

From: Mike Angell, Chairman of the Select Committee

To: Cabinet - 28th April 2014

Subject: Select Committee: Commissioning

Classification: Unrestricted

Future Pathway: County Council 15th May

Summary: To receive and comment on the report of the Select Committee on Commissioning and Procurement

Recommendations:

Cabinet is asked to:

1. Make comments on the report and recommendations of the Select Committee and support its consideration by Council on 15th May 2014
2. Support the following recommendations for County Council:
 - The Select committee is thanked for its work and for producing a relevant and balanced document.
 - The witnesses and others who provided evidence and made valuable contributions to the Select Committee are thanked.

1. Introduction

1.1 This timely review has sought to demonstrate how Kent County Council could improve its skills and approach to commissioning, with a particular focus on removing barriers to entry for the provision of KCC services, particularly for small to medium sized enterprises (SMEs) and members of the voluntary, community and social enterprise sector (VCSE); and maximise added value. There is a significant challenge in redesigning services and transforming ways of working to have better services in terms of results, value for money and efficiency.

1.2 Commissioning is increasingly central to the approach to redesign services, joining up resources to focus on outcomes in the most effective and efficient way, taking a whole system approach and different ways of achieving improved outcomes. KCC needs to become better at commissioning, targeting resources and choosing the right mechanism to best achieve desired outcomes.

1.3 Having been agreed at a meeting of Scrutiny Committee on 12th November, the Select Committee was established in December 2013 with its first meeting on 16th

December. It began its work immediately to gain an insight into the review topic, focusing on Commissioning within KCC as an organisation, potential barriers to providers and social value.

2. Select Committee

2.1 Membership

The Select Committee was chaired by Mr Mike Angell. Other committee members were Mr Matthew Balfour, Mr Nick Chard, Mr Tom Gates, Mr Clive Pearman, Mr Mike Baldock, Mr Gordon Cowan, Mr Hod Birkby, Mr Martin Vye.

2.2 Terms of Reference

The terms of reference agreed by the Select Committee on 16th December 2013 were:

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

The issues agreed to explore were:

- a) the strategic context and our role as a commissioning organisation
- b) the costs of entry into KCC commissioning and procurement exercises, and if these costs present a significant barrier to new providers
- c) how any barriers to entry for new providers might be mitigated or removed
- d) the extent to which KCC decommissions and re-commissions services based on provider performance
- e) How KCC can best discharge its responsibilities through the Social Value Act
- f) the type of social benefits that should be sought through commissioning /procurement practices (e.g. apprenticeships)
- g) the extent that social value requirements be sought throughout the KCC supply chain

2.3 Evidence

The review commenced by looking at existing research and national papers. The committee gathered evidence during January and early February 2014, through 9 half-day hearings, briefing papers and written evidence from providers including VCS and SME, Infrastructure Organisations, representative bodies, and Officers with Commissioning or procurement roles. A list of those who took part or were invited to submit written evidence is detailed in Appendix 1.

2.4 Timescale

The Select Committee met for the first time on 16th December and conducted a series of interviews in January and February 2014, and invited written evidence during this period. It is planned that the committee's report be considered by a meeting of the County Council on 15th May 2013.

3. The Report

3.1 The key points and themes of the report's recommendations include:

- need for an approach that builds 'whole systems' thinking, networks of supply, enables communities to define and shape their own outcomes, and can utilise 'co-creation of value – ensuring services are innovative, have capacity to improve and be responsive and are integrated.
- need to actively improve skills and approach to commissioning, increasingly undertaking both market shaping and market development activity
- SMEs and the third sector are highly valued and can bring significant added value, recognise all sectors have a place and value to add, and so promote a balanced mixed economy of providers, a blended approach. However, either across the county or in individual localities VCS/SME organisations COULD potentially provide the best value service and bring additional social value
- Three significant themes emerged during the review – to promote opportunities, to remove barriers, and to build capacity. The recommendations focus on
 - Clearly defining our Commissioning vision and establishing the hierarchy of priorities and importance of social value
 - Fostering better relationships between commissioning and providers, and culture of collaboration
 - Ensuring excellent, appropriate and timely communication
 - Building excellent engagement and development of the Market
 - Simplifying and standardising procurement processes further to remove existing barriers to both VCS and SME and ensuring processes are proportionate
 - Promoting the use of and availability of opportunities for VCS and increasing SME participation in procurement
 - taking greater account of social value in evaluation of tenders /services
 - Embedding outcome focus, culture of collaboration and performance management.

