

## Appendix 1: Action Plan

Select Committee Recommendation	Proposed Actions	Timescales	Responsible owner
<b>Commissioning Landscape</b>			
R1. Support the development of a balanced and mixed economy of potential service providers, balancing cost and maximising where appropriate the use of VCSE and SME organisations with the capacity and skills needed to achieve the outcomes required.	KCC is striving to be an excellent commissioning authority, this means being focused on the delivery of our strategic outcomes, having a strong understanding of the customer needs and that we consider all options in striving to get the best services that are value for money for our residents. By working in this way we will support a mixed economy, with no provider bias. The strengths of the VCS and SMEs will be recognised by having the appropriate intelligence on the services they deliver, their expertise and skills to make informed decisions on service delivery. We will be looking at how we can improve the skill base of our commissioners and the commissioning support specialisms needed to support them. We will also ensure that commissioners are supported to robustly appraise all delivery options available to them during the early commissioning stages.	Early 2015	<ul style="list-style-type: none"> <li>• Transformation Team</li> <li>• Procurement</li> <li>• Commissioning</li> </ul>
<b>KCC as an excellent commissioner</b>			
R 2. Clarify KCC Commissioning objectives and approach, and develop a KCC Commissioning Strategy.	As referenced in the Facing the Challenge reports to County Council in May, KCC is developing a new Strategic Outcomes Framework and Commissioning	April 2015	<ul style="list-style-type: none"> <li>• Corporate Policy with Commissioning and Procurement</li> </ul>

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	<p>framework. These will define what it means for KCC to be a strategic commissioning authority including the functions and capabilities needed and will also set out the strategic outcomes for the authority. The framework will provide clear guidance to commissioners, providers and partners about what good commissioning will look like for KCC.</p>		
<p>R3. Define roles, responsibilities and relationships in commissioning cycle, agree who is best placed to carry out the different tasks, and decide when and how legal advice should be considered in the procurement cycle.</p>	<p>The analysis of roles and responsibilities within the report is welcomed and should be used as a basis to review the procurement and commissioning function in the Phase 2 reviews and to inform the development of our commissioning support. It is recognised that we need to define clearly our Commissioning and procurement functions and make a distinction between commissioning and the role of service managers.</p> <p>The development of a Commissioning Framework for the authority will provide clarity on the process KCC uses for commissioning, setting out the key steps, good practice and defining roles and responsibilities at each stage of the cycle. It will also illustrate the resources available to commissioners to draw upon.</p>	<p>Early 2015</p>	<ul style="list-style-type: none"> <li>• Policy</li> <li>• Commissioning</li> <li>• Transformation Team</li> <li>• Procurement</li> </ul>
<p>R4. Develop the culture of commissioning and contract management, with an ethos of collaborative relationships.</p>	<p>Whilst it is the responsibility of operational commissioners to work with potential providers to explore and encourage where</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>

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	<p>appropriate opportunities for greater collaboration, it should not be the role of the County Council to dictate how the sector/potential providers should operate. It is however the responsibility of KCC to help shape the market in Kent and make it aware of our commissioning intentions. Whilst sub- contracting can be a useful and effective way of commissioning services we recognise that we must put mechanisms in place to manage the supply chain and ensure that all providers are equally treated and that smaller VCSE entities can benefit from sub- contracting arrangements. Our new commissioning framework will make clear how we will support the VCSE to effectively engage in KCC procurement exercises and what we expect of all providers both internal and external which are commissioned by KCC, this will include looking at how we can support sub- contracting and consortia arrangements.</p>		
<p>R 5. Extend the Kent Compact or similar agreement to include private sector providers working with the VCSE organisations.</p>	<p>Whilst we are sympathetic to the points raised in relation to sub-contracting we do not believe that the Compact is the right mechanism for managing how the private sector works with the VCSE in potential sub-contracting arrangements. This should be achieved through the development of good contracts and through the</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Procurement</li> </ul>

