

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 Thursday, 30 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, Mr C R Pearman and Mr M J Vye

IN ATTENDANCE: Mr A Tait (Democratic Services Officer), Miss T A Grayell (Democratic Services Officer), Mrs P Cracknell (Research Officer Scrutiny & Evaluation, Business Intelligence) and Ms J Sage (Assisting Research & Business Intelligence)

UNRESTRICTED ITEMS

1. **Peter Heckel, Director, Project Salus**
(Item. 3)

(1) Mr N J D Chard informed the Select Committee that his son received support from the KCC Disability Team. This was not an Other Significant Interest, and he was therefore able to participate fully in the consideration of this item.

(2) Mr Heckel introduced himself as the Director of Project Salus (Latin for "Wellbeing"). This had previously been part of KCC under the heading "Kent Safe Schools (KSS)." In 2011 his proposal for KSS to become a social enterprise was accepted. KCC had provided Project Salus (as it was now known) with a three year grant and 23 staff TUPE transferred from KCC to Project Salus in June 2011.

(3) Project Salus had a turnover of £800k and it had lead responsibility for anti-bullying, drugs and alcohol education, restorative justice. It received £1.2m from KCC to undertake work in Children's Services, Justice, Youth Work (running youth clubs in Hythe and Maidstone) and Domestic Abuse.

(4) **Questions - can you provide further details on the submission that "KCC and the services it commissions may benefit from a unified and corporate approach to commissioning?"**

(5) Project Salus has always been dealt with fairly and professionally by all commissioning directorates and units within KCC. There are, however, marked differences in approach between them in other respects. For example, Children's Services always provide TUPE information to all the bidders at the very start of the process. Other teams, on the other hand, only provide this information after the contract had been won. This usually leads to a renegotiation of the contract and can lead some contractors to withdraw altogether.

(6) **Question - Can you explain what the barriers are to small organisations entering the market?**

(7) KCC tends to split those services it wishes to outsource into Area lots, making it difficult for small providers to put in a bid. The result tends to be the creation of consortia (which are by their nature difficult to quality assure) or that the risk is passed on to the provider who consequently needs to sub-contract. However, when the Youth Service offer was broken down into 47 lots, smaller Youth organisations were able to participate and win contracts.

(8) The answer lies in either reducing the area size of the lots that can be bid for or in making the criteria far more specific. The overall current position is that small, local organisations are often effectively prevented from bidding because of the size of the contracts. Some contracts are for provision over half the county, so enormous amounts of work are needed to put a bid together. Project Salus, for example, needed three staff to work fulltime for a week and a half preparing one bid. Such a concentration of resources would have been completely beyond the smaller organisations' capacity or would have been to the detriment of service provision.

(9) Question – Can you tell us more about the “disappointment” discussed in the first paragraph of your submission?

(10) Some of the KCC Teams are more adversarial than others. Better results are achieved through a good working relationship, with flexibility on both sides. If the Team and the supplier are able to work flexibly together they can overcome unexpected barriers such as changes in legislation. The adversarial system leads to polarisation and a determination on both sides to stick rigidly to the contract. This approach benefits no one. When, on the other hand, both parties are committed to working together, it becomes possible to vary the contract in creative ways to reduce costs.

(11) Question – You talk about potential suppliers becoming involved in drafting specifications - do you want to have your cake and eat it?

(12) Project Salus is very conscious of its previous history as Kent Safe Schools, but it has never made the mistake of considering itself as part of KCC. The County Council is Project Salus' largest and most important customer, so there is every reason for both parties to find better ways to work together. We want a team-like relationship, but we can and will challenge KCC if we need to..

(13) Organisations have to be more efficient. All profits made by Project Salus are ploughed back into its services. At the point when the Project left KCC, 65% of its resources were concentrated on front line services. That figure now stands at over 80% as an outsourced company.

(14) Question - What do you mean by “prescriptive tender specifications.”?

(15) One of the reasons for prescriptive tender specifications is central government policy. Nevertheless, many of KCC's tender specifications are more prescriptive in terms of service build than they need to be, asking for a certain number of hours with quantifiable outcomes. It might be preferable if Specifications were to state the outcomes and seek suggestions for innovation in the services to achieve those outcomes. Currently, the tenders specify the number of social workers who need to be employed in specific areas to target specific family types.

If, instead, the tender were to set a target of reducing anti-social behaviour, the bids would become more varied and lead to higher quality of service.

(16) There are organisations that do not deliver or are uncompetitive. Such organisations do not have the right to exist. KCC should be able to decommission those Voluntary Organisations that are unable to compete and deliver. But, by the same token, organisations should be able to hold KCC to account.