3.2 An executive summary of the report is attached as Appendix 2. To obtain a copy of the full report please contact the report author (details below).

4. Conclusions

4.1 We welcome the report and would like to congratulate the Select Committee on completing this piece of work.

4.2 We would also like to thank all the witnesses who gave evidence to the Select Committee, and the officers who supported it.

4.3 Mr Mike Angell, Chairman of the Select Committee, will present the report to Cabinet and the Committee would welcome your comments.

5. Recommendations

5.1 Make comments on the report and recommendations of the Select Committee and support its consideration by Council on 15th May 2014

5.2 Support the following recommendations for County Council:

- The Select committee is thanked for its work and for producing a relevant and balanced document.
- The witnesses and others who provided evidence and made valuable contributions to the Select Committee are thanked.

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Appendix One: Evidence Gathering.

A list of contributors - All provided written evidence prior to meeting with the Committee.

Tuesday 14th January 2014

Judy Doherty, Business Transformation and Programmes Manager, KCC

Tuesday 21st January 2014

John Burr, Principal Director of Transformation, KCC

Mark Lobban, Director of Strategic Commissioning, KCC

Henry Swan, Head of Procurement, KCC

Wednesday 22nd January 2014

Dean Benson, Contract Director - Transportation, Amey

Sam Buckland, Audit Manager, Internal Audit, KCC

Wednesday 29 January 2014

Keith Harrison, Chief Executive Action with Communities in Rural Kent

Roger House, Chairman, Kent & Medway Federation of Small Businesses with

Tim Colman, Director of Partnership Working Limited &

Alison Parmar, Development Manager, Kent & Medway Federation of Small Businesses

Jan Perfect, Chief Executive, Case Kent

Thursday 30th January 2014

Peter Heckel, Director, Project Salus

Carolyn McVittie, Managing Director, Stepahead Support

Thom Wilson, Head of Strategic Commissioning (Children's), KCC

Monday 3rd February 2014

Angela Slaven, Director of Service Improvement, KCC

Nigel Baker, Head of Integrated Youth Services, KCC &

Andy Jones, Planning and Development Manager, KCC

Jason Martin, Director, CAP Enterprise

Tuesday 4th February 2014

Karen Sharp, Head of Public Health Commissioning, KCC

Ryan Campbell, Chief Executive, KCA &

Karen Tyrell, Director, Development and Marketing, KCA

Sean Kearns, Chief Executive. CXK &

Stephen Bell, Director of Business Development, CXK

Thursday 6th February 2014

Peter Turner, Chief Executive, Carers First &

Lorraine Williamson, Chief Executive, Crossroads Care East Kent

Diane Aslett, Development Officer, Age UKs in Kent Consortium with

Nigel Vian, Chief Executive, Age UK North West Kent &

Gillian Shepherd Coates, Chief Executive, Age UK Sevenoaks and Tonbridge

Emma Hanson, Head of Strategic Commissioning - Community Services, KCC

Friday 7th February 2014

Christy Holden, Head of Strategic Commissioning (Accommodation Solutions), KCC

Adrian Adams, Chief Operating Officer, Kent & Medway Care Association / Research Fellow at University of Kent with
Gill Gibb, Member of the Kent Care Homes Association &
Ann Taylor, Chair of the Kent and Medway Care Alliance Board &
Clare Swan, Member of the Board of the Kent Care Homes Association
Comments received as written evidence.

Evidence gathering - Written Evidence to the Select Committee.

To complement evidence heard by members of this Select Committee during their witness hearings; KCC commissioners from across the directorates and a selection of organisations from across Kent were invited to submit their views regarding “How KCC can become a better commissioning authority – in particular removing barriers to small to medium businesses, voluntary agencies and the social enterprise sector?” for the final session on written evidence , Friday 7th February 2014.

Twenty-two organisations from across Kent were invited to send in written evidence. The organisations invited to comment were:

1. A range of Voluntary Agencies and Social Enterprises: both providers and infrastructure organisations;
2. Contracted Youth Services providers;
3. Organisations who had been both successful and unsuccessful in procuring KCC contracts