

By: Paul Carter, Leader of the Council

To: County Council – 11 December 2014

Subject: Facing the Challenge: Commissioning Framework

Summary: This paper provides an overview of the new KCC Commissioning Framework and seeks Members' approval to proceed with implementation of the Framework.

RECOMMENDATIONS:

The County Council is asked to agree the following:

- The Commissioning Framework in Appendix 1 is adopted by the County Council and becomes part of the Council's Policy Framework
- The principles proposed within the Framework are taken forward and embedded across KCC by Directorates and Change Portfolios as appropriate.

1. INTRODUCTION

- 1.1 With public sector austerity expected to continue for years to come, coinciding with unprecedented demand for our highest cost public services, KCC needed to respond to these challenges in a way which not only ensures that we can sustainably manage the financial impact on the Council and on our residents, but also continue to support the people and place of Kent in a way that is integral to the values of KCC.
- 1.2 In July 2013, KCC set out our response to these challenges through 'Facing the Challenge: Whole-Council Transformation'. This paper outlined how we would urgently rethink our delivery models to drive out short-term savings, alongside a longer-term strategy of evolving towards becoming a strategic commissioning authority by 2020.
- 1.3 In September 2013 the council's first corporate transformation plan for the whole organisation was agreed. 'Facing the Challenge: Delivering Better Outcomes' set out how the 'growing gap between resources and needs can only be met by taking a radically different approach, an approach that requires whole-council transformation, through moving to become a commissioning authority – with a greater focus on outcomes and less focus on the process or vehicle used to deliver services'. It sought to align all pre-existing and future change activity under one banner, to ensure that our change activity is coordinated and targeted towards addressing our most significant challenges.
- 1.4 This transformation programme is being delivered at pace, and significant benefits have already been achieved. Our portfolio approach is ensuring that we are focused on outcomes for residents across each 'age and stage', and we are

in the process of establishing new delivery models which will enhance our ability to deliver effective, value for money services to our residents.

- 1.5 These transformation activities are integral to KCC's response to our financial challenges, and are vital steps on our journey of moving towards becoming a commissioning authority, but we also need to ensure that we are taking a strategic approach to this progression. Therefore in May 2014, through 'Facing the Challenge: Towards a Strategic Commissioning Authority', County Council recognised the level of change required, identified several key gaps that need to be addressed, and recommended the development of a Commissioning Framework for KCC.
- 1.6 In May 2014 Members considered a paper entitled Facing the Challenge: Towards a Strategic Commissioning Authority, which highlighted key areas in which we need to strengthen our capability to enable KCC to become a more effective strategic commissioning authority, focused on achieving our outcomes however our services are delivered. It also provided more detail on the proposed role of Members in commissioning. As a result Members agreed to the development of a Commissioning Framework that would "enable consistency of approach to commissioning across KCC, provide a process and principles for commissioners to apply, and standards to meet, when commissioning any service".
- 1.7 This Framework has now been developed and is attached to this paper as Appendix 1 for consideration by County Council.

2. APPROACH

- 2.1 The Commissioning Framework has been developed in close partnership with Members and with officers across the Council. This engagement has involved:
 - A cross-service Officer Working Group was established to lead on the delivery of the Commissioning Framework. The Group has met six times since July 2014 and comprised Officers from all KCC Directorates.
 - Discussions with Cabinet Members as a group and individually, to inform the development of the commissioning principles.
 - Engagement with the Member Working Group on Commissioning which was established by the Leader of the Council to consider the role of Members in commissioning. Regular updates have been provided to the Group on the development of the Framework, and the Group has had several discussions on the emerging principles. A joint meeting between the Member and Officer Working Groups was also held to discuss how Members and Officers could collaborate more through the commissioning cycle, informing the Terms of Reference of the new Commissioning Advisory Board.
 - Engagement workshops were held with staff from all change Portfolios, to seek views on what we are already doing well in relation to commissioning and how we can improve our approach. Over 100 staff attended these workshops.