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	management of the supply chain, ensuring that all providers are treated fairly and equally, as stated in R4.		
R 6. Invest time defining the desired outcomes and measures (quantitative and qualitative), ensuring these are user and communities focused and evaluate impacts (not outputs), using Co-production of outcomes and measures where appropriate.	<p>We absolutely agree that defining outcomes is critical for specifying and securing the right services. This should be based on a blend of quantitative and qualitative measures and we recognise the need to improve our evaluation with regards to qualitative analysis. We also support that wherever possible outcome measures should be co-produced.</p> <p>The development of a Strategic outcomes framework will provide the foundation for aligning commissioning objectives of clients and services to the strategic outcomes KCC wants to achieve as a county at a population level.</p> <p>The strategic outcomes framework will be informed by public consultation. The new commissioning framework will also set out how we will ensure that each contract established by KCC links directly to the new outcomes framework.</p>	On going	<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Policy</li> </ul>
R 7. Improve how we join up commissioning across the authority. There is a need for better collaboration and partnership building across silos and with providers.	The strategic commissioning plan and outcomes framework will span client groups and define outcome which will drive commissioning and service activity, encouraging collaboration across the council. The county wide commissioning framework will ensure that there is	April 2015 and ongoing	<ul style="list-style-type: none"> <li>• Corporate Policy</li> <li>• Commissioning</li> </ul>

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	<p>consistency in the way we commission and will set out how we will commission with partners.</p> <p>We recognise that better engagement with partners provides opportunities to identify innovative models of service delivery and we are moving towards closer joint commissioning arrangements with colleagues in Health in this way. We also expect commissioners to engage with providers who very often have innovative ideas about how to deliver services which are not focused on organisational boundaries.</p>		
<b>Engagement and Communication</b>			
<p>R 8. Provide more opportunities to co-design and co-produce services where appropriate, to capture the value of what organisations are already doing, and ideas to innovate.</p>	<p>The development of a KCC commissioning framework will set out the principles underpinning our commissioning including our commitment to involving residents in the co-production of services and monitoring the effectiveness of commissioned services. There will be an expectation that operational commissioners will work alongside customers and organisations to ensure that we are clear on the outcomes we are seeking to effect through our services and that we build upon best practice.</p>		<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>
<p>R 9. Need to ensure that specifications are 'fit for purpose' and reflect market engagement, identify level of need and</p>	<p>We agree that service specifications are a critical product to driving effective commissioning. We acknowledge that we</p>	<p>Autumn 2014</p>	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>

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<p>desired outcomes, allow innovation and flexibility, leading to better contracts.</p>	<p>must get better at designing them and at how we arrive at our specifications, engaging providers and service users. However our specifications must also be proportionate and flexible to ensure that we do not limit the innovation of providers. Our commissioning framework will recognise this balance but there will always need to be an element of judgement made by the commissioner to ensure that we get the right specifications and better contracts as a result.</p>		
<p>R 10. Actively consider how service users and stakeholders can have greater input and influence in the specification, and service users in the evaluation of tenders.</p>	<p>There are already examples where KCC has successfully involved service users and stakeholders in the development of specifications and we strongly support this approach wherever possible. Our commissioning framework will place great importance on the analyse and review stages of the commissioning cycle and our approach to commissioning will be underpinned by the principles of co-production and service user engagement throughout the cycle. It will be the responsibility of operational commissioners to ensure that there are opportunities for input and influence in the specification wherever appropriate and this should be built into the commissioning timetable. There will be an expectation that commissioner will be able to evidence</p>	<p>On going</p>	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>

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	service users and customer input into the design of the commissioning specification wherever appropriate.		
R 11. Ensure appropriate and timely communication throughout the market engagement and tendering processes – about timeliness, communicating reasons for changes, levels of awareness.	We strongly support the principle of engaging early with the VCSE and private sector to inform our commissioning plans and specifications. This will enable commissioners to understand what the sector can provide and will ensure that they are well informed of our commissioning intention. This is vital to the delivery of innovative services based on quality specifications.	On going	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>
R 12. Promote contracting opportunities to VCSE and SMEs and Better or enhanced promotion of the Kent Business Portal to increase awareness (including with small and micro enterprises), and for the Portal to be more easily navigable.	The effectiveness of the portal should be considered within the phase review of procurement to ensure that the portal is responsive and easily accessible.	Starting Summer 2014	<ul style="list-style-type: none"> <li>• Transformation Team</li> <li>• Procurement</li> </ul>
R 13. Extend the use of the portal to enable other local Authorities to promote contract and subcontracting opportunities, broadening potential access for VCSE and SMEs.	Procurement will explore the possibility for the portal to be used by other local authorities outside of the County.	Ongoing	<ul style="list-style-type: none"> <li>• Procurement</li> </ul>
<b>Procurement process</b>			
R14. Strengthen our processes to access and utilize knowledge of Commissioners and potential providers - KCC should consider within the current Tendering process and complying with procurement law how KCC can strengthen our	KCC's commissioning framework will set out our required standards and principles throughout the commissioning cycle and will place equal importance on the review element of the cycle. Commissioners will be expected to review the performance	Ongoing from Autumn 14	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Commissioning</li> </ul>

