



Bristol Scrutiny 2017/18

Scoping of Scrutiny Topics

Title

Council Commissioning and contracts (to include Social Value)

1.Reasons for Undertaking this Work

Main reasons for undertaking the piece of work (and any Background information if relevant)

To ensure processes are in place to avoid contract management failure eg Long Ashton Park & Ride site as set out in the Cabinet report 4th October 2016

In anticipation of a budget gap of around £120 million over the next five years (Corporate Strategy 2017-2022)

To scrutinise and monitor the different approach being taken around commissioning and procurement governance as set out in the Procurement Update report received by Resources Scrutiny in November 2016.

Report Extract:

A Commissioning & Procurement Group (CPG) had been set up and agreed to undertake a number of key reviews:

- a) Review all contracts that are about to end with a view to ensuring that future commissioning has started and includes efficiencies within the contract.*
- b) Review and consider contracts that are in flight and consider whether there is provision for in contract negotiations with providers/suppliers.*
- c) Review all “off contract” spend that currently exists across the Council.*
- d) Review uplift/inflation clauses within contracts to ensure a consistent and affordable approach is taken.*
- e) Review the use, and therefore governance of Waivers.*
- f) Provide a series of “gateways” for future commissioning*

This would ensure improved practice, outcomes and efficiencies were considered. This would also enable the Council to have clearer

Commissioning Intentions, and a procurement strategy that clearly tells our supplier markets of our intentions, whilst ensuring alignment with corporate priorities and corporate objectives. The 4 gateways will be:

- *Gateway 1 - Identification of need*
- *Gateway 2 - Make or Buy decisions - savings /efficiencies, risk /resource*
- *Gateway 3 - Recommendation, Approval & Award*
- *Gateway 4 - Implementation and review.*

Key question that you are seeking to answer

Are the right processes in place to ensure value for money and social value from our contracts?

Main objectives/main areas of investigation

Main objective:

To identify whether the 'different approach' being taken around commissioning and procurement governance, as set out in the Procurement Update report (November 2016), is working to ensure value for money and social value from our contracts.

Main areas of investigation:

1. Review current commissioning, procurement and contract management processes and identify good practice or areas for development
 - Scrutinise or develop the parameters, values, criteria that states how the Council will commission its contracts
 - Scrutinise or develop the processes for a standardised and active (lifetime) contract management process across the council to include scheduled annual reviews to monitor performance and options to use breakclauses and notice to terminate when appropriate
 - Scrutinise or develop a central schedule for monitoring all contracts, to include start dates, contract duration, contract value / performance measures/ scheduled performance monitoring reviews
2. Review the outcomes from commissioning of Adult Social Care, including:
 - Confidence in the market's ability to deliver commissioned needs.
 - Confidence in the market's ability to deliver a resilient workforce
 - Demand management
 - Risk of provider failure
 - Impact of the Three Tier Model on delivery of adult care services
3. Scrutinise or develop the processes to ensure value for money and social value from our contracts.

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| | <ul style="list-style-type: none"> • Confirm the interpretation of the terms value for money and social value in the current strategic context • A 12-month review of Social Value delivery data (including local spend data) and develop ongoing Social Value policy and practice, in line with current strategic priorities • Establish whether there are ways of increasing our spend with local SMEs |
| Draft Terms of Reference and possible outcomes | <p>Terms of Reference</p> <p>Tbc</p> <p>Possible outcomes:</p> <ul style="list-style-type: none"> • An agreed position statement that sets out how the Council will commission its contracts • A standardised process to ensure value for money and social value from our contracts. • An agreed methodology for active(lifetime) contract monitoring including a centrally maintained schedule to monitor performance of key contract milestones and dates • An interpretation of value for money and social value in the current strategic context • A refreshed Social Value policy and practice in line with current strategic priorities • A process for increasing our spend with local SMEs |

2.Member Involvement

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| Members involved | Cllr Alexander, Cllr Morris, Cllr Brook, Cllr Clarke Longer term membership to be agreed at OSMB |
| Key Executive Member | Cllr Cheney Deputy Mayor – Finance, Governance and Performance |
| Other Executive Member Portfolios covered, if any | Cllr Craig, Deputy Mayor – Communities (Public Health, Public Transport, Libraries, Parks) (ref: Social Value) |

3.Officer Support

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| Lead Directorate | Netta Meadows, Service Director - Strategic Commissioning (People) |
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| Officer(s) | Terry Dafter, Service Director - Care and Support - Adults Rob Logan, Procurement and Commercial Relations Manager |
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| Policy Advisor | Louise deCordova |
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| List of possible internal and external witnesses/contributors and key information required | <p>Key Partners and Stakeholders: Commissioning and Procurement Group Voluntary Sector Partners Voscur Equality Groups</p> <p>Documents: Cabinet Report 4Oct16 - Long Ashton Park & Ride site - Subsidy Payments Resources Scrutiny Commission 24Nov16 - Procurement update Social Value Policy 2016</p> <p>Data: MTFP Budget information Statistical Neighbours</p> <p>Future LGIU Briefings:</p> |
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Time Frame

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| Suggested | <ul style="list-style-type: none"> Suggested methodology is task and finish group (non-public meetings). 3 phases of investigation tbc No specific deadline as budget pressure is ongoing and persistent. Start dates and number of sessions to be negotiated and timetabled. |
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| Decision-making/path for recommendations: | <p>Recommendations from investigation to be agreed and adopted by OSM Board (date tbc)</p> <p>Recommendations to Executive (Mayor/Cabinet) (date tbc)</p> |
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Depending on nature of recommendations may need to go to FC (date tbc)

Costs

Specific costs identified

None at present

Date: July 2017