

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Tuesday, 27th October, 2009 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON MONDAY, 2nd NOVEMBER, 2009

(DEADLINE FOR CALL-IN THURSDAY, 5th NOVEMBER, 2009)

PRESENT: Councillors A. Lawrence (In the Chair), S. Bentley, S.P. Burrell, E.J. Carter, M.B. Hosken, and S.M. Kelly

ALSO PRESENT: Councillor E.A. Clare, (representing Main Opposition Group Leader)

CB – 82 ELECTION OF CHAIRMAN

In the absence of both the Chairman and Vice Chairman it was

RESOLVED – that Councillor A. Lawrence be elected Chairman for the meeting.

CB-83 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 13th October, 2009 be confirmed and signed by the Chairman.

CB-84 APOLOGIES FOR ABSENCE

Councillors A.J. Eade, J.M. Seymour, R.K. Austin and G.M. Green

CB-85 DECLARATIONS OF INTEREST

Councillor S.M. Kelly declared a personal & Prejudicial Interest (as a member of the Oakengates Regeneration Partnership) in the Supplementary Agenda item – “Oakengates Regeneration Partnership”, and left the room during its consideration and determination.

CB-86 SERVICE & FINANCIAL PLANNING 2010/11 to 2012/13

Key decision identified as **Budget Strategy / Service & Financial Planning Process** in the Forward Plan published on 16th September 2009.

Councillor A. Lawrence, Cabinet Member for Resources, presented the report of the Chief Executive and the Corporate Director: Resources which provided the medium term service and financial planning context ahead of more detailed consideration of the 2010/11 – 2012/13 service planning and budget process.

In March 2009, a medium-term Service & Financial Planning Strategy for 2009/10 – 2011/12 was approved. That strategy, was informed by the Community Strategy, Priority Plans and Local Area Agreement (LAA), was developed by carrying out an assessment of service pressures, developments and savings options and through consultation with a wide range of local people and organisations.

The Service & Financial Planning Strategy was based on a number of guiding principles, which have been endorsed by consultation with the community.

Members were reminded that the Council had a gross annual revenue budget (including schools) of around £386m and a capital programme of just under £68m in the current year i.e. an organisation with a total turnover approaching £0.5bn a year. The net revenue budget for the current year stood at £124m after adjusting for specific government grants, charges for services, rents and investment income

During discussion of the report, Members recognised the pressures that the current economic climate could have on the Council's budget.

RESOLVED – that the report, in terms of providing the background context for the review of the current 3 year service and financial strategy and moving medium term planning on to the 2012/13 period and beyond, be noted.

CB-87 FINANCIAL & PERFORMANCE MONITORING 2009/10 – Half Year

(i) Performance Management

Key decision identified as **Performance Management, Value for Money and Best Value** in the Forward Plan published on 16th September 2009.

Councillor S. Kelly, Cabinet Member for Policy, Performance & Partnership, presented the report of the Head of Policy, Performance & Partnership which outlined a first look at performance information for 2009/10 against the Council's corporate priorities, identifying areas of good performance, and those areas where improvement was required. The report also set out an approach to support performance improvement in 2009/10.

It was reported that 2009/10 was the second year of monitoring the new performance framework, including the National Indicator Set (NIS). Unlike 2008/09 the Council now had trend information (local only) with which to identify 'direction of travel' as well as performance against targets in 2009/10 (where targets were available).

At the present stage of the year it was only possible to report on NIS, Priority Plan and LAA indicators. It was not possible to report on annual survey based satisfaction indicators and other annual indicators (such as crime and anti-social behaviour, conditions of roads and footpaths).

Performance and targets were currently available for 194 out of 394 indicators in the corporate performance framework. Of those 194 indicators, the Council was currently projecting to achieve 78% of its targets overall (151 indicators). The number of PIs projecting to have improved at year end was 63% (compared to 59% at the end of 2008/09).

Members commented upon the successes of young offenders who had sought suitable accommodation in the Borough.

RESOLVED – that the current projected level of end of year performance be noted; and the approach to refer LAA targets identified as of concern to the Partnership Planning & Performance Group be endorsed.

(ii) **Financial Monitoring**

Key decision identified as **Financial Monitoring and Financial Updates** in the Forward Plan published on 16th September 2009.

Councillor A Lawrence, Cabinet Member for Resources, presented the report of the Head of Finance & Audit that provided the latest financial monitoring information for 2009/10 relating to: the revenue budget and capital programme, income and the payment of supplier invoices.

Overall revenue spend was currently projecting to be within budget by year end. The cost of Looked After Children had significantly increased since the last report with an overspend of £2.1m currently being projected. The overspend on Specialist Education had also increased and now stood at £0.536m. CYP had identified some one-off funds which assisted the overall position, however the underlying cost was a key pressure that needed to be addressed in the remainder of the year and for the future budget strategy. Pay and General inflation allowances had been reviewed and gave a benefit of £0.970m which together with Treasury Management surpluses of £0.900m had assisted the overall position.

The 2009/10 approved capital programme was £67.6m; to date 14.6% spend had taken place, which was normal at the current early stage in the year. Council tax collection and A&CW sales ledger were ahead of target; NNDR and General Sales Ledger were behind target which was a reflection of the impact of the recession. It was also noted that targets were adjusted to take into account the economic conditions.

The target for 2009/10 was to pay 95% of invoices within 20 days; overall year to date performance was below that at 94%. All Portfolios, except CYP, met or exceeded the target in August. Portfolios were asked to review processes to ensure prompt processing of invoices so that the target was met by year end.

RESOLVED –

- (a) that the overall financial position which was currently projecting to be within budget by year end, be noted
- (b) To RECOMMEND TO COUNCIL to approve the virement of £1m into Children & Families, as detailed in para. 5.4 of the report,
- (c) That the performance against income targets be noted.
- (d) That the underperformance against the target for paying supplier invoices and the action needed to address that, be noted.
- (e) To RECOMMEND TO COUNCIL to approve the new capital allocations, capital virements, and re-phasing detailed in Appendix III of the report; and the use of the revenue contingency detailed in para. 6.1 of the report.

CB – 88 PLANNING OF SCHOOL PLACES: STIRCHLEY PRIMARY SCHOOL AND THREE OAKS PRIMARY SCHOOL TRUST STATUS

Key decision identified as **Planning of School Places – Co-Location of Three Oaks and Stirchley Primary Schools to form a new Primary School at Stirchley District Centre** in the Forward Plan published on 16th September 2009.

RESOLVED – that the matter be deferred, pending further detailed analysis, for consideration at a future meeting.

CB-89 CORONERS' SERVICES FOR TELFORD & WREKIN

Non Key Decision

Councillor A Lawrence, Cabinet Member for Resources, presented the report of the Corporate Director: Resources that requested a proposed shared Coroners service with Shropshire Council for Telford & Wrekin and Mid and North Shropshire to protect the local provision of the service in the light of impending legislative changes and the proposed retirement of the current Coroner for Telford & Wrekin

Members considered a report about the future of Coroners' services for Telford & Wrekin on the 7th July 2009. It was agreed that the Head of Legal Services should discuss developing a shared service for the whole of Shropshire as a means of securing the best local service in the light of proposals for the reform of the Coroners' service contained in the Coroners and Justices Bill and the desire of the current Coroner to retire before the end of the calendar year.

In the light of that decision a proposed shared service had been developed that had the agreement of the Coroners for Mid and North Shropshire (who

would become the Coroner for Telford & Wrekin also), the Coroner for South Shropshire, Shropshire Council and officers from Telford & Wrekin Council.

It was proposed that the service be administered by Shropshire Council. A key element of the proposed arrangement was that the Coroner would continue to provide the service for residents of Telford & Wrekin within the Telford & Wrekin area.

Members recognised the services of the existing Coroner, Mr Gwynne, and asked that their best wishes be communicated for his retirement.

RESOLVED –

- (a) That the resignation of the current Coroner be formally accepted**
- (b) That John Ellery be formally appointed as the Coroner for Telford & Wrekin.**
- (c) That the Head of Legal Services be authorised, on behalf of the authority, to enter into an agreement for a shared Coroners service with Shropshire Council.**

CB – 90 EDGMOND CONSERVATION AREA MANAGEMENT PLAN

Non Key Decision

Cllr S Bentley, Cabinet Member for Environment, presented a report of the Head of Environment & Transport that sought approval to the adoption of the Edgmond Conservation Area Management Plan as a sound basis for considering planning applications and for developing initiatives to improve the area.

Members were reminded that Telford & Wrekin Council was required to prepare Management Plans for all Conservation Areas within its boundary (Government Planning Policy Guidance - PPG15, Planning and the Historic Environment). The development of Management Plans was also in line with English Heritage's best practice guidelines. The intention was that a clear and concise Management Plan for each Conservation Area would provide a sound basis for its future management. The report sought the approval and adoption of the Management Plan which has been drawn up for Edgmond Conservation Area , details of which were appended to the report.

As part of the adoption process the Management Plan had been subject to full public consultation for six weeks between August and September 2009. Prior to the consultation and drafting of the document, contact was made with the Parish Clerk for Edgmond who was most helpful in providing comments and questions regarding the conservation area from the Parish Council. No adverse comments were received during the consultation.

RESOLVED – that Edgmond Conservation Area Management Plan be adopted, to provide a sound basis for considering planning applications and for developing initiatives to improve the area.