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<p>understanding of the local knowledge and experience of organisations, for example by incorporating:</p> <ul style="list-style-type: none"> <li>- visits to existing services of potential providers</li> <li>- reflecting knowledge of past performance/experience of working with a provider, both good and not so good.</li> </ul>	<p>and effectiveness of commissioned services and use this intelligence to inform re-commissioning of services and future service specifications. This should also include using the experience of other local authorities where providers have already undertaken similar services on their behalf.</p>		
<p>R 15. Simplify and standardise procurement processes further to remove or minimise procurement process barriers by:</p> <ul style="list-style-type: none"> <li>- introducing reduced and less onerous requirements for low value contracts (e.g. financial evidence - self certification/documentation for low risk/low value followed by a more detailed analysis if proceed to award stage, proportionate pre papers or discontinuing PQQ where appropriate)</li> <li>- simplifying and standardising the core and online PQQ, retaining the flexibility to add additional questions for more complex service areas</li> <li>- better co-ordination of Commissioning and co-ordinating the diary of tenders across KCC where possible and introducing a plan of tenders</li> <li>- giving earlier notice of intention to put contract out to tender and more time for the completion and submission of tenders.</li> </ul>	<p>We agree with the principles set out and will look at how these issues will be addressed and the viability within the Phase 2 review of procurement.</p>	<p>Ongoing from summer 14</p>	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Transformation Team</li> </ul>
<p>R 16. Promote opportunities to VCSE and</p>	<p>Whilst we understand the principle and</p>	<p>On going</p>	<ul style="list-style-type: none"> <li>• Procurement</li> </ul>



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<p>SMEs through publication of lower value contracts (i.e. £5K) and greater transparency regarding low value contracts that are available.</p>	<p>reason for lower value contracts, Spending the Councils Money already allows officers to purchase or contract services under £8k without 3 quotes and without the need for a disproportionately resource intensive process. However we agree that this should be done in a transparent manner; procurement should ensure that they hold the intelligence on a range of VCSE and SME provider and can offer advice on who can provide these lower value services. They should also ensure that lower value contracts over £5k are reported.</p>		
<p>R 17. Reflect Social Value sufficiently in our procurement decisions – need to actively consider how much of each procurement decision should be assigned to Social Value, and not only between price and quality.</p>	<p>KCC is committed to considering social value within our commissioning however there are limitations to the Social Value Act which must be acknowledged. The Act only applies to public services above the relevant monetary thresholds in the Public Contracts Regulations (2006) whether they fall under Part A or B of those regulations, this is £173,934. However we will ensure that social value is considered in all commissioning exercises where it is relevant to the service being commissioned, irrelevant of contract value, to ensure that community benefits are maximised. It is therefore for operational commissioners to determine how they will recognise social value where appropriate and evidence it on a case by case basis</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Procurement</li> </ul>

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	<p>during the pre-procurement process. We will expect all commissioning specifications, where appropriate to evidence how social value has been considered and what is being recommended in the specification with regards to social value. This must be relevant to what is proposed to be procured.</p> <p>A social value toolkit is being developed by operational commissioners which will offer guidance to commissioners about how social value can be considered and evidenced within the procurement process. This will need to be clear and transparent so that all potential providers, regardless of the sector can demonstrate their added value.</p>		
<b>Support to develop the market and build capacity</b>			
<p>R 18. Actively consider how best to support the development of the market and build capacity, particularly how best to provide support to VCSE and to SMEs.</p>	<p>KCC is committed to supporting the growth of SME's and the VCS and values the vital role they play in Kent. However we also recognise that the local authority must act within procurement law.</p> <p>Adult social care's recent purchase of a short term (18 month) market development service to support the VCS is welcomed. However it is important that we consider the support needs right across the VCS, therefore we will be reviewing our support</p>	<p>Winter 2014</p>	<ul style="list-style-type: none"> <li>• Corporate Policy</li> <li>• Commissioning</li> </ul>