(17) Question – Your two main areas of concern appear to be the adversarial nature of some of the commissioning processes and the Quality Assurance regime. Can you elaborate?

(18) There is a culture in certain parts of KCC that leads to adversarial commissioning. The selection process usually involves scoring or marking a bid and then interviewing the top two or three bidders. Some commissioning teams look for the strengths and positives whilst others search for flaws. The less adversarial commissioners offer valuable feedback whilst their counterparts provide nothing more than a scorecard. You can feel as though you have gone ten rounds with Mike Tyson, and this does not help us to help you!

(19) The QA approach tends to be more focussed on outputs than outcomes. This means that numbers rather than quality become the way in which the success of a project is judged. Project Salus runs the Shepway Youth Club in Maidstone where some 90 young people attend. This figure is above the target set. However, there is no measurement of what should be done for this number of young people. Likewise, KCC specifies that the Youth Club should engage with the young people, whilst also requiring that the youngsters should gain accredited outcomes such as First Aid qualifications. These targets can be in direct conflict, young People are at school all day learning, in the evening they also want a bit of fun and may not want to talk part in formal learning. Setting a target of this nature prevents Project Salus from achieving something of genuine value with young people – an outcome such as a decrease in antisocial behaviour.

(20) Question - Could KCC enable its staff to develop innovation and make the savings i.e. 20p in the £1?

(21) This would be possible but very difficult due to its culture. Businesses need to look at profit and loss whereas KCC managers generically judge themselves based on the number of staff in their teams, the size of their budgets and their areas of control. This leads to protectionism and the creation of a silo mentality. For example - it would have been highly unlikely that my Team could have run a youth club during the period they were employed by KCC. This is because as Education Directorate officers we would have been stepping on the Communities Directorate's patch.

(22) Culture is the hardest thing to change. It is changing at KCC but not fast enough. KCC's frontline staff are skilled and innovative because KCC is very good at fostering personal development. Its weakness is that it is very hierarchical across the Directorates. It is very difficult to achieve development or innovation in a hierarchical structure.

(23) Question – Is it not true that targets come when outcomes are achieved?

(24) Targets are important and should be qualified by the outcome. There needs to be a purpose to the work undertaken. This means that work should be judged in terms of its overall effectiveness rather than on the number of nice things that have been provided for young people. Projects need to be quantified by outcome, purpose and achievements. You can work with a family for two years but the question to ask is what difference has been made. Has anti-social behaviour gone down, and have the families' employment and other prospects increased?

(25) The volume of resources required to complete submissions could lead to the loss of good service deliverers. Are these levels of service requirements achievable for small businesses? There is evidence that some of them have viewed KCC specifications as unachievable and have therefore not tendered. Organisations have to ensure that they can continue to meet their own ethos. No-one wants to do anything badly, and contractually everyone wants to do as well if not better than everyone else. All our reputations are at stake.

(26) Question – Please comment on these two statements. Firstly, for certain services it would be better if local KCC managers, who know their patch, were to actually negotiate directly with the potential supplier. The second statement is that the job and personal specification ought to be changed for commissioning managers so that they become less risk-averse?

(27) The Munro Report on Child Protection called for local authorities to be risk-aware rather than risk-averse. It is important to look at the quality of the decisions made rather than at the risk of taking the decision in the first place.

(28) If a small voluntary organisation receives large amounts of money, this can actually result in its demise due to problems of cash flow, systems and staff numbers.

(29) Question - Youth Clubs' targets are set out in terms of numbers. Is this not because it is hugely difficult to quantify quality?

(30) Project Salus has worked with Christchurch College on developing means to measure softer outcomes. There would be cost implications and tensions if different, more comprehensive evaluation methods were to be installed beyond those traditionally used. For example 40% of KCC contracts are based primarily on price (which cuts out competition based on added value).

(31) Question - Can you compare your experiences of Kent County Council with other local authorities?

(32) All the local authorities tend to be on a par regarding the difficulties. Project Salus and KCC have the advantage of being familiar with one another. This means that it is less likely that a number of the Project's staff will be asked to travel long distances for a thirty second meeting (as has recently happened with a nearby county council).

(33) KCC as a commissioning authority should not be seen as a "broken system." But it could perform better – as all systems can.

2. Interview with Carolyn McVittie, Managing Director, Stepahead Support
(Item. 4)

(1) The Chairman thanked Ms McVittie for attending, and those around the table introduced themselves. Ms McVittie responded to questions from the Select Committee.

Please tell us what you do and what your organisation does, in terms of commissioning.

