoming increasingly limited. When grants were available from local authorities, primary care trusts and other sources for projects there was an element of "give it a go". With the commissioning model the time and resources required to go through the tendering process was disproportionate to the size of the contract and beyond the capacity of many charities.

**Question – Do you get involved if a provider is failing to provide the service it has been commissioned for?**

- (13) Yes. For example, it became clear that Age Concern Ramsgate ran into difficulties and Age Concern Broadstairs was insolvent and operating illegally. Both were visited by Age UK and CASE Kent got involved too. Age Concern Thanet has now been established but were no longer able to provide direct services to users in Ramsgate and Broadstairs.

**Question – Was the decommissioning of these services carried out to your satisfaction?**

- (14) It was a difficult process for KCC but KCC did well because it did not dictate but advised about particular actions to be taken.

**Question – Could CASE Kent have provided the service that KCC was expecting?**

- (15) Only by sub-contracting to other charities. KCC passes responsibility for delivering the service to a main provider who then passes it proportionately to its sub-contactors
- (16) It is harder than it was 5 years ago for charities to secure funding.

**Question – Do you have any additional funding?**

- (17) No, CASE Kent did have central government grant of £250,000 pa, but that funding has ceased, so the charity is currently running in part on reserves. It is very difficult to find philanthropic funding pots for 'second tier' charities.

**Question – How many employees are there at CASE Kent?**

- (18) There are 7 direct employees which equates to 5 full time equivalents.

**Question – Will the Social Value Act make a difference to CASE Kent's ability to secure contracts even when they are not the cheapest bidder?**

- (19) It does not feel possible for a potential contractor to express a view that the specification could not be delivered for the price commissioners prepared to pay. Charities often had concerns about the quality of the services to the end users. For example the contract for services at the Minor Injuries Unit in Faversham has not been let because none of those tendering could meet the specification.
- (20) Changes to providers can make it difficult for users to access support and services.

**Question – Could two or more charities come together to enable them tender for a contract?**

- (21) It is possible to form consortia but a lead organisation to take on the responsibility and the risk is still required. An element fee or payment to incorporate that risk would be required.

**Question – What are the principal barriers to charities tendering for contracts?**

- (22) The cost of tendering in terms of time and knowledge as well as the size of the contracts being let by KCC particularly FSC. The domiciliary care tender is an example where the contracts will be operated by 'super charities' and private organisations to the detriment of smaller local organisations serving their communities. There have already been 92 appeals relating to the new contracts being offered and subsequent tender process.

- (23) Trustees can be very risk averse – it is imperative for organisation to have the correct trustee skill mix (including commercial savvy)
- (24) Forming consortia to provide specific services – they cannot be formed quickly as they involve ‘buy in’ not only from managers but also from trustees. The voluntary sector is more business like generally but cannot always move at the same speed as business due to its different structure.

#### **14. Wrap up/key points** (Item. 6)

The Committee concluded that:

- (1) It would be useful to consider case studies and examples of good practice in commissioning and procurement.
- (2) If parish and town councils could use small contractors for low risk and small works it would create opportunities for small contractors to build a track record and be in a position to provide references however most town and parish councils are required to use a recommended list.
- (3) So far the Committee had focussed on tendering for contracts but negotiated contracts with a chosen supplier are often advantageous.
- (4) It would be useful to consider studies undertaken elsewhere which sought to understand why public services cost more in rural areas compared with services in urban areas.
- (5) It was clear from evidence provided earlier in day that businesses and the voluntary sector do not know where to get information about contract opportunities, find it difficult to identify the contracts worth pursuing and to understand the mechanics of the procurement process.
- (6) It might be important to retain grant opportunities for the charitable and voluntary sector as they often have good ideas for valuable but non-statutory services and are unlikely to be able to form consortia to bid for contracts.
- (7) Based on the evidence received it appeared that KCC teams tended to use tried and tested contractors but awarding low value, low risk contracts to small enterprises or charitable organisations could make a significant difference to an organisation’s ability to survive.