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	to the sector as part of the development of our VCS Policy. This will require us to review the existing infrastructure support which is funded through KCC and how this can best meet the future needs of the VCS sector.		
<b>Contracts and grants</b>			
R 19. Break down larger contracts into smaller lots, wherever practical.	Whilst it is right that commissioners consider the most appropriate process for securing the best outcomes and best value for residents it will not always be appropriate or cost effective to break contracts down into smaller lots. In some cases a grant arrangement may be more appropriate for small scale niche services and the development of our VCS Policy will help to set standards around the use of grants and contracts with the VCS.	Autumn 2014	<ul style="list-style-type: none"> <li>• Corporate Policy</li> </ul>
R 20. Requirement for prompt payment terms all the way down our procurement supply chain continues to be built into contracts; and improve monitoring of this requirement to ensure compliance.	KCC now has a target for paying contractors in 14 days which has been delivered within 90% of contracts. We recognise that there is always room for improvement and the importance of prompt payment in particular for SME's and VCS organisations who have limited access to credit. We will therefore, through our procurement department put in place plans to ensure that delivery upon this target continues to improve.	On going	<ul style="list-style-type: none"> <li>• Procurement</li> </ul>
R 21. Recognise there is a clear role for 'smart' grants that are innovative, and	KCC recognises the value of grant funding in supporting the vital role of the VCS in	Autumn 14	<ul style="list-style-type: none"> <li>• Corporate Policy</li> <li>• Commissioning</li> </ul>

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outcome based. Need to ensure that their use is transparent and are time and task specific, and monitored /evaluated for success.	Kent. We are developing a VCS policy which will set out principles and standards around our engagement with the sector, including setting out standards around the appropriate use of grants and contracts. By having a standardised approach to grants and a transparent process in place we will be able to monitor the impact of our funding and provide clarity to the sector about the use of grants. It will be for commissioners to ensure that they are operating in accordance to these principles and that we are using the most effective and appropriate funding mechanism for each of our services.		
R 22. Improve the capabilities to performance manage contracts; and ensure the capacity to monitor and evaluate performance and support improvement when appropriate.	The management of contracts is integral to the success of a commissioning authority and we already have examples of good practice within the local authority, for example Highways. However we recognise that this is an area where we need to strengthen our skill se. It is essential that the contracts put in place are of a high quality and enable the authority to act when standards are not being met or to improve performance when needed through the close monitoring of contract delivery.	On going	<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Procurement</li> </ul>
R 23. Stipulate that all contracts have clearly scheduled performance reviews and evaluate	KCC agrees that the review function is vital; effective commissioning authorities use their data analysis information and	On going	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>

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<p>outcomes/outcome evaluations – for instance ensure contracts have schedule of reviews.</p>	<p>expertise to test and question the effectiveness of services at regular intervals. This can lead to ‘fine tuning’ or even major changes to specifications before re-commissioning, to learn from what has worked and not worked. It is also recognised that we need to focus our contract management and evaluation on outcomes rather than outputs and this is something we will take forward.</p>		
<p>R 24. Complete the Contracts register to include all contracts over 50k – and include details of the named contract manager, and Lead Director</p>	<p>We agree with this recommendation and will take this forward as a matter of urgency. The Local Authorities (Data Transparency code) will become mandated when regulations under section 3 of the Local Government, Planning and Land Act 1980 come into force. This will require the local authority to publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. This will need to include a range of information including details of the goods or services being provided and the department responsible and whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation. Procurement will be putting in place plans to ensure that this information is collected and made</p>	<p>Early 2015</p>	<ul style="list-style-type: none"> <li>• Procurement</li> </ul>

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	available.		
R 25. Manage internally provided Services with as much rigour for outcomes, and performance management as other providers.	As set out in our Whole Council Transformation paper in 2013, KCC as a commissioning authority must have a strong understanding of the outcomes it wants to achieve and the capability of providers including in-house to deliver these. In- house providers will therefore have to compete to deliver contract specifications with external suppliers, with no differentiation in the way our contracts are managed between internal and external providers.	On going	<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Performance and Risk</li> </ul>
<b>Member role</b>			
R 26. Further work is undertaken to the member role and what mechanism would best strengthen member oversight of commissioning, procurement and contract management; and member involvement earlier in the process and pre market engagement; and members are supported through training.	The May 2014 County Council paper accepted that further work on the role of the Member in a commissioning authority was urgently needed, and to that end the Leader has established a cross party Member Working Group on Commissioning, chaired by Eric Hotson, which will examine the key issues raised in this recommendation, and which will report back through Selection and Member Services Committee to County Council. The Group will also consider the appropriate training required for Members in a commissioning authority. It is expected to report its final recommendations before the end of the year.	December 2014	<ul style="list-style-type: none"> <li>• Corporate Policy</li> </ul>
<b>Social Value</b>			

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R 27. To maximise and give greater recognition to Social Value, incorporate consideration of social value questions in tender evaluation criteria and procurement decisions where possible, and develop a Social Value Charter.	<i>Refer to action under recommendation 17.</i>	Autumn 2014	<ul style="list-style-type: none"> <li>• Commissioning</li> </ul>