CB- 91 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB- 92 FACILITIES MANAGEMENT – SERVICE EFFICIENCY REVIEW

Key Decision identified as **Facilities Management Review** in the Forward Plan published on 14th August 2009.

Councillor S. Burrell, Cabinet Member for Children & Young People, presented the report of the Head of Customer Services & Transformation which detailed the findings and recommendations contained within the recent Facilities Management Review undertaken by Northgate Kendric Ash, the company supporting the completion of the authority's service review programme. Options for moving into the implementation stages were outlined, along with the available cashable savings post implementation.

The review of the operational Facilities Management arrangements of the Council was undertaken between April and June 2009. The review focused on the catering and cleaning service now referred to as facilities management which employed approximately 800 full and part time staff in total. The cleaning team covered 173 individual cleaning contracts from local community centres, libraries, leisure centres, schools and civic offices and had recently diversified and now offered several services including low level support which was an integral part of the family outreach service. The catering service supported the schools meals programme in over 57 schools and was delivered by 550 employees. In the case of schools both of those services were offered on a buy in basis, offering schools the choice to buy services from the local authority or employ their own. Schools were supported by a direct grant, therefore it was important to note that many of the financial improvements described would require general acceptance by schools.

The report summarised the required changes and the financial improvements available as a result – and a copy of the full findings was appended to the report before Members.

Councillor E.A.Clare (representing the Labour Group Leader) expressed some concern over the reduced menu schedule and the timing of the proposals for shared services in the light of the recently formed Shropshire Council. Councillor Kelly emphasised the serious impending financial constraints facing the Council and recognised the need for more efficient ways of working in the future.

RESOLVED –

- (a) That option 2 on page 8 of the Executive Summary which was to realise the available internal efficiencies identified by the review team, be endorsed.
- (b) That a twin tracking of a shared service model alongside implementing internal efficiencies be explored.
- (c) That the Steering Board, who were responsible for the overseeing of phase 1 of the review, be requested to continue to oversee the implementation stages, ensuring regular updates were provided to both the Corporate Management Team (CMT) and Cabinet
- (d) That the Head of BSF, Resources and Social Regeneration be requested to outline the support required to implement the review findings and to work with the Head of Customer Service & Transformation to procure any external expertise required by placing a tender via the Catalyst procurement framework, as advised by the Head of Legal Services.
- (e) That section 5.0 of the report which outlined the high level recommendations which propose a change to the current service delivery methods, and particularly those which had a perceived higher profile, be recognised.

CB - 93 URGENT ITEM – Section 100B(4), Local Government Act 1972.

The Chairman of the meeting made the following statement:

“I am of the opinion that the following item of business should be dealt with as a matter of urgency at this meeting in order to avoid any unnecessary delay”.

Note: Councillor S.M.Kelly, declared a personal & Prejudicial Interest in the next item of business, and left the meeting room prior to its consideration.

CB – 94 OAKENGATES REGENERATION PARTNERSHIP

Non Key Decision

Councillor E Carter, Cabinet Member for Regeneration, presented the report of the Head of Planning & Transport that advised of the current status of the Oakengates Regeneration Partnership and sought approval to inform the Partnership that, in view of its recent performance, it had failed to meet the requirements of an acceptable regeneration partner and consequently the Council was unable to engage in any further business with the Partnership.

Members expressed concern over the apparent poor administrative operation of the Partnership and supported the proposals outlined in the report.

RESOLVED –

- (a) That the Oakengates Regeneration Partnership be advised that it had failed to perform at a standard acceptable to the Council and consequently had failed to meet the requirements of a regeneration partner.
- (b) That the Oakengates Regeneration Partnership be informed that the Council was no longer able to provide any further resources or support and will no longer recognise the Partnership as the Regeneration Partner for Oakengates.

The meeting ended at 5.46 p.m.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Head of Legal Services
Date: 2nd November 2009**

Signed:

Date:

--- An Efficient, Effective and Customer-Focused Council that Delivers Value for Money for the Community ---



--- An Efficient, Effective and Customer-Focused Council that Delivers Value for Money for the Community ---

Scrutiny Review of Procurement

September 2009



--- An Efficient, Effective and Customer-Focused Council that Delivers Value for Money for the Community ---



--- An Efficient, Effective and Customer-Focused Council that Delivers Value for Money for the Community ---

Scrutiny Review of Procurement at Telford & Wrekin Council

CONTENTS

	PAGE
1. Introduction	3
2. The National Context	4
3. Procurement at Telford & Wrekin	5
4. Sustainable Procurement	11
5. Alternative Models and Case Studies	14
6. Conclusions and Recommendations	18
7. Summary of Recommendations	23

1. INTRODUCTION

Members decided to carry out a review of Telford & Wrekin's procurement arrangements because they were concerned that the Council does not have the right model to be able to make the efficiency savings that will be needed as it moves into the future.

Members had three main objectives for the review:

1. To evaluate whether the Council has the right balance between centralized procurement (corporate) and devolved procurement (within individual business units);
2. To evaluate whether the Council's procurement processes provide value for money;
3. To make recommendations on the Council's procurement process to improve value for money.

Information for this review came from a number of sources, including:

- Meetings with the Procurement and Payments Manager in the Corporate Procurement Unit
- Meetings with staff responsible for buying in the portfolios: Adult & Consumer Wellbeing, Children and Young People, Environment and Regeneration, ICT, Design and Property
- Meetings with procurement managers at Staffordshire County Council and Warwickshire County Council
- Meeting with a local authority Procurement expert
- Meeting with a Sustainable Procurement consultancy
- Review of national and Telford & Wrekin procurement strategies

The term "procurement" is generally taken to mean the actual purchasing function i.e. bid evaluation and contract letting, and "commissioning" to mean the wider functions of identifying user need, strategic service development, identifying and developing the market, contract specification and effective contract management. This distinction is clearly made in Children and Young People's Services and Adult and Consumer Wellbeing which have Commissioning teams. Whereas other portfolios do not make this distinction, but Members feel that these wider functions should be undertaken as part of any significant procurement exercise, and in this report the term "procurement" should be taken to include these broader functions.

Sections 3-5 of this report summarise the information gathered as part of our review. We would like to thank all those people who have taken the time to meet with us. We have made a number of recommendations in Section 6 of the report which we believe will generate savings for the Council and deliver greater local economic benefit to the borough. These recommendations will be presented to the Council's Cabinet and for those recommendations that are accepted, we will monitor the progress to implement them.

Members of the Review Group

Cllr Roger Aveley, Scrutiny Lead
Cllr Karen Tomlinson
Scrutiny Co-optee Maurice Viney

2. THE NATIONAL CONTEXT

Local authority procurement has risen up the national agenda in recent years and is now seen as key to delivering the efficiency savings that will be expected of local authorities over the coming years. Procurement impacts on spending in two ways:

- On direct savings to the Council on the cost of contracted services and the cost of the procurement process
- On wider public sector spending by delivering broader economic, social and environmental outcomes through a Sustainable Procurement strategy.

Above all else procurement is about making sure that local authorities are delivering the right services, of the best possible quality and at the right price to local people.

Local authority expenditure in England and Wales is estimated at £40 billion annually. There have been various reviews of local government procurement which advocate procurement as one of the key ways for local authorities to achieve efficiency savings and to deliver improved public services.

The **National Procurement Strategy** (NPS) in 2003-2006 took a leap forward by introducing a strategic approach to procurement. The NPS emphasises the importance of collaborative partnerships between public, private and voluntary sector organisations in delivering savings through better strategic planning and buying. While the NPS focuses on achieving savings for the authority through the whole contract life-cycle, the role of procurement in the delivery of broader economic, social and environmental outcomes is also a central feature. As a result of the NPS, £3.1 billion savings were made nationally by local authorities by the end of 2006-07.

The **Local Government Sustainable Procurement Strategy** in 2007 built on the National Procurement Strategy and set out a flexible framework for delivering sustainable outcomes in 5 key areas: financial savings on capital projects, the creation of training and employment opportunities, improving the number and mix of local businesses in supply chains, better powers to stimulate product and process design and better environmental outcomes (e.g. the reduction of CO2 emissions and residual waste).

The **National Improvement and Efficiency Strategy** in 2008 provides a framework to help local authorities meet their efficiency savings targets through Regional Improvement and Efficiency Partnerships (RIEPs). Telford & Wrekin is supported by Improvement and Efficiency West Midlands (IEWM) which aims to help authorities in the West Midlands achieve the savings target set in the Comprehensive Spending review 2008-11 of £293million.

The **Glover Report** in 2009 includes key recommendations adopted by the government designed to give small and medium enterprises (SMEs), including contractors, opportunities to win much more public sector work through procurement.

The **Roots Review** in 2009 examines Arrangements for Efficiencies from Smarter Procurement in local authorities and emphasises ways in which councils can make even greater efficiency savings through improved procurement processes.

3. PROCURMENT AT TELFORD & WREKIN

3.1 The Telford & Wrekin Procurement Model

Telford & Wrekin currently spends £120 million annually on goods and services, excluding schools.

The Council has a devolved procurement model which means that outside the Corporate Contracts, the actual buying function lies with individual staff in the portfolios and not in the Corporate Procurement Unit (CPU). The Council's Constitution gives delegated procurement authority to Corporate Directors who further delegate authority to their staff to undertake procurement activities. These delegations are aligned to the arrangements for budget delegations. This allows officers in each directorate who are knowledgeable and skilled in the specialist service areas to manage the procurement activities of those services.