(2) I am the Managing Director of Stepahead, which has operated since 1999 to support children, young people and families. Our work has changed a lot since 1999. Our funding comes mostly from the County Council, a situation which has brought us some criticism, as we have put 'all our eggs in one basket', but there has always been a good relationship with the County Council as a funding partner. I will highlight some of the key points of my written paper.

(3) In the past, contracting has started with a discussion around a table, at which meeting partners have identified needs and discussed how these should be met, and we have been given some funding and asked to go away and deliver services. This does not lead to sustainable contracts, however; we had yearly rolling contracts, which are not ideal. Sometimes we do not know what funding we will have until April.

(4) Now there is the framework model, in which organisations can apply to go on a selected list to become potential future contractors. We welcome this model as it recognises quality and standards and builds a pool of quality organisations which can deliver services. However, the process around the framework model is not how we had hoped it would be, and the timescales have slipped. It also generates an awful lot of paperwork. We had just undertaken a review of all our contracts, one by one, which for a small organisation was demanding in terms of time and energy. The eligibility criteria to go on the framework changed. At first, people had to score 80% in the test questions to qualify to go on the framework, but then, after delay, this was reduced and people only needed to score 20% to get on. This led to more organisations - 127 - coming onto it, which devalued the process. We had made much effort with our preparation work but other providers got in with less effort. We had a good open relationship with the County Council commissioners and they were honest about not being sure about what services the Council wanted, moving forward.

(5) In the framework, we are able to tender for opportunities as they come up, and we expected opportunities to be presented gradually, but sometimes they come three at a time and we have to decide whether to spend time and effort preparing a really good quality tender for one of the three or to divide the time and effort preparing tenders for all three, which means that each one might not be such a good quality tender, (which is difficult to do, professionally, as have high standards) and we might miss getting a contract because of it. As a small organisation we didn't have a business team which we could dedicate to preparing tenders; I did them all myself.

(6) In terms of commissioning, there are some positives; the service specifications are better now, and are quite detailed, but also a negative. The question and answer stage is good. Market engagement events are good and

useful in helping people to understand the process; they are not a 'tick box' exercise but are a good way for the County Council to talk to providers and understand which models could work.

(7) In terms of decommissioning and re-commissioning, there have been some detrimental effects. For example, for a Stepahead mediation service, we had a 27-month period during which staff were put at risk of redundancy as the future of a contract was unsure, then it was renewed for three months, then at the end of the three months we had to start the redundancy process again. We tendered and went to interview but then no contracts were awarded. Then we had to re-tender, were awarded a contract and then waited when it was challenged, and had a long period of uncertainty. This stop and start is very unsettling and makes it very difficult to plan our staffing and services. By the time we eventually secured a firm contract, many of our most experienced and skilled staff had found more settled employment elsewhere and we were left having to replace them so we could deliver services under the new contract. The County Council told us that they hadn't decommissioned us because we weren't good but because they had a process to which they were committed. It was good to know that we hadn't lost a contract through not being good, but this situation really did not help us in terms of staff morale. We now have a three-year contract and the possibility of an extension, so we have some security, as long as we continue to perform well.

(8) Previously, the monitoring of contracts was done locally by County Council contract managers who knew the service and with whom we had a good relationship. Performance would be reviewed, and was often output-focused, and Stepahead wrote a report of outcomes (rather than outputs) and talked to local people who understood local needs and issues. This could help with setting up school clinics, etc, but there was no countywide overview. Now, commissioning and contracts are at a countywide level and the process can be more challenging and intimidating for staff. It doesn't feel like a partnership now – it now feels more like a Head Teacher and pupil relationship! Although it is important to build relationships, it is difficult to do this when the turnover of commissioning staff is high (the commissioning manager for the mediation service changed three times in 6 months), but once we are able to build relationships we can work through the other issues with the new system.

(9) In terms of funding, there is always an assumption that the voluntary sector can do things cheaper, pay lower salaries, have no pensions, etc. We are lucky that our staff are willing to stay with quite modest salaries but it is not always possible to rely on this long-term. The money we are paid does not always cover what is in the specification for the contract. When we have been asked to deliver something at a price which we know does not support good quality service provision, and at a risk that the services we would be able to deliver would be below standard, we have withdrawn rather than have our name associated with it. What is specified in a contract, and what is paid, needs to be realistic. We understand the financial pressure that the County Council is under but commissioning needs to be realistic and fair.

(10) We are given contracts to work with those with mostly high and complex needs, as the County Council needs to ensure these families receive attention. Early intervention is often seen as low-need but this isn't necessarily so. Previously, young people would be referred to us via their school. It is wonderful to find someone who wishes to refer themselves, but sadly we cannot accept self-

referrals now; they all have to go through the common assessment framework (CAF) process. I worry that there are people who, because of this, are not able to receive a service which could help them, and who might then develop more severe problems later, as a result. I am concerned that there is a gap, or that people will only show up when core intervention is needed.

