

Minutes

PROCUREMENT TASK & FINISH GROUP

MINUTES OF THE PROCUREMENT TASK & FINISH GROUP HELD ON THURSDAY 18 NOVEMBER 2010, IN LARGE DINING ROOM, JUDGES LODGINGS, AYLESBURY, COMMENCING AT 1.00 PM AND CONCLUDING AT 3.53 PM.

MEMBERS PRESENT

Mrs M Aston, Mr H Cadd, Mrs L Clarke, Mrs M Clayton, Mr M Phillips (C), Ms J Puddefoot, Mr R Reed and Mr B Roberts

OFFICERS PRESENT

Mr T Boyd, Ms H Halfpenny, Ms M McFarlane, Mr C Munday, Ms K Robinson, Mr S Rooney, Ms R Rothero, Mr P Stonehewer, Ms S Turnbull and Mrs E Wheaton

1 APOLOGIES AND CHANGES IN MEMBERSHIP

Apologies were received from Mr Doug Anson and Mr Steve Kennell.

2 DECLARATIONS OF INTEREST

Ms Puddefoot declared that she is the Vice Chairman of Youth Concern in Aylesbury and she has a number of family members who work within the service areas who are providing evidence at the meeting.

3 PRESENTATION AND Q&A WITH TREVOR BOYD

Trevor Boyd started by introducing his colleagues, Rachael Rothero, Marcia McFarlane and Karen Robinson. He then took Members through his presentation. He explained that there is a new vision for Adults and Family Wellbeing which is based on a power shift from the state to the citizen and includes the following:

- Extend the rollout of personal budgets to everyone who is eligible by 2013
- Increase preventative action in local communities
- Keep people independent and help to build the Big Society
- Break down barrier between health and social care funding
- Encourage care and support to be delivered in a partnership between individuals, communities, the voluntary sector, the NHS and councils – including wider support services, such as housing



INVESTOR IN PEOPLE



- Making information about care and support available to everyone irrespective of whether they fund their own care.

Trevor took Members through some of the key strategic priorities and explained that these priorities need to be considered alongside the operational priorities which support the delivery of significant MTP savings. He went on to say that personalisation will result in a change in the balance of relationships between users, suppliers and the County Council.

Trevor explained the nature of contract management and the benefits of contract review and monitoring. As part of this process, the team obtains user and carer feedback and it also provides opportunities to address safeguarding/vulnerable adult issues. He said that the service currently has 12,146 clients who access their services (he clarified that some clients access more than one service). The service area currently has 569 provider contracts of which 4 contracts are worth over £5 million and 335 are worth less than £50k. The service is facing a number of challenges from the market place, including the issue of how contracts will be monitored under the new personalisation regime. Providers are also facing major additional costs. Trevor said that the team need to have a good relationship with providers in order to deliver the required MTP savings and to maintain good quality services for the most vulnerable.

During discussion, the following questions were asked and issues raised.

- A Member asked whether the County Council has spoken to other authorities to see how they are doing their contracts. Rachael responded by saying that dialogue with other authorities takes place all the time. She went on to say that the County Council needs to have greater leverage in the market place and there are different types of procurement strategies.
- Marcia McFarlane explained that currently one to one conversations with individuals and their families take place to ascertain their needs but in future things will change and specific tools will be made available to individuals to assist them with making their own choices. The aim is to become more streamlined and to make the process less bureaucratic. Personalisation means a very different market place in future.
- Rachael went on to explain “Care Plan” services which arranges a package of care for an individual. She said that this service is being developed so that it can be embedded in the local community and it requires skilled brokers to speak to individuals about their individual needs. This will be a challenge for providers and it could potentially become very expensive for them. A Strategic Framework will be developed which will lead to savings and a smarter way to contract services.
- A Member asked who is responsible for the costs associated with the transition period – is it the County Council or the provider? The Member went on to say that drawing up the contract is very important and training is an important aspect of the content of the contract. Rachael provided an example of the newly contracted-out Domiciliary Care (Dom Care). There were previously 45 providers of Dom Care and there inefficiencies and inconsistency in the level of service so the aim was to reduce the number of providers. Providers were asked to include a transition plan as part of the tender process. She went on to say that the service area is working closely with the incumbent providers and with the new provider. Legislative changes have put providers in a different position.
- Rachael explained that a strategic business case needs to be made before the procurement process can start.
- A Member made the point that as a County Council, should we become procurers of services and provide nothing in-house. Marcia explained that it would be impossible to withdraw all services in-house if the marketplace can not deliver. The organisation would have to be very clear about the risks associated with out-sourcing.