The CPU provides a central co-ordination and advice function. It sits under the Corporate Finance Manager in Resources and consists of the Procurement and Payments Manager and two Procurement Officers, all of whom are Chartered Institute of Purchasing and Supply (CIPS) qualified or part-qualified. A third post has been created but this will be part-time and does not come into force until March 2010.

The CPU has several key functions:

- To set procurement strategy and policy for the Council. Telford & Wrekin Council's Procurement Strategy 2009 brings together the key elements of the National Procurement Strategy, and provides a specific focus for sustainability and equality issues.
- To act in an advisory capacity to staff in the portfolios involved in procurement;
- To lead the procurement elements of major corporate projects;
- To tender, manage and promote contracting arrangements;
- To promote the benefits of procurement best practice throughout the organisation;
- To identify potential areas for improving processes and practices that will make efficiency savings.

The CPU sets up and runs the majority of the Corporate Contracts. These are for goods and services purchased across the organisation to rationalise suppliers, reduce processing costs and achieve economies of scale. There are currently 18 Corporate Contracts including stationery, furniture, advertising, printing, hygiene, hotel booking and agency staff. Savings are estimated each year resulting from negotiation of better contract terms or from switching supplier and contracts are awarded on the most economically advantageous criteria. The establishment and re-letting of each new Corporate Contract has brought savings, estimated in total as:

2005-06	£123,802
2006-07	£208,323
2007-08	£367,597
2008-09	£401,949

These are notional figures as they do not take account of off-contract spend i.e. buying from non-contracted suppliers, which will reduce the overall savings potential of the Corporate Contracts.

The actual number of staff involved in procurement across the Council is not known and the total cost to the Council of the actual purchasing process is not known.

3.2 West Mercia Supplies (WMS)

Telford and Wrekin Council is one of four owning local authorities in a purchasing consortium called West Mercier Supplies (WMS). The other owning authorities are Shropshire, Herefordshire and Worcestershire. WMS provides school and office supplies, including photocopiers and utilities (electricity, gas, and oil). Each owning member receives an annual rebate based on the surplus each year. The amount the Joint Committee agree for distribution is then split across the 4 owning authorities based on the amount of business placed during the relevant Financial Year.

3.3 Major Areas of Spend and CPU Involvement in Contract Procurement

The table below lists 40 of the Authority's highest spending contracts by portfolio in 2008-09. This shows where the contract was let, the level of CPU involvement in the process, and where the contract is managed. This illustrates the limited involvement of the CPU with the procurement of the highest value contracts.

Contract	Gross Amount	Contract Responsibility	Comments
THOMAS VALE CONSTRUCTION PLC	£4,540,238.88	Service Area	CPU limited involvement with E&R Contracts
WEST MERCIA SUPPLIES	£3,727,300.03	CPU	
MILLER CONSTRUCTION (UK)LIMITED	£3,379,397.95	Service Area	CPU limited involvement with E&R Contracts
CARILLION REGIONAL CIVIL ENGINEERING SITA UK	£3,372,515.50	Service Area	CPU limited involvement with E&R Contracts
SITA UK	£3,127,707.01	Service Area	CPU limited involvement with E&R Contracts
INTERCLASS PLC	£2,650,015.88	Service Area	CPU limited involvement with E&R Contracts
JACOBS ENGINEERING UK LTD	£2,470,366.32	Service Area	CPU limited involvement with E&R Contracts
SYNETRIX LTD	£1,838,592.70	Service Area & CPU	Let by Service Areas with dedicated CPU support
DIMENSIONS (UK) LTD	£1,657,070.62	Service Area	CPU limited involvement with E&R Contracts
WYGAR CONSTRUCTION CO. LTD.	£1,602,047.16	Service Area	CPU limited involvement with E&R Contracts
(P) ST GEORGES CARE CENTRE	£1,268,581.32	Service Area	ACW - Procurement handled by dedicated team
COVERAGE CARE SERVICES LTD	£1,254,249.62	Service Area	ACW - Procurement handled by dedicated team
MORRIS CARE CENTRE	£1,201,870.76	Service Area	ACW - Procurement handled by dedicated team
CASTLE HOMES LIMITED	£1,186,933.06	Service Area	ACW - Procurement handled by dedicated team

AMEC GROUP LTD	£1,169,239.47	Service Area	CPU limited involvement with E&R Contracts
PAVE AWAYS LTD	£1,169,086.00	Service Area	CPU limited involvement with E&R Contracts
PRYCE (BUILDERS) LTD	£1,022,526.17	Service Area	CPU limited involvement with E&R Contracts
ALLIED HEALTHCARE GROUP LTD	£946,157.76	Service Area	Agency work, but outside remit of Corporate Contract
NEXT STEP CARE MANAGEMENT LTD	£862,710.99	Service Area	CYP
PENNA PLC	£859,697.37	Service Area & CPU	Savings Delivered
EDF ENERGY 1 LIMITED	£820,588.09	Service Area	Opportunity to include in WMS Utilities Contract
FITZGERALD CONTRACTORS LTD	£817,132.37	Service Area	CPU limited involvement with E&R Contracts
D H HOMECARE LTD	£806,520.55	Service Area	Agency work, but outside remit of Corporate Contract
(P)LINCOLN GRANGE COVERAGE CARE	£802,234.90	Service Area	ASC - Procurement handled by dedicated team
MARSH LTD	£791,267.29	Service Area	CPU limited involvement with E&R Contracts
JPCS LTD	£762,078.71	Service Area	CPU limited involvement with E&R Contracts
PRYSMIAN CABLES & SYSTEMS LTD	£732,638.89	Service Area	Street Lighting
(P) COTTAGE CHRISTIAN NURSING HOME	£722,643.19	Service Area	ASC - Procurement handled by dedicated team
HATTON COURT T/A SPRINGCARE (HATTON) LTD	£650,896.28	Service Area	ASC - Procurement handled by dedicated team
DIAMOND CARS (TELFORD) LTD	£629,742.70	Service Area & CPU	CPU to be involved in letting framework contract for taxi's
CAVENDISH HOMECARE SERVICES LTD	£627,926.68	Service Area	ASC - Procurement handled by dedicated team
MENTAL HEALTH CARE (UK) LTD	£621,093.54	Service Area	ASC - Procurement handled by dedicated team
EDUCARE ADOLESCENT SERVICES LTD	£613,454.86	Service Area	CYP
BIKOLD(QUERIES:TRACY HARRIS EXT2719)	£572,737.44	Service Area	Handled by qualified Proc Officer in CYP Team
COMBINED PROPERTY CONTROL	£541,649.93	Service Area	CPU limited involvement with E&R Contracts
THE PRIORY	£533,821.50	Service Area	ASC - Procurement handled by dedicated team
WREKIN CONSTRUCTION LTD	£529,141.14	Service Area	CPU limited involvement with E&R Contracts
WOODCOTE HALL NURSINGHOME/SELECT HEALTH	£526,080.21	Service Area	ASC - Procurement handled by dedicated team
COMPUTACENTER (UK) LIMITED	£523,054.30	Service Area & CPU	Re-letting Nov/Dec 08

Key:							
E&R	ASC	Transport	CYP	ICT	CPU Lead	CPU Support	Other

3.4 Procurement Practices in the Portfolios

Members met individual Business Managers to gather information about a number of key issues and notes of the meetings are attached as below:

Environment and Regeneration	Appendix 1
Children & Young People	Appendix 2
Adult & Consumer Wellbeing	Appendix 3
ICT	Appendix 4
Design and Property	Appendix 5

The approach to procurement across the portfolios varies depending on the type of goods or services being procured. This can be a complex process requiring the specialist technical expertise that is in the portfolios. For example, the commissioning and procurement of individual care packages in Adult and Consumer Wellbeing requires a very different approach, involving spot (individual) as well as block tendered contracts. The commissioning and contracting joint framework is shown in Appendix 3.

3.5 Issues and Implications of the Telford & Wrekin Devolved Model

We identified a number of issues arising from the devolved (de-centralised) procurement structure which have financial, performance or legal implications.

- Lack of strategic influence
Members consider that the current procurement structure does not have the right level of influence within the organisation. With the budget pressures set to worsen, the Council's priority and budget setting will need to be more stringent than ever. Accountability for the expenditure of council tax payers' money requires that sound economic decisions are taken in relation to the procurement of goods and services and procurement clearly has a key strategic role to play. But although the stated role of the CPU is to "set procurement strategy and policy for the Council" this is not reflected in its position within the Authority.
- Lack of a joined-up approach across the authority
The lack of top level strategic co-ordination means that the Council does not have a joined-up approach to procurement and Members found little or no evidence of cross-portfolio buying. It was not possible within the scope of the review to undertake a detailed analysis of the services which could be jointly procured or where demand could be aggregated. Adult and Consumer Wellbeing and Children and Young People's have Joint Commissioning teams that covers both children's and adult services and work in partnership with the PCT. This ensures that where services can be jointly commissioned this does happen, although in the meeting with Adult & Consumer Wellbeing it noted that these areas would benefit from closer collaboration.
- Loss of opportunities for cost savings on major contracts
The review identified the fact that the CPU appears to be under-resourced and lacks the capacity to get pro-actively involved in the procurement of major (high-value) contracts where it can have the greatest impact. Each procurement exercise needs to combine the technical expertise, understanding of customer needs and knowledge of markets (which currently lies in the portfolios) with the commercial procurement expertise which lies in the CPU. If the commercial procurement skills (where the CPU can add value) are lost, then the opportunity to maximise value for money savings is lost.

