

CABINET -

Report From: The Joint Chairs and Vice-Chairs Steering Group (Scrutiny, Audit and Democratic Services Committees)

Subject: Commissioning and Procurement Board.

1. Background:

- 1.1 At its meeting on 22nd January, 2016 the Joint Chairs and Vice-Chairs Steering Group of the Scrutiny, Audit and Democratic Services Committees asked for a briefing as to the role and operation of the Commissioning and Procurement Board. This briefing as set out in paragraph below was considered at the Joint Chairs and Vice-Chairs Steering Group held on 18th March, 2016.

2. Briefing Document Provided to the Chairs and Vice-Chairs Steering Group.

“The Commissioning and Procurement Board comprises all members of the Cabinet, the Strategic Directors for Place, People and Resources together with the Heads of Service who have responsibility for commissioning (i.e. Housing, Regeneration, Professional Services). Other Heads of Service attend as necessary.

The Board is supported by officers from Procurement, Performance and Finance together with a representative of Northgate as the Council’s strategic partner. The Board has been in existence since May 2013. The Board met 5 times in 2015 and the last meeting was in January, 2016.

The terms of reference for the Board are attached to this briefing note.

The items considered by the Board over the last year include the following:

- Activity Update – Commercial Services Team and Northgate activity update;
- Dashboard reporting;
- Major Commissioning Activity Timeline;

- Contract and Exemptions Registers – monitoring by the Commercial Services team – update and opportunity to escalate any issues to the Board;
- Strategic Commissioning in Public Services – feedback from learning event;
- Process for presenting workplans to the Board for consideration;
- Gateway procedures (spend authorisations) – update;
- Service Commissioning Design Roll Out Workstream Action Plan;
- Commissioning and Procurement approach – saving and cost monitoring;
- Project update – The Integrated Commissioning of Care Homes project;
- Corporate Commissioning Group update – IPC Action Plan Report;
- Joint Commissioning Plan and Strategy for Older People in Powys 2015-2020;
- Integrated Commissioning of Older People’s Residential and Nursing Care Home / Market development – update;
- Joint Venture Company;

Issues:

Whilst the activity of the Board seems to be focused on current projects, the Board is now starting to look at a forward work programme but this is at an early stage. This forward work programme should be longer term and populated from known forthcoming procurement exercises and from any commissioning proposals identified in the Medium Term Financial Strategy. The MTFS has (for the first time) produced a balanced three year financial plan much of which requires transformation and recommissioning of existing activity.

In the minutes of the Board meeting on 19th June, 2013 under the item “Contracts Register” it was stated:

“The Board welcomed receipt of a contracts register and agreed that it would be right for the Board to consider arrangements for entering into spend agreements well in advance of the expiry of contracts so that the Board could determine what actions should be taken. The Board supported officers in contacting those with budget responsibilities across all services to request that they provide contract information so that the register could be updated. The Board also requested that information in relation to spends above £300k be reported and that future reports should identify the responsible manager and portfolio holder”.

In the 18 September, 2013 meeting minutes it is stated under “Contracts and Exemptions Register”:

“The register contains information in relation to contracts due to expire within 18 months with a total value of around £74 million, the aim being to capture all contracts held by the Council, however, it is for managers to provide information to populate the register.”

In the 17th September, 2014 meeting minutes it states under “Contracts and Exception Registers”:

“Having reviewed the contracts register for those contracts which are ‘known’ and due to expire in the next 18mths (736 contracts) it was agreed that each portfolio holder should review their areas and meet, if appropriate, with the relevant manager to discuss future commissioning and procurement work.”

However, major procurement / commissioning items should appear in a timely fashion on the agendas and this has not always happened for example:

Community Delivery / Transfer of Services:

- March, 2015 – comment regarding merits in considering how the Authority could support communities with the commissioning and procurement approach.

BUPA Contract (contract terminates April, 2016):

- 28th July, 2015 – larger projects to be driven by a project team with an accountable project manager. Joint approach by the Council and the Health Board to commission care and the need to adopt a regional approach.
- 20th October, 2015 – some comment about work undertaken to gain intelligence to inform commissioning options. Work mapped current provision against forecasted by locality.
- 24th November, 2015 – comment about contracts for care home provision being the subject of concern, and issues in Powys about limited choice and limited numbers of operators.

- 26th January, 2016 – item specifically about integrated commissioning of older people’s residential and nursing care market development. Minutes refer to extension of current contract for 2 years to allow a fuller review of provision and reassessment of need and options.

Joint Venture Company:

- 12 May, 2015 – Property Service to issue information that week regarding the setting up of a joint venture company.
- 28th July, 2015 – comment about Commercial Services team attending JVC Project Board and need for Commercial Services to be involved in the shaping of the company.
- 26th January, 2016 – update in relation to arrangements for operating a JVC. More detailed update to next meeting.

There also do not appear to be any decisions / recommendations made by the Board to Cabinet regarding projects and the approval of processes / matters relating to commissioning of projects. In addition there does not seem to be any apparent links between Project Boards and the Commissioning and Procurement Board.

