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## KIRKLEES COUNCIL

### CORPORATE SCRUTINY PANEL

**Wednesday 13th December 2017**

Present: Councillor Gulfam Asif (Chair)  
Councillor James Homewood  
Councillor Hilary Richards  
Councillor Carole Pattison

Co-optees Philip Chaloner

In attendance: Jacqui Gedman - Chief Executive  
Jane Lockwood - Procurement Strategy Advice Manager  
Julie Muscroft – Service Director Legal, Governance & Commissioning  
Penny Bunker – Governance & Democratic Engagement Manager

Apologies: Councillor Mussarat Pervaiz  
Councillor John Taylor  
Linda Summers (Co-optee)

**1 Minutes of the Previous Meeting**

The minutes of the meeting held on 15 November 2017 were agreed as a correct record subject to the amendment of the interest declared by Philip Chaloner.

**2 Interests**

No interests were declared.

**3 Admission of the Public**

Agreed all agenda items to be considered in the public session.

**4 Transformation Programme Procurement Project Update**

The Scrutiny Panel received a presentation on the progression of the procurement project which was a strand of the Transformation Programme. Jane Lockwood, Procurement Strategy and Advice Manager, and Julie Muscroft, Service Director, Legal, Governance and Commissioning attended for the item.

The Scrutiny Panel wished to understand the current process for procurement and consider the competing priorities of the approach and social value considerations.

The presentation set out the current position which indicated that traditionally the procurement process was predominantly about factors relating to cost, compliance with EU and UK legislation, risk and quality. Procurement within Kirklees Council

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was mostly devolved across the organisation which raised issues concerning visibility, controls and risk management on a Council wide basis.

As part of the transformation project it had been recognised that the current approach presented challenges and potential confusion and the risk of a supplier base with inconsistencies in practice and approach as well as documentation, engagement and social value. The initial phase of the procurement transformation project involved a stock take of procurement within Kirklees.

The presentation explained the aims of the transformation project which were:

- Challenge and redefine how we procure goods, works and services across the Council to achieve the best outcomes for Kirklees citizens;
- Ensure that all third party spend is necessary and to commit to spending every pound wisely;
- Support local economic growth through local spend;
- Assess how changes to commissioning and procurement can stimulate local social value and contribute to good growth.

It was indicated that moving forward the procurement project would have three strands of work focussing on improving data visibility, developing future ways of working and delivering procurement savings in specific spend categories.

In order to define the correct ways of working for procurement within Kirklees Council, a broad range of views on priorities for the future had been gathered with engagement from approximately 40 stakeholders. Areas explored had included the balance of technical procurement expertise with specialist service and market based knowledge; visibility and control over contracts; access to reliable contracts and spend data; clarity on roles and responsibility between commissioning, procurement, transactions and contract management. The findings of these discussions had been used to develop a set of key design principles for future procurement.

Ms Lockwood explained the critical success factors to the Scrutiny Panel which included authorisation, clarity on roles and responsibilities, communications and change, data and analytics, business partnering and Council wide supplier relationship management.

In concluding the presentation Ms Lockwood explained the current focus on category optimisation, in which base line spend would be used to identify six priority areas. A £6.5 million saving target would be achieved by 2018/19. Progress, risks, challenges, opportunities and lessons learnt would be reviewed and monitored.

The procurement operating model would be designed to provide a more joined up way of working for the Council. The Transformation Portfolio Board had endorsed changes to the procurement operating model to a category led approach to procurement.

The final presentation slide recognised the need to influence and embed the Council's approach to social value more consistently and effectively through the new operating model. The intention was to revisit and build on the work of the Policy

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Committee task and finish group to refresh the Council's policy and approach. It was intended that dialogue with West Yorkshire and York Authorities on approaches to social value and inclusive growth who are recognised as progressive within this area.

Whilst welcoming the information within the presentation, the Scrutiny Panel was aware that similar category management approaches had been taken previously and wanted to understand how the Council would ensure the effectiveness of such a system this time. In response the Chief Executive acknowledged that there were many areas where the Council had previously tried systems before moving on to look at a different approach. This time it was important that the Council learned from the past and took time to implement a sustainable and appropriate system. For this reason the Council had not rushed into embedding a new system as it wanted to ensure that not only was support for such a system strong at the corporate centre but it was also working effectively at service level. It was important that services understood and were supported to use the new model rather than fragment and start to develop alternative practices.

The issue of controlling credit card spend was identified as a concern by the Scrutiny Panel and officers were asked to explain how that spend was being controlled moving forward. Ms Lockwood explained how credit card expenditure was being controlled and an improved system was now in place.