Officers interviewed overwhelmingly thought that the CPU provides a good service, but that its resources are too limited and the extent to which they actively engaged the CPU varied significantly. The CPU had noted that there are officers in business units who set up contracts as an integral part of their role (and although every manager has a duty to secure value for

money), they do not necessarily have the professional procurement qualifications that the CPU has and that there can be a tendency to extend or re-let contracts rather than undergo a thorough procurement process which would achieve better value for money.

There can also be a tendency for service area specialists specify “wants”, rather than “needs” for services and can over-specify contracts which results in the Council paying more than necessary. For example, specifying a short response time from a contractor, when a longer response time is adequate. This means the Council is paying for a service that is unnecessary. A distinct function of the CPU is to balance costs with the needs of the service user, whether internal or external.

There is a high volume of work related to operational queries which can constrain the capacity of the CPU to take a more pro-active approach to involvement in the procurement of major contracts were it is felt they can have greater impact.

- Loss of supplier performance and on-going savings
Contracts need to be managed to maintain performance and continue to drive out savings, and good contract management is about building a relationship with suppliers. Each contract has a set of performance indicators for managing and monitoring contracts. As illustrated in the table above, where a contract is let by the portfolio, it is managed by the portfolio. Where a contract is co-let between procurement and the portfolio, a decision is made on a contract by contract basis as to who should manage the contract and responsibility is sometimes split between the technical and the commercial elements. It can happen that officers are letting contracts as part of their overall role, and in these situations contract management can sometimes drift under the pressure of workload so that opportunities to realise the benefits of supplier performance are lost and opportunities to drive out further savings are lost. As discussed in the above section, contracts can be over-specified, and under-management of these means that the Council may not receive a service that it is paying for.
- Risk of non-compliance with EU regulations
There are no mandatory reporting lines between the portfolios and the CPU and contracts are let by staff in business units who lack specific procurement qualifications and expertise. The risk is that contracts can be let which do not comply with EU and Council regulations. Feedback from the three training sessions run by the CPU each year highlighted severe shortfalls in basic understanding of procurement rules and regulations, including EU thresholds, and the fact that Telford & Wrekin Council Terms and Conditions should be used wherever possible rather than the supplier's.
- Loss of buying power resulting from devolved budgets
Devolved and inflexible budget structures were highlighted as a barrier to cutting costs. For example, the desktop contract was set up by ICT and the CPU and is managed by ICT. ICT try to forecast buying trends to estimate unit costs to make sure that the price charged is competitive and they can negotiate down for bulk orders. But the PCs are owned by the

portfolios and ICT has no control over when new/replacement orders are placed or whether the equipment ordered is the correct specification for the users' business needs or if staff are using old and inefficient equipment. A central budget and central management of buying would mean more accurate forecasting could be done so that money could be saved by consolidating orders and ensuring PCs are correctly specified and kept for the optimum life-cycle. Budgets for stationery are also held by individual business managers and Members felt this could be an area where a centralised approach could bring savings, although the stationery contract has just been re-let with a saving of £50,000 per year. Budget savings are not passed on to portfolios, so incentives to address this need to be considered.

- Non-compliance with Corporate Contracts

There are currently 18 corporate contracts, the majority of which are let by the CPU although some are let by specialist service areas. These are for goods and services bought across the Council and were set up to rationalise supply, to make efficiency savings and to maximise economies of scale.

Financial regulations state that staff must use corporate contracts where they are in place but non-compliance appears to be a significant issue. Enforcement can be perceived as negative and officers can resist changing supplier when they have an established relationship with a trusted supplier or are expected to use an electronic system that they have no "feel" for. There is an assumption that the cheapest unit price is best value, but individual buyers do not always take overhead costs or protection clauses (such as no-cancellation fees on the hotel booking system) into account.

In 2008-09 savings from the Corporate Contracts were estimated at £401,949 but this is a notional figure as it does not include off-contract spend. Off-contract spend is difficult to monitor and has not been audited. The CPU is neither resourced nor empowered to deal with non-compliance, and no action appears to be taken to address it.

- Rationalisation of skills and the cost of procurement

The actual number of staff involved in procurement, and the total cost of buying to the authority is not known but the review identified a significant number of officers within individual business units involved in buying. This means that skills and costs are not being rationalised. Manchester City Council moved from a devolved to a central procurement model in 2007. An estimated 120 officers, equivalent to 40 full-time staff were involved to varying degrees under the devolved structure, whereas the new central team consists of 30 posts this saving the equivalent of 10 full-time posts. (The report does not make it clear whether the total number of staff was reduced or if it meant that staff-time was freed staff up to do other work.)

- Lack of a consistent approach and to procurement across the authority

The devolved structure means experience is not applied from one procurement project to the next. There are no common standards or criteria for evaluating bids (e.g. the price:quality ratio, evaluation of suppliers). Further, there is no common understanding of procurement

best practice, procurement law and consistency in specifying needs, not wants.

4. SUSTAINABLE PROCUREMENT

4.1 What is Sustainable Procurement

“Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment.” *Procuring the Future* (Sustainable Procurement Task Force, June 2006)

4.2 The National Sustainable Procurement Context

The Local Government Sustainable Procurement Strategy 2007 was drawn up in response to the recommendations of the Sustainable Procurement Taskforce (SPTF) reported in June 2006 in *Procuring the Future* and in the light of the Government response and national action plan published in March 2007. It sets out local government’s strategic intent for Councils to collaborate with local partners to pursue the achievement of social, economic and environmental benefits in procurement. The business case identifies 5 key benefits:

- Financial benefits to the Council by designing/constructing buildings with lower through-life operating costs and better energy efficient processes and materials;
- Economic and social benefits by creating employment and training opportunities for the long-term unemployed and people with disabilities;
- Increased purchasing power, and power to stimulate new products and processes in the market place, by aggregation of demand and resources across public sector partners;
- Better engagement and capacity building with small businesses, Black and Ethnic Minority (BME) businesses and third/voluntary sector organisations to create better supplier diversity in supply chains, to capture innovation from small and medium sized enterprises (SME) and to stimulate and support the local economy.

The distribution of local authority spend nationally shows that construction and facilities management constitute by far the largest category of spend and present the most significant opportunities for the achievement of environmental, social and economic benefits. For this reason, these are accorded top priority in the strategy, followed by social care, waste management, energy, transport and food.

The SPTF proposed that three “building blocks” should be put in place: a Flexible Framework as a route map to deliver the strategy, a Prioritisation Methodology to identify areas of spending where activity should be focussed, and a specialist implementation Toolkit. At the top level the strategy will look to the Local Strategic Partnership (LSP) as a way of tackling the shared priorities. Councils were estimated to make some £4 billion in efficiency gains in the three years to March 2008 and there is an expectation that a further £4.9 billion in cashable savings will be made in the

spending review period to March 2011 (Comprehensive Spending Review 2007).

The Members consulted a sustainable procurement consultant to find out more about what this means in practice, and to find out what other authorities have achieved by adopting this approach. The interview focussed on economic and community rather than environmental benefits, and on the opportunities around major capital projects.

The main issue in securing economic benefit from capital projects has been the tension between local authorities wanting to create jobs for local people and EU regulations which restrict the specification of “local” labour and suppliers. In 2004 three EU Directives were consolidated into a single public sector Directive to simplify the framework which allows the requirement to “recruit long-term job-seekers or to implement training measures for the unemployed or young persons”. In reality, this advantages local people. The rules also allow for consideration of social, economic and environmental issues, reflecting the “Well-Being Powers” of the 2000 Local Government Act which give local authorities the power to do anything likely to promote or improve economic, social or environmental well-being. In short, while EU regulations are generally restrictive, there may be some scope to use these exemptions to local advantage.

But there is only so far that legal clauses can go: delivering sustainable outcomes requires more than well specified contracts. To maximise the potential economic impact requires the local authority to be committed at the highest level to a sustainable procurement strategy, and to create the resources to lead the development of the support and delivery infrastructure with a range of public and private sector partners. For example, on big capital development projects, the local authority can play a role in pulling together and co-ordinating the resources of the developer (and sub-contractors), local businesses, funding agencies, training providers, Jobcentre Plus and local people to meet objectives set by the local authority in terms of supplier diversity and the creation of training and employment opportunities for unemployed people. Delivery of these kinds of arrangements would depend on the authority having internal capacity which may not exist currently.

The Olympic Delivery Authority uses the procurement process to create a more diverse supplier base to get more small and third sector enterprises into supply chains and to create employment opportunities and a legacy of training provision for other large capital projects to use up to and post 2012. This has been done through setting up a national construction academy to boost skill levels, and setting targets for the apprenticeships and work placements i.e. at least 2,000 people into trainee, apprenticeships and work placements up to 2012 and for 3% of the workforce to be comprised of apprentices. The training provision has been linked to other planned capital projects so the business case for investment is more robust.

Elevate East Lancashire is a £300 million Housing Market Renewal pathfinder capital project. This project focussed on improving the number of local companies in the supply chain by disaggregating the contract and appointing five local contractors which enhanced local engagement. This was done alongside market development and capacity building with local companies

(although support has to be available to all companies not to breach EU regulations). It should be borne in mind however that while there is work that can be done around market development, EU regulations do remain restrictive.