Thank you. Some of the points you have raised support things we have heard from previous speakers.

Previously the focus was on outputs and now is on outcomes, which can be difficult to identify in this area. Is it possible to identify the outcomes which should be achieved? Can you give us an example of good practice as regards the County Council working with you, for example, by looking at something other than just numbers (outputs)?

(11) Numbers are easy to see but outcomes are more difficult as you have to assess and demonstrate the sustainability of improvements. We had agreed how these were going to be measured – for example, via follow-up after 3 months, 6 months or 9 months. You would need to have a family's permission to carry out these follow-up sessions, and they would need to be brief and consist of quick and simple questions. If follow-up is onerous or oppressive, families will not take part (some do decline) and you won't be able to undertake the meaningful monitoring you need to do to demonstrate the long-term impact of support. Different measurement tools need to be used. Previously, I have been told I cannot use the 'strengths and difficulties' questionnaire, a recognised social work tool, to monitor outcomes, but now that seems to be back in favour.

I am concerned about early intervention, to avoid greater needs developing later. People have to be referred through the CAF, and the elimination/filter process starts there. How can you get people needing early intervention to (be able to) come forward sooner? Is this an issue of targeting?

(12) Yes. Our target age group is currently 0 to 19 years but we get very few babies being referred for mediation. We need to talk to the County Council and other providers (NHS, etc) about how to pool our funding to enable early intervention. Previously, many young people were engaged and helped at school. We held school 'clinics' and drop-in sessions, from which we could signpost them on to appropriate services. But we can't do this now – all referrals have to come via the CAF. The way in which we work with our partners, and how we divide our budget, is key. Some young people we can't help so we signpost them on via their school (not via GPs – they don't tend to engage!) But CAMHS, for example, has a very long waiting list, so there is no easy answer.

You said the County Council is unclear of the service it wants or needs to achieve?

(13) Children in care and care leavers were previously helped via Catch 22, but this service will not continue to be funded, and will not be re-tendered immediately, as needs are unclear. It is good that the County Council is honest about not wanting to re-tender for this service, but when it is making this sort of decision it needs to think about what is needed sooner and plan ahead!

When a contract is renewed, is good performance rewarded - for example, a provider who has met all their targets? However, the County Council has an obligation also to consider other organisations. The framework does not seem to have scope to allow experimentation. Does the County Council stick with what it knows or does it try new things and take risks? What is your position, compared to other providers/contractors?

(14) That's a very good question! There is a risk of becoming complacent; if outcomes are being delivered, it is easy just to carry on with a current arrangement. A review could be undertaken, rather than a contract being automatically renewed. Companies may have some really good ideas for a good service model in an area in which they may lack experience, and they will lose marks in the assessment process because of their lack of experience. Assessing potential providers on paper has value, but it's important also to have a dialogue with them. They might deliver a good service but it is difficult to put this on paper, so a good relationship between commissioners and contractors is important, and dialogue needs to be ongoing through the whole length of a contract; not start towards the end when it is time to look at renewing.

Is Stepahead a charity?

(15) Yes.

As a charity, do you think the County Council treats you any differently from other providers?

(16) They do seem to expect us to be able to do more with less, but expect the same standards as they set for other providers. We are part of a consortium which pools its strengths to look at contracting together. This has been a good experience but took some 18 months to agree.

Are there pros and cons of working in a consortium?

(17) Yes, there are. It's not something that can be set up overnight.

If you get a contract for three years and the law changes during that time, how would this affect you, and how would you deal with it?

(18) This has never happened so we've never had to deal with this issue.

The framework has been in place for two years now, so do you consider yourself to be a partner of the County Council now? Do you feel there is a need to review the framework, and how would you influence it or change it?

(19) I don't think the framework is worth the paper it's written on! It doesn't meet the service needs and never has. It was supposed to be made up of high-quality providers who scored 80% or above at the test stage, but it now includes companies who only scored 20%. I appreciate that, at 80%, it would only have had a few providers and there would potentially be gaps in provision. As regards how I would influence it, I would say there needs to be open discussion about what is needed and how best to support children and families. The framework needs to be a working document but doesn't give any guidance within it about how much and what information people need to include on forms. There needs to be more

guidance for people using the document about what information they need to provide.

Do you consider yourself to be a partner now?

(20) We do now, but we feel contracting and partnership working is led by a process rather than by relationships. If there could be more consistency around contracting (three commissioning managers had left in quite quick succession) then some good relationships can be built.