- A Member asked who picks up the costs of a child's transition from children services to adult services. Rachael responded by saying that the process does need to be made smoother and once a child moves into the adult services area, they will then be told what their budget for services is and provided with information which allows them to make informed decisions. She went on to say that sometimes with vulnerable adults, quick decisions have to be made.
- A Member expressed disappointment and the lack of any mention of value and the absence of contract management. Good contract specification and effective and robust contract management are essential. The Member felt that he had heard about tactical solutions rather than strategic solutions and he felt that the procurement process should not be over-complicated. Trevor responded by saying that the skill sets for purchasing widgets and people are similar but the service area has a duty to vulnerable adults and as part of that duty, the service has to manage the marketplace. The Member went on to say that all organisations need to look at risks and if a provider goes against something which is written into the contract, then they are in breach of the contract. The County Council has a responsibility to procure the correct services.
- A Member asked whether the County Council has the right level of expertise in procuring services. Rachael explained that with the evolution of "Personalisation", the County Council will no longer procure services, it will be the responsibility of the individual to procure the right services for them.
- A Member made the point that the procurement team should be like a "second skin" to the service area and they should work very closely together. Rachael explained that they do not commission services in isolation and they would always work closely with the procurement team.

[Lesley Clarke leaves the meeting]

- A Member asked how risk is managed if a business fails. Trevor explained that, in the case of Dom Care, there are now 4 providers so if 1 provider fails, there are other providers involved. He went on to say that effective contract management identifies risks early on in the process. The relationship with providers is critical to the success of a contract.
- A Member asked whether the service area can monitor how and where an individual is spending the money which has been allocated through self-funding. Trevor explained that the service area can track where the money is spent.

The Chairman thanked Trevor and his team for a very informative discussion.

4 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

5 EXISTING CONTRACTS WITHIN ADULTS AND FAMILY WELLBEING

This item was covered under item 3.

6 INCLUSION OF THE PRESS AND PUBLIC

7 PRESENTATION AND Q&A WITH CHRIS MUNDAY

The Chairman welcomed Chris Munday, Stephen Bagnall, Ben Thomas and Simon Brown from the Children and Young People service area.

Chris Munday started by explaining that he has been at Bucks County Council for around four and a half years and when he first joined, very little procurement and commissioning of services took place. In the last 4 years, this had changed and the service area now works closely with other key stakeholders to ensure value for money.

Simon Brown explained that he has worked with five other authorities with the aim of bringing care provision on a regional basis to try and reduce the incidents of having to place children a long way away. Spot purchasing can add up to 22% to the real cost.

Chris went on to say that there are low incidents but the costs are higher so it makes more sense to work jointly with other organisations.

Stephen Bagnall provided Members with an example where the PCT and the County Council were commissioning 3 different providers for the same services. The money has now been pooled and one contract has been commissioned leading to savings and efficiencies and a better service. The service area is very pleased with the outcome.

Ben Thomas then provided Members with another example of respite short breaks for disabled children where the PCT and the County Council were previously commissioning three contracts and then went to one provider who operates out of two buildings which has resulted in a number of efficiencies being made.

Chris explained that over the last 4 years, a lot of work has been done to develop relationships with suppliers. Framework agreements are in place for vulnerable children.

Stephen explained that he works very closely with the Connexions service and as a result of having a good working relationship with them, they were able to discuss the contract with them and come to an amicable agreement.

Chris explained the importance of having a robust contract management process and he showed Members the scorecard which the service area uses when it undertakes contract management. Ben went on to say that information is collected from providers on a quarterly basis and there are 5 key indicators which the provider is marked against and targets are set.