An illustration of this is a local authority in Cornwall which was supplied by a large ice-cream company in the Midlands. The contract was re-specified to increase the nutrient value, change the packaging and unit size. This meant the national Midlands based company could not meet the specifications. Meanwhile, work had been done to identify a local organic supplier to make sure demand could be met locally. Another way of building capacity in the local market is through networking. As part of the Elevate scheme seminars were held for local companies to build their capacity to submit Pre-Qualification Questionnaires (PQQ) and bids.

4.3 Sustainable Procurement at Telford & Wrekin

The CPU has been looking at Equalities and Diversity in Procurement and Sustainable Procurement over the last few years. The Council spends over £100 million each year undertaking capital projects and buying goods and services so there is a compelling business case for making this procurement more “sustainable”.

Telford & Wrekin’s Sustainable Procurement Policy developed in response to the recommendations of the Sustainable Procurement Taskforce will be adopted by the Council (subject to approval) by the autumn. This outlines the Council’s commitment to make spending decisions in a way that achieves both value for money on a whole life cycle basis, and on the wider economic, social and environmental benefits. The Policy comprises a brief statement of intent and a number of specific aims which focus around the procurement process and on working with suppliers to achieve environmental and community benefits. The remainder of the document is comprised of the National Flexible Framework Action Plan and the milestones from which will be used to aid the Council in achieving the policy aims.

Implementation of the policy will mean:

- Engaging with contractors/suppliers, to pursue the achievement of social, economic and environmental benefits;
- Awarding contracts on the basis of whole life costs and benefits wherever possible;
- Encouraging ownership of our commitment by the political and managerial leadership of the Council;
- Securing appropriate training and development for Members, senior managers, procurement, asset management and other professionals, and service managers.

While adoption of the Policy is recognition of the Council’s commitment to Sustainable Procurement and will ensure compliance with Government recommendations, there are resource implications if it is to be robustly implemented. The initial cost of awareness raising and initial training can be covered from within existing budgets, but the implications of adopting the Flexible Framework will require more investment. It appears that the skills to tackle the economic issues currently lie between the CPU and the Economic Development Unit within E&R. The role of the Strategic Skills Co-ordinator (in

Economic Development) is to develop the infrastructure to enable the effective delivery of skills and training programmes in collaboration with partners, and in a way that meets industry needs. This clearly links directly with the delivery of economic outcomes as part of the Sustainable Procurement agenda, and we feel that there needs to be a joined up approach to tackle this. With the BSF programme coming on stream and other major capital projects (the Town Centre development for example), there is an opportunity to work in partnership with developers to maximise economic benefit opportunities, and these should not be lost.

Implementing the Sustainable Procurement Policy may result in higher initial costs such as investment in support and training to help unemployed people access jobs, identifying and building the capacity of local companies to bid for contract opportunities in the supply chain for capital projects, and the additional cost of providing sustainable energy solutions. These need to be weighed against the long-term net savings to the public purse in terms of reduced housing and unemployment benefits and other costs associated with unemployment, stimulation of the local economy and labour market and lower on-going revenue costs of energy savings.

Although there are currently no statutory requirements within the strategy, the Audit Commission has announced its intention to take sustainable procurement and asset management into account within Comprehensive Area Assessment so that they will be scored by the Commission under the use of resources judgement.

5. ALTERNATIVE MODELS AND CASE STUDIES

Views of a Local Authority Procurement Specialist

Members consulted Mike Philips, Managing Director at WMS, to ascertain his views on local authority procurement models. He outlined some very clear principles:

- First and foremost, the Authority must have a very clear vision for the organisation and a very clearly identified set of strategic priorities and objectives. As budget pressures increase, priorities will be challenged more rigorously than ever, and challenge should come from local people so that the priorities really reflect local need. Accountability for the expenditure of council tax payers' money requires that sound economic decisions are taken in relation to the procurement of goods and services and procurement should be set at the heart of these decisions.
- Procurement must be positioned at a strategic level so that the commissioning and procurement of goods and services is joined up across the authority and is directly aligned with the Council's priorities. The approach has to be "outward looking" to keep sight of customers' changing needs.
- Procurement should be headed up by a "Key Influencer" within the Authority, mandated by the Chief Executive and with influence over individual portfolios. The Key Influencer has two main roles: to understand the needs and priorities of the taxpayer and to champion these internally;

to provide shrewd and innovative strategic procurement leadership to aggressively drive out savings. It was acknowledged that this level of skill is difficult to find in the market place.

- Procurement activity (i.e. of the CPU) should be focussed on areas of high-risk, high-value spend where it can have the most impact. Typically these are children and adult services and environment and regeneration.
- Professional procurement skills should be developed in-house so the organisation grows its own for the future to minimise the risk of going to the market when there is a national shortage of qualified procurement staff.
- Staffordshire County Council was suggested as a good model to look at.

5.2 Staffordshire County Council

Staffordshire County Council (SCC) implemented a rigorous centralised procurement structure 18 months ago. Other less centralised models were considered such as Warwickshire County Council's, but to deliver the tangible savings the Authority wants, the centralised model was considered the only one capable of delivering the required savings in a complex county environment.

Procurement is overseen by a Procurement Board made up of the Council Leader and Cabinet Members, the Directors of Finance, Development Services and Resources, and senior procurement officers. The Board agrees and oversees delivery of the Procurement Strategy and is mandated at Chief Executive level so that decisions cannot be overturned by any staff, even Corporate Directors.

The Central Procurement Team is headed up by the Assistant Director and was set up by moving staff from the Directorates into the Central Team so the new structure was cost neutral to implement. There are 21 staff in a "Category Management" (where interrelated products and services are grouped together under management teams) structure with two teams; strategic and operational. The Strategic team concentrates on the higher-value, high-risk areas of spend such as major capital projects and typically contracts worth in excess of £1 million. For each tender process, the relevant people are brought together in a team to get the right balance of expertise, including staff from the central procurement team, the directorates, legal services and suppliers depending on what is required. If the directorate is deemed to have sufficient competencies, then a light touch approach is adopted and the central procurement team take a lesser role but continue to monitor processes through regular Q&A sessions and cost analyses. The operational team handles operational enquiries and low value/low risk contracts such as cleaning materials, food, and stationery which is outsourced to WMS to free up resources to focus on the larger contracts.

All procurement projects are submitted to the Central Team and assessed against value and risk criteria to evaluate where substantive savings can be made to determine the appropriate approach. The aim is to maximise resources and not tie up procurement in unnecessary work.

The authority has a rigorous enforcement policy and compliance with corporate procurement processes and corporate contracts is mandatory throughout the authority. Breaches can result in disciplinary action.

There is an agreed set of corporate Key Performance Indicators (KPIs) to measure and monitor performance in four key areas: finance, customer, people and process with each area assigned to an accountable internal owner. This enables the constant and effective review of performance against targets. Defaulting on a contract triggers a series of corrective actions which in serious cases could result in the termination of the contract. The authority aims to use this to change perceptions of local authorities being a “soft touch” for contractors.

The Central Team deals with all types and value of contracts with two exceptions: children’s commissioning is currently done separately although ways of bringing this into the scope of the central team are being looked at; and schools use the Council’s contracts on a voluntary basis although 80-90% of school procurement is done through Council contracts.

- **Savings**

The Authority’s annual spend is £400 million including on schools. Savings over the next 4 years are forecast to be £5million per year, largely due to the centralisation and enforcement of procurement and by the new structure focussing on the high spend contracts.

5.3 Warwickshire County Council

Warwickshire County Council implemented a new central procurement structure 18 months ago because it was acknowledged that there was a lack of commercial skills within individual Directorates to achieve real savings and that a more centralised approach was required to drive from the centre if the Council was to maximise savings.

Warwickshire has a much smaller central team than Staffordshire, with 6 staff including a Sustainable Procurement Officer, and a further 3 posts to be agreed at the time of our meeting. The Unit is intended to operate at a strategic level.

A corporate Procurement Plan has been developed to facilitate effective procurement on a consistent basis throughout the authority and to realise savings in common areas of expenditure. For all procurement over £140k, or where there is significant risk to the Authority, a Procurement Plan must be completed by staff in the Directorates and submitted to the CPU prior to the procurement beginning. The Procurement Plan covers a range of corporate standards including risk assessments, how customer needs have been identified, what benefits will be delivered to the community, how competitive the market is and how the market has been developed, performance indicators, cashable efficiencies, equalities impact assessments, environmental impact assessments and benchmarking. The CPU ran a training programme to explain the new processes to staff and to reinforce the message that all future procurement should be compliant with the corporate procedures managed by the CPU. The training session cost in the region of £26k but had realised savings in the region of £224k.

- **Savings**

The Council's total annual spend is around £300 million. The authority aims to achieve ongoing annual cost savings of approximately £8 million from the centralisation of procurement.

5.4 Manchester City Council

We did not visit Manchester City Council but reviewed a report to members about the savings progress made to-date from the development of the Centralised Corporate Procurement function which was approved in 2007 and is now in its final stages of implementation.

It had been found that over 120 staff to varying degrees, equivalent to 40 full-time, staff were involved in procurement activity across the Council. This meant that opportunities to maximise economic, social and environmental benefits by aggregating demand had been missed. Whereas there were areas of good practice, there was inconsistent application of best practice procurement principles and processes resulting in under use of corporate contracts, lack of contract management and supplier performance and lower than expected benefits realisation.