The Scrutiny Panel continued to explore the use of temporary staff and how the Council was ensuring value for money in the procurement of such staff. In response the Panel noted that an exercise had been undertaken to ensure that current pay scales were overlaid when initiating temporary staff recruitment, to ensure parity with Council staff pay grades from 1 December 2017.

The Scrutiny Panel welcomed the early analysis work that had been undertaken to inform the procurement project and to learn from previous experience. The Panel explored the benefits of having commissioned Deloitte's to undertake work alongside the Council. It was indicated that Deloitte's had provided an external perspective and made some early recommendations that had proved helpful in progressing the project. Deloitte's had the benefit of working with other Council's and large employers which they brought to any work with the Council. They had provided additional staffing to enable "deep dives" and data analysis which would have been difficult to complete within existing Council resources.

The Scrutiny Panel was keen to see that the people who worked on procurement within services 'bought into' the change and were able to influence approach from a user perspective. It was confirmed that dialogue was ongoing and local knowledge had helped the project managers to reach conclusions concerning a category approach. Engagement would continue throughout the project and at implementation.

The Scrutiny Panel explored the breakdown of the six priority areas and noted that the biggest area was Social Care and Health which accounted for £235m out of the £400m of spend.

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The Scrutiny Panel explored the links between the procurement portal and business hub and how the Council was working with local business and ensuring that procurement processes did not exclude small or medium sized enterprises. Councillors were concerned that smaller businesses did not understand how to do business with Kirklees. Officers acknowledged that it was an area where the Council looked to constantly improve and it continued to use the Yorkshire and Humber procurement portal. Officers suggested that registration was simple and that guidance could be sent out to help smaller businesses. It was asked that the link to that information be circulated to members.

The Scrutiny Panel thanked Julie Muscroft and Jane Lockwood for the informative presentation and agreed that they would revisit the progress of the project in 6 months time.

### **RESOLVED -**

- (1) That Jane Lockwood and Julie Muscroft be thanked for attending the meeting.
- (2) That the Panel consider a further update on the procurement project in 6 months.

## **5 Commissioning Council**

Jacqui Gedman, Chief Executive attended the Panel meeting to brief the Scrutiny Panel on the Council's adoption of a commissioning approach to service provision.

Ms Gedman explained that in a time of difficult financial circumstances it had been necessary to stand back and reflect about how the Council works to provide essential services whilst addressing the reducing financial resource issues. It was recognised that no part of the public sector could do everything and it was important that the Council worked together with partners and communities as part of any way forward. In order to achieve change Kirklees needed to look at a whole system approach.

The Kirklees definition of commissioning was described as:

- Commissioning is deciding how to use the total local resource available in order to improve outcomes for citizens and communities in the most efficient, effective and sustainable way.

The presentation continued to explain the principles which were:

- Knowing the full range of needs, aspirations, assets and experience in Kirklees
- Embedding local democracy and involving at every stage, rebalancing and fully utilising contributions from public services, communities and citizens to improve outcomes
- Recognising the "whole system" of Kirklees – the inter dependencies between its citizens, communities, organisations and services.

Ms Gedman said that the Council would have to move to a system of outcome based accountability, where services would be challenged at the planning stage to identify the difference that providing a service in a particular way would make. In

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taking a whole system approach there was a need to ensure that by reducing in one area it was not counter intuitive to what the Council was trying to achieve in another area. The commissioning approach would allow for creativity and innovation so that officers and partners could work together to do things differently.

The Scrutiny Panel welcomed the overview and agreed to receive periodic updates on the progress of introducing a commissioning approach. This would include the development of a corporate framework, a commissioning hub and corporate commissioning projects. The Scrutiny Panel was keen to ensure that as part of considerations around service delivery local ward Councillor knowledge was taken into consideration to help shape appropriate local services.

### **RESOLVED -**

That Jacqui Gedman be thanked for briefing the Panel on the move to become a commissioning Council.

### **6 Forward Agenda Plan / Date of Next Meeting**

The Scrutiny Panel noted that its next meeting would be held on 12 January 2018 at 2pm. The agenda included a financial monitoring update. In considering future items it was suggested that an update on the digital by design programme could be included in the future work programme and that the Scrutiny Panel could look in more detail at the transformation programme in relation to Adult Services.

### **RESOLVED -**

- (1) That the Panel forward agenda plan be noted.
- (2) That the next meeting of the Panel be held on 12 January 2018 at 2.00pm.