Looking at commissioning for complex needs and safeguarding, do you think the County Council sees you as someone it can use as a buffer for capacity? Do you feel that they mess you about? Outsourcing and safeguarding issues affect people's lives. Does this outsourcing model make this risk greater? Would insourcing be better? Is this a weakness?

(21) It would depend on the organisation. It would add an extra layer to safeguarding procedures, information would be third-hand, and it would delay the timeframe. But I don't think it would put more children or vulnerable people at risk, as long as the commissioning is good and there is good communication with the statutory team. We have had some issues in the past which we felt were serious but which were not deemed to be serious, once referred to Social Services. Responses used to be poor, but now there is a swift response at any time. There could be some risk if issues and concerns which are raised by an outsourced service are not acted upon. Safeguarding and monitoring would need to be very thorough. There is always a risk around any method of contracting for people-based services.

It seems to be about continuity, partnerships and relationships. Why do you think the County Council does not know what it wants to commission?

(22) I was told a while ago that the County Council had not known how many contracts it held or what it was going to commission. Its central record keeping did not seem good, so there was no overview. There was a review in 2011. It is only when the County Council came to undertake a review that it realised how many contracts it has, and it found several contracts in which different companies were doing the same work. The framework would be a useful tool to bring work together information and avoid duplication.

Can you give an example of good or bad experience of your having asked the County Council what it needed to commission to fill a gap?

(23) I can't think of an example of having done that. There is still a lack of clarity but no one specific example. Some contracts do not have a clear service focus.

Surely there are areas in which there should be clarity – for example, around Troubled Families?

(24) Yes, needs should be clear; that is the aim of the Troubled Families initiative. Troubled Families involves services which are difficult to deliver. We deliver family mediation, Young Healthy Minds, etc, and we do get some inappropriate referrals to the new service. This is because people need to build up their understanding of

what we do. It can take time to get all CAF co-ordinators aware of the remit of a newly-contracted service.

How easy are services such as family mediation, Young Healthy Minds, etc, to get through to, to find help? An example that I've heard of is of a 13 year old who took her younger siblings to the local Police station and asked for them all to be taken into care.

(25) Cases such as that would be screened via a social worker. We get some step-down referrals for families who have previously had social work involvement. Our initial fear about the length of delays did not materialise, and delays now are not due to the CAF process, but people do go on a waiting list for services. They might have a very quick assessment but then still have to wait a while to access services.

Does this get in the way of delivering services to families who need them?

(26) No. We would like there to be a phone-in service for parents, which could run alongside our other services, but we do not have the capacity to set up and run such a service.

Is the lack of clarity around what the County Council wants still evident?

(27) Not at the contract specification stage, which is very clear (once the need and desired outcomes have been identified) but too rigid. I would like to be innovative and adaptable but I can't do this in the current system. The strength of the voluntary sector is its flexibility and the ability to innovate.

Is the County Council clear about why it is commissioning services?

(28) It isn't always clear about why it wants to commission services. It would help to have some detail about how a contract would link into other provision.

What is it that the County Council does not seem to know – whether it is commissioning something because it is a legal requirement, or because it is best practice, or just a good idea?

(29) I don't know – this is not clear.

Can you contact the Central Referral Unit directly if you have safeguarding concerns?

(30) Yes we can; we are given this responsibility as part of our contracts.

What staff do you have?

(31) I currently have a total of 40 staff. Some have left recently or switched to working part-time, so I need to recruit to replace them.

Are you able to access good quality trainees, for example from Canterbury Christ Church University?

(32) I get social work students from Canterbury Christ Church University and the University of Kent at Canterbury. Working with an organisation such as ours is part

of the training requirement on their degree course. We have a quality manual which sets out policy and procedure.

Do you find it difficult to recruit and retain staff?

(33) It's not too bad, but some staff leave to seek better-paid jobs. As a voluntary organisation, we lack the funding to provide good quality training but still we are expected to have high quality, well-trained staff.

As you are a partner of the County Council, could you ask it to help you with training for your staff?

(34) We offered to share with them, at a reduced rate, some mediation training that we were undertaking, but there was no take-up. We do share a bit of training but it is difficult to find the time to give to planning ahead about setting up joint training exercises.

You say in your written paper that those whom you feel are in danger of being lost are the children, young people and families who need support.

(35) Everyone working with children and families has safeguarding and support as their main aims, but if the process takes over, the flexibility that is necessary when working with young people can be lost. Also, the process can hamper the need for people to be able to access services quickly. If a family is being supported for a period of six or twelve weeks, there is no more opportunity beyond this time to continue to build a relationship. The process is too rigid, and there are only so many voluntary organisations available to work with clients.