The procurement function underwent a radical restructuring, and was centralised to ensure the City Council could maximise the opportunities that can be derived from improvements to procurement practices. The central team includes 30 posts (around 10 posts less than the previous devolved structure) and is divided into three teams; a Systems and Strategies Group focused on developing procurement strategies consistent with other Council strategies; the Procurement Operations Team which concentrates on continuing and developing procurement business activities; the Contract Management and Benefits Realisation Team to ensure improvements to supplier management to realise the benefits of improved performance.

- **Savings**

The final outcome for 2007/08 was a saving of £12.95 million and the projected saving for 2008/09 is a further £14.17 million.

The savings have been attributed to five main factors resulting from the new procurement practices and techniques:

- Aggregating spend
- Arranging new contracts/improving existing contracts
- Using electronic reverse auctions (A commissioning officer at Telford & Wrekin pointed out that there has been some negative feedback in relation to using this within a care setting.)
- Introducing gateways
- Improved market management

The Council feels that savings have been made without reducing the quality of services and, in many cases, the quality had improved.

Savings have been made across a much wider base than the traditional procurement areas such as stationery, energy, telephony etc. with significant savings being achieved in Social Care, Housing and Education. The savings distribution for 2008-09 is Housing 24%, Telecoms 12%, Agency 10%, Social

Care 8%, Printers and Copiers 8%, Stationery 7%, Furniture 6%, Education 4%, Maintenance 3%, Miscellaneous 13%.

These are direct savings to the Council and do not include long-term indirect savings made from wider economic, social and environmental benefits. The generic procurement model requires that consideration is given to all sustainability issues throughout the procurement process and a more focussed approach to sustainability issues has been adopted to join up the various strands and develop a corporate sustainability policy.

5.5 Equivalent Savings at Telford and Wrekin Council

The savings from the centralised structure forecast by Staffordshire County Council equate to 1¼% of total spend. This would be equivalent to a £1.5 million saving per year for Telford & Wrekin. For Warwickshire, projected savings equate to 2.67% of spend, which would be equivalent to a saving of £3.2 million per year for Telford & Wrekin.

It is difficult to accurately project figures onto Telford & Wrekin as the other authorities may have made savings in areas that Telford & Wrekin has already looked at, and their experience may not be directly comparable, but the overall message is one of more efficient spending.

It is very difficult to make accurate projections about what savings would be made by having a more central structure, and to some extent a leap of faith is required by the authority. Others have taken this leap of faith and are now seeing the benefits.

6. CONCLUSIONS AND RECOMMENDATIONS

As public sector budgets come under increasing pressure, and local authorities face budget cuts, local government spending and procurement are under increased scrutiny. For the Council to meet the financial challenges head-on, procurement will be a key engine to drive out efficiency savings, stop unnecessary spending and maximise return on investment for the taxpayer. There are three key elements to this:

- Direct savings to the authority by ensuring that every action maximises value for money and stops any unnecessary spending: alignment of spending to corporate objectives, aggregating demand and supply, developing markets, managing supplier relationships, rigorous contract specification and negotiation, contract management, rationalisation of internal procurement activity.
- Indirect, long-term savings to the public purse and stimulation of the local economy through sustainable procurement strategies.
- Increased purchasing power and cost-sharing by maximising joint-procurement opportunities with local authority neighbours, regional collaboration through the West Midlands Regional Improvement and Efficiency Partnership and public sector partners in the borough.

Members agreed that although there is much good procurement practice within individual portfolios with dedicated commissioning and contracting teams linking to use corporate expertise in relation to procurement, and

within the CPU itself, the current devolved model is not consistent with maximising the full savings potential to be brought from a more centralised and better resourced structure. The review identified significant scope for service improvement, particularly in the areas outlined in section 3.5 (*The Issues and Implications of the Telford & Wrekin Devolved Model*) in this report. Members felt that these all fundamentally derive from a lack of overall central control and co-ordination, and most importantly, a lack of procurement influence at a strategic level; this needs to be embedded across the Authority.

Members have suggested a number of recommendations to address these issues. As a building block, the Scrutiny Members felt that the organisation as a whole – both elected Members and officers – need to understand and recognise the key role that procurement has to play in supporting the organisation into the future and that a change of approach is required.

Recommendation 1

To undertake a full cost-benefit analysis of the current procurement arrangements, and a cost-benefit analysis of models for an alternative centralised structure to determine the remit of the CPU and the resources required.

The evidence gathered points to the savings and efficiencies to be gained from having a more strategic and centralised procurement facility as part of reshaping the organisation. An initial detailed cost-benefit analysis should be undertaken to determine:

- The current cost of procurement across the authority
- Models for a restructured procurement function and a cost benefit for each model. This will include a cost benefit of implementing each of the recommendations in this report, noting the areas of responsibility set out under Recommendation 3 in this report.

Recommendation 2

To realign current structures to create a new post to champion, influence and co-ordinate Procurement policies and strategy at a corporate level across the Council.

Members felt that there should be a post created to draw together and oversee the delivery of the procurement strategy and activity at a high level so that the full savings potential and net benefits of a consolidated approach can be realised. The post should be mandated at Chief Executive Level and positioned above and across the portfolios to provide a joined-up strategic approach, so that policies and decisions can be implemented at a corporate level and embedded across the organisation. A key function will be to explore the opportunities for collaborative arrangements with partners across the borough and at regional level and to develop joint commissioning and procurement strategies. Moreover, the post will play a key role in the community engagement strategy so that at a time when the authority is facing difficult budget decisions, he/she has an understanding of the public's needs and priorities and can support the Chief Executive in championing Council tax payers' views when it comes to making spending decisions. The overall purpose is to make sure that the Council is getting value for money in the goods and services it requires and ensuring the right products are provided at the right time for the right place, whilst operating in a way which is consistent

with promoting wider Council policies, aims and objectives.

Members are aware that current financial pressures may deter consideration of investment in an additional post, but feel strongly that a fresh approach and the commensurate investment is necessary if the Council is to make the savings that are already being demonstrated by other authorities which have made similar changes.

Recommendation 3

To appropriately increase the staffing levels and resources of the Corporate Procurement Unit to support the delivery of key spending and service objectives, including the Sustainable Procurement and Equalities and Diversity strategy.

Members recognised the good work that the CPU does within existing resources, but were concerned that its current capacity constrains effective procurement activity and reduces cost-saving opportunities.

Members feel that the capacity of the CPU needs to be increased and, dependent on the work carried out under Recommendation 1 of this report, should be strengthened to carry out the following functions, some of which are recommendations contained in the report:

- To support the work of the Procurement strategic champion described in Recommendation 2
- To develop and implement procurement policies, practice and procedures across the Council and in-line with Council spending priorities
- To provide central co-ordination and oversight of the authority's procurement activity, to maximise opportunities to join-up demand and joint procurement projects with other partners
- To implement and ensure compliance with mandatory lines of reporting between the CPU and the portfolios so that procurement plans are submitted to the CPU for contract worth over £75
- To review all procurement plans submitted to the CPU to determine the correct balance of skills for the procurement project between the CPU and the portfolios are used and maximised. This should include:
 - Ensuring compliance with EU regulations, Council terms and conditions and Council standards and procedures
 - Ensuring CPU input onto the specification of contracts to drive out savings and deliver best value for money
 - Ensuring the functions associated with "commissioning" i.e. understanding user needs, strategic development of services and market development are carried out
 - Ensuring that contracts are effectively and continuously managed to maximise benefits realisation and to determine who will be responsible for contract management (i.e. the CPU or the portfolio)
 - Ensuring internal compliance with Corporate Contracts and with the authority to take action against non-compliance
 - To deliver the Sustainable Procurement Strategy, including the development and delivery of economic benefit outcomes such as local training and employment and a mixed economy of suppliers
 - To deliver the Equalities and Diversity Strategy within the procurement process

- To deal with day-to-day enquiries and operational tasks

Recommendation 4

That the level of influence and authority of the CPU is increased so that it has the authority to impose procurement practices and procedures across the authority and is mandated with power to take action appropriate against non-compliance with corporate procurement practices and procedures.

Members were concerned that although the CPU provides a good service, it is not positioned high enough up the authority to have the necessary influence or power to mandate compliance with procurement best value and best practice practices. Neither does it have the power to take action against non-compliance with corporate contracts. This can result in unnecessary spending and loss of savings.

Recommendation 5

To introduce mandatory lines of reporting and a procurement Gateway, between the portfolios and the CPU so that a Procurement Plan is submitted to the CPU for contracts worth £75,000 or more prior to the procurement beginning. This would enable the CPU to co-ordinate overall activity, to determine the appropriate approach for the procurement process, that value for money considerations are robust and that contracts are compliant with legislation and Council policies.

Members were concerned that the CPU is not involved in some of the Council's major procurement projects and that there is no central co-ordination across the authority. Procurement practices are not consistent throughout the organisation and there is a risk that contracts are being let which are not compliant with EU and Council procurement regulations. Mandatory reporting lines would allow the CPU to co-ordinate activity, to identify and join-up demand (and supply) across the Council, to determine the approach for dealing with each contract and ensure the correct resources are engaged, to apply exacting commercial skills, to challenge attitudes and approaches and to ensure that all contracts are compliant with regulations.

As mentioned in Recommendation 3 above, it is important that the links between the CPU and the portfolios are strong so that Managers in the portfolios are engaged and skills are maximised and not diluted.

Recommendation 6

That compliance with Corporate Contracts is mandatory, and audited, and that the CPU has the authority to deal with instances of non-compliance or to approve off-contract spend in exceptional circumstances where it can be justified on the grounds of value for money.