Having read through the minutes of the Board for the past year it is also disappointing to note that there appears to be little or no level of challenge / critical friend comment recorded in the minutes to any proposals brought before the Board which would have been expected in the notes of meetings. Whilst this may have happened it has not been reflected in the minutes. In addition it would have been expected that there should have been comment regarding some of the major procurement activity which the Cabinet would have been aware was ongoing, but is not being reported in a timely fashion to this Board.”

3. Additional Comments by the Chairs and Vice-Chairs Steering Group.

- 3.1 The Steering Group expressed concern that the Commissioning and Procurement Board was not meeting its own terms of reference and objectives. Whilst the decision making process at Cabinet level was satisfactory, the monitoring and progressing of contracts was thought not to be undertaken. The Steering Group was concerned that it appeared that major items were late in being considered by the Board due to the lack of appropriate forward work planning. The challenge process by the Board was also not self evident from the documentation seen. The Steering Group was further concerned regarding the value of contracts which were out of time and how many were being extended.
- 3.2 There were in addition concerns regarding whether lessons had been learned from previous commissioning exercises e.g. domiciliary care contract, and that these lessons are applied to future commissioning projects. Furthermore the Steering Group highlighted that the lack of a forward commissioning plan, both at strategic and service levels, restricts the Council’s Business Intelligence Unit in being able to pull together data in advance of commissioning events.
- 3.3 In relation to the BUPA contract the Steering Group questioned whether the review was sufficiently expansive and should include such matters as co-location. The Steering Group suggested that the Council needed to review its capacity and capability in relation to transformation. It is recognised that capacity has been reduced and it will take time for levels of expertise to be recreated to meet the authority’s needs. The Council therefore must act within its capabilities.

RECOMMENDED to the Cabinet that the briefing document and additional comments by the Joint Chairs and Vice-Chairs Steering Group be considered, and that a response be provided to the Steering Group within two months of the Cabinet meeting.

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Sources/background papers:

Minutes and Agendas of the Commissioning and Procurement Board

Powys County Council

Commissioning and Procurement Board

Terms of Reference

The Commissioning and Procurement Board's purpose is to ensure that the procurement of goods, services, land and property achieve value for money in delivering the Council's corporate strategy and strategic priorities.

The Commissioning and Procurement Board's scope covers all commissioning & procurement activity undertaken by the Council and includes but is not limited to the following:

- Externalisation of in-house services,
- Collaborative C&P arrangements with other public sector agencies,
- Membership or work of partnerships set up as a result of national guidance

The Board will ensure:

- 1.1. The Council's Commissioning and Procurement Strategy is updated on a regular basis and in line with legislation, Government requirements, national guidance and good practice.
- 1.2. That the Council's Contract Procedure Rules are updated on a regular basis and in line with the Council's Commissioning and Procurement Strategy, legislation, Government requirements, national guidance and good practice.
- 1.3. The co-ordination between Council's Commissioning and Procurement Strategy, Contract Procedure Rules and financial regulations, and the appropriate project management arrangements.
- 1.4. That the Commissioning and Procurement Strategy, Contract Procedure Rules and commissioning and procurement activities reflect sustainability including, community development, community safety, diversity, economic development, equalities and health and wellbeing.
- 1.5. Resolution of problems or conflicts regarding the Council's procurement policy or process, and monitor decisions made by the Sect 151 officer to waive standing orders (ie contract exemptions);
- 1.6. The monitoring of compliance with the Commissioning and Procurement Strategy and Contract Procedure Rules and monitor actions in response to non-compliance .
- 1.7. The approval and monitoring of the delivery of the Commercial Services Team's Forward Work Plan and approve any required changes to the plan.
- 1.8. That the central lists of contracts held by the Commercial Services Team (consistent language with CPRS)
- 1.9 The monitoring of any strategic initiative relating to commissioning and procurement
- 1.10 Recommendations to the appropriate officer as to the need to change to the Constitution, Standing Orders, Financial Regulations, Commissioning and Procurement Strategy.
- 1.11 Consideration of such reports regarding commissioning and procurement issues as determined by the Section 151 Officer.
- 1.12 The promotion of corporate risk management and the balance of Council requirements with commissioning and procurement practice
- 1.13 The tracking of the benefits and impact of the Council's commissioning decisions on the Powys economy.

Membership

The Commissioning and Procurement Board's membership consists of:

Standing Members:

Cabinet

(Chair to be held by the Portfolio Holder with Commissioning and Procurement responsibilities)

Strategic Directors:	Resource/People/Place.
Professional Lead:	Commercial Services.
Professional Lead:	Finance.

Heads of Service with Commissioning Responsibilities.

In attendance:

Other Officers by invitation.

- The Board has one standing sub-group, a procurement executive group.
- The Board may co-opt other people for their specialist expertise for one or more meetings.
- The Board may invite but cannot require any other Member or officer to join them for whole or part of any meeting.
- The Board may set up short-term 'Task and Finish' groups for any related purpose, with membership drawn from a wider group than Board membership if necessary.