Is there anything else you want to tell the Select Committee?

(36) Nothing that I can think of. Taking part in the Select Committee has been very helpful for me as it made me think through what we do and what could be different. I was very pleased to be asked.

(37) The Chairman thanked Ms McVittie for attending.

3. Interview with Thom Wilson, Head of Strategic Commissioning (Children's Services, KCC)
(Item. 5)

(1) The Chairman thanked Mr Wilson for attending, and those around the table introduced themselves. Mr Wilson said he had been interested to hear the last part of the previous interview, and he commented on a point raised about change management. He added his view that it is essential to have an exit strategy at the end of a period of family support, and that good handover is vital.

(2) He then responded to questions from the Select Committee.

Please tell us about your role.

(3) I am the Head of Strategic Commissioning for Children's Services, so I have a responsibility for children's social care transformation, 0 – 11 integrated service transformation and commissioning. In this role, I need to have a broad view across all these issues.

(4) The key points I would highlight from the written paper which I submitted previously are the importance of pathways, understanding journeys, the limitations of a 12-week involvement in supporting a family tackling issues which can be ingrained over generations, and the importance of community support in addressing issues of social value.

(5) Whereas, in adult social care, some 80% of spending on commissioning is with the external market, with 20% being in-house, in children's services, this pattern is reversed, with only 20 – 25 % of the spend being with the external market. This emphasis on in-house provision means that greater emphasis of children's commissioning is focused on the County Council's own practices, influencing what happens internally as well as making best use of the market.

(6) I have recently met some providers and heard their views on the frameworks we use to commission services. My view is that these meetings are a positive step as they allow the County Council the opportunity to work proactively with the market. However, as we become more sophisticated at commissioning, the County Council will need to be more sophisticated in the way it runs and uses the framework, ensuring providers know what to expect and how the framework will be used. For example, I recently met a national provider based in Kent that does very little work in Kent but a great deal elsewhere. The County Council has not seemed to be proactive at telling companies like them that it has many contracts in which they may be interested. It needs to focus on improving its communication and be clearer at telling providers what it wants them to do. The Council needs to be better at communicating with providers.

(7) There is a tendency among local authorities to see commissioning as a 'them and us' situation, but we need to realise and understand that we are all in the same business of seeking to support children and families. Relations between commissioner and provider can be tense, as shown by the reference to 'Head Teacher and pupil' relationship in the previous speaker's written submission. However, sometimes you can have too close a relationship between commissioner and provider. We need to work closely but be able to challenge. If the two are too close it can be difficult to criticise a provider over their performance or any other issue, if and when this is necessary, and hold them to account for not managing the situation.

(8) Regarding social value, I am not sure that many people yet have a clear understanding of what this means in practice. I think many people acknowledge that the voluntary sector brings social value but there is no clear understanding of how this can be calculated or quantified, and how we can identify which provider brings more impact. In children's services, our first priority is to keep a child safe. However, the second is too often to balance the budget before focusing on improving outcomes. As, at each budget cycle, it is usually only possible to know the next year's proposed savings, the wider budget and resources are not known. Social value will drive long-term improvements, and savings in the future, and so is difficult to prioritise in the short-term. There would need to be a strategic countywide approach to set out what must be taken into account to address social

value issues. Social value is easy to miss when focussing on a challenging savings target. The County Council could look at ways to evaluate social value in the procurement process, such as awarding scores for social return. However, it is important that, whilst social value might be easier to perceive in local services, large national organisations and companies can also add value through local investment, bringing opportunities and services which cannot be matched locally. The priority is to provide the best service not just the most local service.

(9) Children's commissioning has improved much in recent years. In my experience of starting at a new Council, I am used to finding chaos, but that has not been the case in Kent. In previous years, there was no monitoring of contracts, once let, but there has been much progress in this area and the County Council has a very good team. The County Council is getting the basics right but needs to move to the next level of sophistication, moving from monitoring outputs to monitoring outcomes. Especially in social care, a huge cultural shift is needed and it is harder to measure outcomes.

(10) We need to be more confident at listening to and working with the market, customers, families and children about what is needed then writing specifications, rather than the County Council taking a paternalistic view that it knows best. The market can be innovative, and the Council needs to take advantage of this. Providers in the market are experts in service needs, whereas the County Council is expert at processes. The County Council needs to be more confident of letting the market teach it about commercial understanding, and needs to listen to its customers as partners; it needs to acknowledge that it doesn't necessarily know best.

At what stage are the key activities that you list in your written paper? Are they planned, becoming embedded, etc?