Chris took Members through the main strengths of the team:

- Good, focussed team members
- Good relationships with suppliers.

He identified areas for future development:

- Ensure that the whole workforce is fully skilled. In conjunction with Bucks New University, an accredited training course has been developed.
- Work closely with the corporate team.
- Big Society – what does this mean in terms of the Commissioning and Procurement team?
- Feel there are better ways of engaging with the voluntary sector.

During discussion, the following questions were asked and queries raised.

- A Member asked whether a contract can be written whereby a contract can be awarded to a primary contractor but it can also include smaller organisations. Chris responded

by saying that the team encourages sub-contracting and partnership working as long as it meets the requirements of the contract. He gave the example of CAMs and MIND, where they work in partnership to deliver the service.

- If a service is going to cost more than £17k, then it has to go out to tender. Chris felt that there should be an exemption policy so that more discretion can be applied.
- A Member asked who bears the costs associated with the transition period between providers. Does the County Council bear the cost or is it written into the contract? Chris explained that the team has adopted a very clear contract management process and a long transition period is built into the contract. He acknowledged that staff do not always react well to change and it is to the County Council's advantage for any change process to go smoothly. Ben went on to explain that the transition costs are built into the contract.
- A Member asked whether the same framework is used for all contracts. Chris responded by saying that it is the same framework.
- Stephen explained that he wants to actively encourage and involve the voluntary sector to tender for work. He said that certain suppliers provide a vision and they demonstrate their ability to react for change which works in their favour.
- A Member asked how can you mitigate against providers, especially when budgets are pooled – how is the risk spread? Stephen Bagnall provided examples of where pooled budgets work effectively – in the case of CAMs and paying for respite for short breaks. A fixed price is included as part of the tender process. He went on to say that when the pool agreement was set up, the team sought legal advice to ensure the risks were minimised and evenly spread amongst organisations. He said that in a pool situation, it is important to have a head organisation. Chris Munday went on to say that someone needs to be responsible for managing the pool budgets and these types of budget arrangement should not be used to try and solve problems, for example, putting two overspent budgets together does not help.
- A Member asked whether the Children and Young People service area meets and exchanges ideas with the Adult and Family Wellbeing service. Chris explained that the two areas meet regularly and they are both represented on the Commercial Board. Chris recognised that they can both learn from each other and there are good working relationships between the teams.
- A Member asked whether value for money can be achieved if only one organisation is being asked to provide the service. Simon Brown explained that the main issue surrounds identifying the outcomes and matching these outcomes with the performance of the supplier. It is about making a difference for the individual. Stephen went on to say that it comes down to the quality of the assessment.
- Safeguarding children is critical and assessing their needs is a critical part of the process.
- A Member asked when the new framework is going to be introduced. Chris responded by saying that it was only agreed two days ago and it will be implemented as soon as is practicable.
- Can anything be done to improve relationship management? Chris Munday explained that the procurement team are responsible for this but the service area sets the criteria. The relationship between the two teams is very good and we work very closely with them.
- A Member asked about the transition from Children's services to Adult services. Chris explained that a lot of work is being undertaken to try and improve this transition.
- A Member asked what happens to very challenging children. Simon explained that the specification looks at the higher end of the service provision. There are currently 5 children in Bucks who have very intensive needs. There is no provision in Bucks for girls and boys suffering from ASD and BSAD and this needs addressing.

The Chairman thanked the team for their informative presentation.

8 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

9 EXISTING CONTRACTS WITHIN CHILDREN AND YOUNG PEOPLE'S SERVICE

This item was covered under item 7.

10 INCLUSION OF THE PRESS AND PUBLIC

11 TRANSPORTATION Q&A

The Chairman welcomed Sean Rooney, Helen Halfpenny and Phil Stonehewer from the Transportation service area.

12 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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13 EXISTING CONTRACTS WITHIN TRANSPORTATION

Exempt minutes produced for this item.

14 INCLUSION OF THE PRESS AND PUBLIC

15 DATE OF NEXT MEETING

The next meeting is due to take place on Wednesday 24 November at 10am in Mezz Room 2.

CHAIRMAN