The Members recognised the savings that had been accrued from the Corporate Contracts but were concerned that the full savings potential is not realised because of the level of off-contract spending. Off contract spend has not to date been audited so the exact extent of the problem is not known but the CPU highlighted this as a particular issue. The CPU should be

empowered to take appropriate action against non-compliance.

Recommendation 7

That the Economic Development Unit is involved in the procurement of major capital projects from the contract specification stage to ensure opportunities for local economic and employment benefit are maximised.

The capacity of the Economic Development Unit has been increased to take a strategic approach to co-ordinating local supplier and labour initiatives with partners so that the local community benefits from public investment in capital projects. It appears that the skills to maximise local economic benefit lie between the Economic Development Unit (predominantly the Strategic Skills Co-ordinator) and that these skills should be joined-up from the contract specification stage of major projects to make sure that opportunities are not lost.

Recommendation 8

That budget structures for office equipment and supplies are reviewed and centralised where it can be evidenced that this will bring savings.

The authority has a devolved budget structure so that individual business managers have their own budgets for office supplies and equipment and these are ordered by each unit. In the case of IT hardware, it was thought that there could be further economies of scale to be made by central control of the budget and central management of user demand/supply by ITC, or from centralising the supply of stationery. It should be noted that currently from an accountancy perspective costs would have to be apportioned back to services to show the full costs of that particular service and that additional control mechanisms would be needed to manage and control spend.

Recommendation 9

To invest in additional specialist contract management resource within Environment and Regeneration to reduce the level of work contracted out to Jacobs and to drive out further savings by more effective contract management.

E&R currently contract specialist engineering consultancy from Jacobs Engineering. A balance has to be drawn between using in-house staff or consultants to cope with specialist work and varying workloads. A level of marginal increase in staffing would mean that expertise is brought in-house and consultants would only be required as a "top up" for technical expertise where it would not be cost effective to retain it permanently within the Council or where the overall workload is in excess of what can be sustained by the Council's engineering teams. This could be an Invest to Save bid.

Recommendation 10

To develop the central register of other local authority contracts and when they are due for re-negotiation to identify opportunities for joint working on both existing and new contracts.

This already exists to a degree through involvement with the other WMS owning authorities, engagement with the West Midlands Regional

Improvement and Efficiency Partnership and the OGC buying solutions frameworks. This recommendation would be particularly welcomed by Environment and Regeneration.

Recommendation 11

To develop strategies to build capacity in the local SME market to enable them to access contracts directly, or in supply chains, and to set up a register of quality assured local suppliers including those used by the authority those used by local developers to create a database of potential suppliers with local market knowledge and expertise who can be invited to tender for contracts.

Members suggest this would be a joint activity between the CPU and the Economic Development Unit.

Recommendation 12

To set up a Procurement Board to include the Leader, Cabinet Members, the Chief Executive, Corporate Directors and senior Procurement officers, to meet bi-annually to oversee the development and implementation of the Procurement Strategy and to mandate decisions.

This would that decisions are agreed and enforced at a strategic level.

7. SUMMARY OF RECOMMENDATIONS

The recommendations are summarised in the table below. We have assigned a priority level to each of the recommendations, and given an indication of the cost.

It is not possible to provide detailed costings for the recommendations within this report without a considerable amount of additional work being undertaken by both scrutiny members and finance officers. However, the recommendations have been placed into one of three categories as follows:-

- Spend to Save indicates a recommendation that would generate more savings than the cost of implementation
- Low cost indicates that the recommendation could be funded from within existing resources, although not necessarily in the current year.
- Medium cost indicates that the recommendation is anticipated to cost up to £10,000 which is not currently budgeted.
- High cost indicates that the recommendation is expected to cost more than £10,000 which is not currently budgeted.

Recommendation	Indication of cost	Priority level
<p><u>Recommendation 1</u> To undertake a full cost-benefit analysis of the current procurement arrangements and a cost-benefit analysis of models for an alternative centralised structure to determine the remit of the CPU and the</p>	<p>LOW</p>	<p>1</p>

resources required.		
<u>Recommendation 2</u> To realign current structures to create a post to champion, influence and co-ordinate Procurement policies and strategy at a corporate level across the Council.	Spend to Save Initiative	3
<u>Recommendation 3</u> To appropriately increase staffing levels and resources in the Corporate Procurement and Purchasing Unit to support the delivery of key spending and service objectives, including the Sustainable Procurement and Equalities and Diversity strategy.	Spend to Save Initiative	2
<u>Recommendation 4</u> That the level of influence and authority of the CPU is increased so that it has the authority to impose procurement practices and procedures across the authority and is mandated with power to take action appropriate against non-compliance with corporate procurement practices and procedures.	LOW	4
<u>Recommendation 5</u> To introduce mandatory lines of reporting and a procurement Gateway, between the portfolios and the CPU so that a Procurement Plan is submitted to the CPU for contracts worth £75,000 or more prior to the procurement beginning. This would enable the CPU to co-ordinate overall activity, to determine the appropriate approach for the procurement process, that value for money considerations are robust and that contracts are compliant with legislation and Council policies.	LOW (dependent on recommendation 2 being accepted)	5
<u>Recommendation 6</u> That compliance with Corporate Contracts is mandatory, and audited, and that the CPU has the authority to deal with instances of non-compliance or to approve off-contract spend in exceptional circumstances where it can be justified on the grounds of value for money.	LOW	6
<u>Recommendation 7</u> That the Economic Development Unit is	LOW	10

<p>involved in the procurement of major capital projects from the contract specification stage to ensure opportunities for local economic and employment benefit are maximised.</p>		
<p><u>Recommendation 8</u> That budget structures for office equipment and supplies are reviewed and centralised where it can be evidenced that this will bring savings.</p>	<p>LOW</p>	<p>11</p>
<p><u>Recommendation 9</u> To invest in additional specialist contract management resource within Environment and Regeneration to reduce the level of work contracted out to Jacobs and to drive out further savings by more effective contract management.</p>	<p>Spend to Save Initiative</p>	<p>8</p>
<p><u>Recommendation 10</u> To develop the central register of all local authority contracts and when they are due for re-negotiation to identify opportunities for joint working on both existing and new contracts.</p>	<p>LOW (dependent on recommendation 2 being accepted)</p>	<p>12</p>
<p><u>Recommendation 11</u> To develop strategies to build capacity in the local SME market to enable them to access contracts directly, or in supply chains, and to set up a register of quality assured local suppliers including those used by the authority those used by local developers to create a database of potential suppliers with local market knowledge and expertise who can be invited to tender for contracts.</p>	<p>LOW (dependent on recommendation 2 being accepted)</p>	<p>9</p>
<p><u>Recommendation 12</u> To set up a Procurement Board to include the Leader, Cabinet Members, the Chief Executive, Corporate Directors and senior Procurement officers, to meet bi-annually to oversee the development and implementation of the Procurement Strategy and to mandate decisions.</p>	<p>LOW</p>	<p>7</p>

ACKNOWLEDGEMENTS

We would like to thank all those listed below who have contributed their time to participate in this review, and have shared information and views with us.

Victor Brownlees	Chief Executive (Corporate Director for Resources at the time of the review meeting)
Adrian Griffith	Procurement and Payments Manager
Keith Smith	Business Manager, Highways & Transport Maintenance
Stuart Freeman	Business Manager, Network Management & Policy
Martyn Withnall	Team Leader, Transport
Mike Weston	Head of Service, ICT
Tom Greatorex	Business Manager, ICT
Kirsty King	Business Manager, ICT
Tina Wood	Head of Commissioning, Performance and Partnerships, CYP
Angela Yapp	Business Unit Manager, CYP
Paul Taylor	Head of Service, ACW
Christine Harrison	Lead Joint Commissioning Manger, (Older People, P&SD and Carers)
Richard Peach	Business Manager, ACW
High Rodger	Business Manager, Property & Design Management
Chris Butler	Business Unit Manager, Engineering Services
Corin Crane	Strategic Skills Co-ordinator
Mike Philips	Managing Director, WMS
Ian Simpson	Assistant Director (Staffordshire Procurement), Staffordshire County Council
Paul White	Corporate Procurement Manager, Warwickshire County Council
Jane McRobbie	FSquared (Sustainable Procurement Consultancy)
John Wilcox	FSquared (Sustainable Procurement Consultancy)

Appendix 1

Procurement Scrutiny Review Meeting with E&R – 10th February 2009

Present:

Councillor Roger Aveley (Chairman)
Keith Smith – Business Manager, Highways and Transport Maintenance
Stuart Freeman – Business Manager, Network Management and Policy
Martyn Withnall – Team Leader, Transport
Ken Clarke - Scrutiny
Stephanie Jones – Scrutiny

Apologies:

Councillor Karen Tomlinson, Maurice Viney Co-opted Member

Summary of major contracts in Keith Smith, Stuart Freeman and Martyn Withnall's business areas:

1. Hosting

This is managed by Keith Smith. The current contract is with TWS. We are in the 9th year of an 18 year contract for environmental maintenance including highways maintenance. This was a negotiated contract to externalise services previously done in-house involving TUPE transfers. A 9 year review is being lead by Dave Hanley. The highways maintenance revenue contract value is £1.8-2m p.a. A Schedule of Rates is being added to cover minor works < £10k.