(11) The *Independent Fostering Agency (IFA) framework* has been embedding since June 2013. This project is showing interesting progress. A social worker trying to place a child would previously have contracted with the first IFA which could offer a suitable place. Now they approach all providers on the framework to identify the best placement. The County Council has encouraged IFAs to sign up to a framework under which it has set out the specification for working with it, with a guarantee that they will work with the County Council in a certain way. There is much work planned on the *Children's Centres Market Review*, which follows on from 'Facing the Challenge'. The *Early Help Reviews* are starting now. The County Council agreed its Early Intervention and Prevention framework about 18 months ago and contracts have been 'called-off' it.

(12) There is a longitudinal study which was undertaken to understand the impact of early intervention on children. However, it is not always about whether services are responsible for the outcomes as no one service alone can keep a child out of care. Therefore we need to work with partners. For example, a social worker working with Families and Social Care would then arrange step- down from this intervention but would not cut off completely from giving any further support, if needed. There would need to be a pathway to allow further work if necessary, and the County Copuncil would need to be clear of its desired outcome.

(13) The County Council needs to work with providers to meet needs. When arranging market events, at which it meets and talks to potential partners, it needs

to ask how a provider can help meet the Council's key aims, and, as part of this, it should make clear its intention to include social value in commissioning and seek potential partners' views on this.

I attended a 'meet the market' event for care leavers, which covered issues such as accommodation and support. The next stage after this is to talk about potential partners' ideas, but providers get concerned about this as they think others might copy their ideas and use them to win a contract at their expense.

(14) If I were a provider, I would try to be guarded at giving away too much. I would feed in comments and be helpful in discussions about what would be good to do to build a specification but would keep my commercial secrets to myself. Then, at the procurement stage, at which prospective contractors are asked for expressions of interest and method statements, I would set out my delivery ideas and unique selling point to make me stand out from others tendering.

(15) The London Borough of Croydon Council has established a social value framework and process which it describes as offering a 'competitive dialogue'. I have never tried this method of identifying and engaging with potential contractors, and it has some risks, but it could be useful, particularly to address challenging issues such as provision of services to people with mental health issues. Having a competitive dialogue with potential contractors (weeding out unsuitable providers first) could allow the County Council to explore possibilities for future service provision and shape its model to a jointly-agreed service, to allow innovation, rather than undertake market engagement and then produce a set, rigid specification.

In the joint needs assessment which is prepared by social care and health colleagues, the County Council may have to change what it requires from the agencies with which it works. How would this change be built into an existing contract? Is there provision for an existing contractor to engage another provider in order to address a new requirement, for instance?

(16) The key method for the assessment of need is the common assessment framework (CAF). This method is not specified as mandatory in guidance but it is clear that Ofsted expects to see a similar model. One agency would be identified as a lead in providing a service but would be able to engage other providers (who have already been approved by the County Council) to meet specific or specialised areas of need, for example domiciliary care or services dealing with drug dependency. We would not ask any provider to meet a need which is beyond their specialism, ie to subcontract. However, one option we would explore would be to use a 'prime contractor' model.

In your view, what role could elected Members have in scrutinising the commissioning process? Transformation brings an opportunity to review Members' role. What change in role would you like to see and how should this change happen?

(17) My view is that we are lucky in children's services to have a very strong portfolio holder who actively scrutinises our work. There is potential for elected Members to have more of an oversight of the commissioning process as they do elsewhere. Transparency is important, and everything should be open to scrutiny.

(18) There should be outcome-based methodology and accountability. A good test would be the 'town square' test: what would someone in the town square make of what the County Council does, and would its actions seem clear and comprehensible to them?

(19) An effective model I have seen elsewhere is for one portfolio holder to sign off all contracts above a certain value. An option could be to set up a Members Board to oversee contracting and see which services are due for review, renewal or decommissioning. This would raise Members' understanding of what is being commissioned, how performance is being monitored and the general direction that the County Council is taking. Members should be able to call us to account for what we do and why we do it. I have a view that, whenever an approach is exposed to daylight, it improves. If someone knows that what they are doing will be scrutinised regularly, it will encourage them to sharpen their processes and be ready to account for what they are doing.

I agree that it is good to measure outcomes (for example, with smoking cessation, the aim would be to reduce the incidence of smoking-related illnesses), but I would not want to see the measure of outputs be completely lost.

When commissioning any service, there is a hierarchy of priorities. What if the two bodies in a joint commissioning arrangement have different priorities; how could these be reconciled?