- Initial thinking on the emerging principles was discussed with union representatives to help inform the development of the Framework.
 - Initial thinking on the emerging principles was also discussed with representatives of our voluntary sector partner organisations, to help ensure that the commissioning approach we will be embedding helps us to be an effective commissioning partner for our local voluntary and community sector.
 - The draft Framework was also considered by Directorate management teams across KCC.
- 2.2 The feedback received from these various groups had an integral role in the development of the Framework and the document now being considered by County Council has been significantly redesigned to ensure that it meets the needs of stakeholders within and beyond KCC.
- 2.3 The Commissioning Framework aims to reflect the recommendations from the Select Committee on Commissioning, which published its report in April 2014 and which was a key driver of the Framework. The Select Committee made several recommendations which have been incorporated into the Framework, in particular in respect to social value and the importance of close working with our voluntary sector partners.
- 2.4 In addition, the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) recently commissioned the development of a national set of commissioning standards. The purpose of these national standards, like our local Framework, is to help improve outcomes and authorities will be self-assessing their commissioning practice against these national standards. As such, we have also ensured that there is significant alignment between the national standards and KCC's new Commissioning Framework, to ensure that we are reflecting national best practice.

3. OVERVIEW OF THE FRAMEWORK

- 3.1 The purpose of the Commissioning Framework is to provide a clear picture to Members, staff, residents, partners and providers about how we will use a commissioning approach to achieve the impact articulated within the Corporate Outcomes Framework.
- 3.2 It reinforces statements already made by County Council, for example emphasising that becoming a strategic commissioning authority does not mean that we will outsource all KCC services. Instead, it is a core principle of the Council that we will be open-minded about how best to achieve outcomes, and will hold all providers to account for the delivery of KCC's strategic outcomes, be they internal providers, external providers or those funded through grants.
- 3.3 It also emphasises the priority placed by Members on genuine consideration of social value in all KCC commissioning. This reflects the recommendations of the Select Committee on Commissioning and helps ensure that we are making informed decisions about the extent to which we will enhance social value within the funding available for any KCC service.

- 3.4 Building our internal and external commissioning capacity is another fundamental element of the Commissioning Framework. Not only do we need to support our staff and Members to embed this commissioning approach, but also in line with our continued commitment to the voluntary sector in Kent, we will need to support the development of commissioning skills and capacity in our partner organisations. We will ensure that our commissioners are empowered to commission services in the way that best delivers the outcomes we seek, and that our residents and our provider partners (particularly those in the voluntary sector) are able to fully engage in our commissioning activities.
- 3.5 The Framework sets out ten core principles which we will embed in everything that we do as an authority, to use the discipline of commissioning to develop an outcomes-focused commissioning culture across KCC. These principles are:
- **Principle 1:** Focused on outcomes for our residents
 - **Principle 2:** A consistent commissioning approach to planning, designing and evaluating services
 - **Principle 3:** The right people involved at the right stage of commissioning
 - **Principle 4:** Open-minded about how best to achieve outcomes
 - **Principle 5:** High-quality, robust evidence informing our decisions
 - **Principle 6:** Hold all providers to account for the delivery of KCC's strategic outcomes (strong contract management)
 - **Principle 7:** Customers at the heart of our commissioning approach (including customer insight)
 - **Principle 8:** A commitment to building capacity
 - **Principle 9:** We will maximise social value
 - **Principle 10:** Our supply chains will be sustainable and effective
- 3.6 The Framework sets out our goal for each principle and what this means in practice, for KCC, for our staff and our partners.

4. IMPLEMENTATION

- 4.1 The Framework makes clear that becoming a strategic commissioning authority is not about implementing new organisational structures or bureaucratic processes. As such the way in which the principles of the Framework are embedded will vary from service to service across KCC. Cabinet Members and Corporate Directors will be responsible for embedding these principles within their Directorates, and our established project assurance and audit processes will be used to assess the extent to which we are progressing towards making these goals a reality.
- 4.2 Each Directorate will be responsible for taking forward actions which support the implementation of the Framework, for example ensuring that commissioning-related accountabilities are clearly defined, and updating our existing transformation blueprints to reflect the Council's agreed strategic outcomes.

- 4.3 A toolkit will also be developed to support practical implementation of the Framework, for example providing more detailed guidance on the role of Procurement and on how social value can be measured. A Workforce Development plan for commissioning skills is also being developed.

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Appendices:

- Appendix 1: A commissioning framework for Kent County Council: Delivering better outcomes for Kent residents through improved commissioning

Background Documents:

- [Facing the Challenge: Towards a Strategic Commissioning Authority, May 2014](#)
- [A collaborative approach to Member involvement in Commissioning - Report of the Member Working Group, October 2014](#)
- [KCC Commissioning Framework – Equality Analysis/ Impact Assessment](#)