(20) In outcome-based accountability, there are three questions to be asked:- How much do we do? How well do we do it? Is anyone better off as a result? Joint commissioning should have a set of agreed targets and outcomes agreed before contracting the service. There should also be one person monitoring performance and outcomes on behalf of both partners. If having two commissioning bodies is a challenge, consider that there are seven clinical commissioning groups (CCGs)! An integration conference looked at improving joint commissioning. We need to get the governance right and talk about agreeing priorities.

We have heard that local choice is good and a 'postcode lottery' is bad, but sometimes these can be the same thing. When there is a disparity in service provision between East and West Kent, does this demonstrate local choice, a postcode lottery or different priorities in the two areas?

(21) When considering choice, we need to consider that people do not necessarily always want choice. What they want most of all is high-quality services. Having a choice and having to choose can sometimes be very stressful. We have to consider to what extent localism is the right approach. Desired outcomes in Margate could be quite different from desired outcomes in Sevenoaks, and different sorts of interventions may be needed in each area.

Those answers were helpful, and raise good points to think about. The County Council has to bear in mind whether it wants to embrace localism or risk being/appearing patrician.

(22) Strategy is important. The County Council would need to define the approach it is going to take and decide what it most believes in. This will give officers a framework within which to deliver.

In your written submission you set out six actions that are needed to address key challenges. Does the County Council currently do any of these six things or are they all new tasks?

- (23) 1. *Focus on key priorities ...* our priority is to keep children safe and prevent them from needing to enter care. However in the past there has been a lack of key focus on what are the most important priorities.
2. *Improve as commissioners ...* – we have been delivering IPC training to all commissioning staff to help them develop, and this has been excellent. We need to continue development and give people opportunities to use their skills.
3. *Focus on integration ...* – we don't yet do this sufficiently, so this is an area for development. We need to move away from silos to more of an understanding of which needs can be met jointly
4. *Engage more with service providers ...* – currently, we don't do enough of this. We need to view providers more as partners rather than the way in which we may view utility companies
5. *Embed transformation ...* – this basically describes the role of my post.
6. *Support the voluntary sector away from grant funding ...* – some voluntary organisations are still firmly reliant on grants. They still have a role to play but need to be transparent about grants and arrangements.

What I have noted from what you have said so far is a role for elected Members, the need for trust when engaging with organisations and the issue of shared or conflicting priorities between people who are commissioning or delivering services jointly. If the commissioning side were to become fractured, with an unbridgeable gap, would the current level of engagement with partners be lost?

(24) There is always some level of risk that relationships will go wrong. It is important to achieve a balance between supporting and challenging, and I don't think the County Council has the balance quite right yet. The Council has made changes but some providers probably don't feel as valued as they could be, and are not clear about what the Council needs from them. There is a risk that, if we do not integrate with partners, this will weaken the ability to get things done. For example, it is our strategy to enhance our in-house fostering team to meet the needs of the majority of children, but to work in partnership with external providers to help us meet specialised needs which some children may have. We need to work together effectively to knit together a high quality service to children. In local areas this needs to be balanced and would need to be taken on by a local manager.

When the County Council is unclear about what it wants or needs to commission, is there scope to add more details to a contract specification later, after it has started? Is the Council's lack of clarity due to unclear priorities or the reason for commissioning - for example, whether provision of the service is a legal requirement, discretionary or best practice?

(25) My view is that we need a clear understanding of the benefit a service will bring to the service user prior to procuring it. Local authorities are not good at identifying how to improve outcomes and we need to get better. My team looks at other local authorities' approaches, and what works well, from which the County

Council could learn, and seeks their views also on what Kent could do. This approach will be a key part of projects for this year.

Your paper says the County Council spends £175million on Specialist Children's Services. How much of that spend is on services which are a legal requirement, how much on discretionary and how much on best practice?

(26) The majority of services are statutory. However, for others, there is still a legal requirement to consult on changes to service provision - for example, the review of Children Centres provision. In addition, services such as the Early Help Strategy were developed in response to a recommendation from Ofsted. Some of the services commissioned by Specialist Children's Services are non-statutory but this sort of provision - for example, support to a family in crisis - is invaluable in helping to avoid the need for statutory provision later. There are 1,000 children in care in Kent, and this figure has increased in recent years. Without prevention it will increase further.

Is it possible to take account of social value at all stages of contracting, or can it only be an outcome of service provision?

(27) I am not sure on the technicalities – it depends how you intend to include social value in scoring. This is an interesting question, and something I could look into.

Is there anything else you want to tell the Select Committee?

(28) No, nothing I can think of. The Committee's questions have been very helpful in making me reflect on what my team does and why we do it.

(29) The Chairman thanked Mr Wilson for attending.