2. Street lighting

This is managed by Keith Smith. The current contract is with Prismian. This is a 3 year contract with a 2 year renewal option, let in June 2008 under OJEU regulations. Business Transformation was involved in the tender process and added significant value by building technical/IT obligations and stringent monitoring into the core contract. Business Transformation was sent the documentation and came forward with support.

3. Capital projects

These are managed by Keith Smith, although Stuart Freeman has overall responsibility for the Jacobs contract. These are let as 3 separate contracts for resurfacing, footways and structural repairs each worth £400-500k p.a.. Jacobs was appointed in 2004 on a 4 year contract, now being extended to 2010, to put contract documentation together, manage contract processes and provide technical consultancy and contract management. Jacobs' fees are 12-15% of the value of the works. Rates are negotiated downwards for similar types of work done on contracts. The re-tender process is starting now for the new contract from 2010. Reports relating to both the contract extension and the re-tendering of the contract are going to Cabinet on 23rd February.

4. Small Works Contract

Keith Smith gave an overview of this, but the contract is lead by Chris Butler. This is for small value work (such as drainage) that is not included in the hosting contract and worth about £200k p.a. in total. There are a number of local suppliers used under the contract, last tendered 12 months ago. This is being reviewed as the value of the work has increased over the last 2-3 years with flooding, and may be re-tendered as a one drainage contract. Enforcement of car parking penalty notices in

Council car parks is also being considered.

5. Jacobs

Stuart Freeman is responsible for managing this contract. This is an engineering partnership contract covering a range of services. There are 13 areas of scope including architectural services and transport planning. The contract provides a range of professional and technical services for traffic and transportation, civil and structural engineering, planning and architectural design. As part of the work Jacobs can manage procurement of works or services for the Council which can include putting together contract documentation and procurement.

6. Traffic signals

Stuart Freeman is responsible for this contract. This is a 4 year framework contract with a 1 + 1 year extension option for maintenance of 70 sets of traffic lights worth £38k p.a. Adrian's team is involved with the re-tendering of this contract, particularly filling gaps in the specification as the Council's contract is currently for basic provision compared to other local authorities.

7. School /CYP transport

Martyn Withnall and his team manage all the non-educational transport contracts. The school service has a mix of big buses supplied by local suppliers under 17 contracts let under the OJEU process with the central procurement team. CYP spend is £2.3m p.a., plus £800k p.a. on the in-house fleet. An OJEU tender for minibus services for children with special needs has been delayed due to the Transport Services Review. Taxi spend for children with special educational needs is c. £800k p.a.. The new electronic procurement system (Delta) has brought spend down as all the approved companies quote enabling the cheapest price to be procured. A new framework contract developed with the central procurement team for electronic auctions has also been put on hold because of the Transport Service review.

8. ACC transport

Public transport subsidised routes: spend is c. £700k and the 5 year contract with Arriva is due for renewal in the next 12 months. This follows OJEU regulations. There has been an issue as traditionally the only bidder is Arriva. Travel West Midlands and Choice have shown no interest.

Taxis: this service is for vulnerable and disabled people. Maximum 12 month contracts are awarded linked to care packages, and CSV is used whenever possible. Approximately 300 ACC passengers are moved each day and around 400-500 children with mobility problems. Spend is around £300k p.a.

9. Bus Shelters

There is no budget for bus shelters so the team work with Town and Parish Councils to share costs 50:50 using steel stockholders and local glaziers. This works on a "grace and favour" basis, so there are no formal procurement processes.

What KPIs are used in contracts?

1. TWS

There is a range of monitoring procedures in place linked to indicators that are reported to the public (e.g. the pot-hole promise) for response times, all of which are measured monthly. Monitoring meetings are held weekly with TWS and monthly with the TWS Director. Penalties are imposed for non-performance.

2. Prismian

KPIs are linked to BV215A for the % of lights out at any one time. There is a contractual maximum 5 day response time for problems within the contractor's remit, although often problems are due to cabling which are outside this. In these cases, no penalty can be imposed. Monthly monitoring meetings are held with Prismian, and

the last six months have shown a significant decrease in the number of lights out due to the stringent enforcement of contract obligations.

3. Jacobs

There are clear contract management arrangements in place with a recently revised project commissioning process to ensure that there is a clear agreement on fees and that progress in delivering services (such as project designs, site supervision of schemes) is monitored monthly. There are agreed processes to agree any variation in the commissions that Jacobs work on. The contract is based on an industry standard, the New Engineering Contract (NEC) for Professional Services.

Civil engineering contracts have many conditions relating to the specifications and all have to meet industry standards. The same applies to the Small Works Contract.

How do you ensure you are securing value for money?

Some contracts are let between price and quality, others purely on price. Value for money does not always equate to the cheapest bid.

1. Jacobs

There are 13 areas of scope which give good value for money. Market testing has been done on quality and price with local consultants and the OGC framework. Typically you would expect Jacobs fees to be of 12-15% of the value of the works, although this can vary depending on the nature of the project, and these are negotiated down for similar types of work. During the contract extension to 2010, the cost of fees for work on capital projects will be benchmarked against the value of additional savings accrued on capital works. The Partnership Board for the Jacobs contract are looking at how other local authority professional service frameworks are identifying National Indicator 179 efficiency gains, which can then be used to benchmark against.

Stuart's view is that engineering is very lean internally. A balance has to be drawn between using in-house staff or consultants to cope with specialist work and varying workloads. A level of marginal increase in staffing would mean that expertise is brought in-house and consultants would only be required as a "top up" for technical expertise where it would not be cost effective to retain it permanently within the Council or where the overall workload is in excess of what can be sustained by the Council's engineering teams.

Adrian Griffiths' team has been involved in the procurement of the next contract and scoping discussions are being held with other authorities including Shropshire to explore the opportunities for joint working. The possibility of batching up the 13 areas of scope into separate contracts, or appointing one supplier for each area are also being explored. This will be reviewed with Shropshire over the next few months.

The Midlands Highways Alliance (MHA) is a shared contractor framework for civil engineering projects of up to £8m. The cost of joining the framework is £2.5k, and the potential benefits and savings to be made are being explored, balanced against the potential loss of local economic if a national contractor is appointed. The MHA is a partnership between the Highways Agency and some of the East Midlands authorities, but it is open for other authorities to join. The MHA has been supported by the East Midlands Regional Efficiency and Improvement Partnership. There is also a West Midlands Highways Alliance which has worked with the MHA on procurement of commodities such as salt. In future it is hoped that there may be opportunities for closer working between the West Midlands Highways Alliance and the MHA. There are opportunities to save on individual procurement costs for contractors or other services/supplies such as lamp columns and traffic signals.

Advice is being taken from the legal and procurement departments to clarify any

potential TUPE liability the council may have for Jacobs' staff working on the Telford & Wrekin contract in the event of Jacobs not being re-appointed.

There have been occasions when it is necessary to go outside the Jacobs contract. The Greyhound Link scheme needed very specialist advice so went to an existing OGC framework contractor.

For some of the projects that were put out to open market competition as part of the contract benchmarking exercise Adrian's team were involved in the procurement process to draw up the standard contract documentation, receive and assess tenders. Stuart thought this had worked well although it had required some learning in getting procurement and legal staff familiar with the engineering contracts being used.

2. Traffic Signals

Work is being done with the procurement team to identify other authorities doing a similar procurement and to find gaps in our specification. Industry benchmarking has been done.

What criteria are used to evaluate tenders?

Tenders are evaluated on a balance of quality and price, depending on the nature of the contract. The Jacobs contract is evaluated on a 70% quality:30% price ratio. The Wellington Bus Station contract was let on price only, as the contract had a defined specification so if contractors priced the specification they automatically met the quality requirements.

Other factors are taken into consideration:

- Local suppliers and local labour
There are no specific clauses in contracts about using local suppliers and labour, although this is discussed as part of the contract negotiation and contractors are encouraged to use local supply chains. On the Wellington Bus Station contract, only local/regional contractors were shortlisted, and they try to use local sub-contractors. A post-code survey of Jacobs' staff showed 41% had a Telford postcode and a further 43% had Shropshire postcodes. Stuart Freeman thinks this brings added value in terms of local knowledge, rather than metropolitan consultants who may have less understanding of the local environment.
- Equalities
Equalities issues are considered as part of the evaluation process, for example, whether contractors have equalities statements. There is also an equalities statement to be included in the Memorandum of Understanding between the Council and Jacobs for the life of the contract extension, which will outline how both organisations will work together to promote equality and diversity.
- Sustainability
This is an emerging issue nationally and thought needs to be given to how this can be integrated into procurement processes. WMS declared an interest in the electricity/street lighting contract, but were not able to provide information about green energy. There are on-going discussions with Jacobs about tracking landfill / CO2 emissions, although there are no fixed assessments in place yet.

What role do staff in the department play in procurement and what is their level of knowledge about the markets they are procuring in?

In Keith Smith's area the role of staff is to identify and prioritise the works that need to be done, and to work with Jacobs to agree the contract documents and analyse tenders to make sure the let meets identified requirements. Business Transformation have input into this process.

Most procurement is based on scheduled prices, so negotiation happens at the contract letting stage. The cheapest contract is identified and there are then detailed

negotiations around specific areas to squeeze out value for money and savings. There is no further negotiation once the contract has been let.

Stuart Freeman's view is that staff have good knowledge of the consultancy and contractor market, and know what rates to expect. The current economic climate means that bids are more competitive with construction rates coming down. For example, the estimated costs for the Wellington contract 12 months ago was £650k+, but tenders now are for £590k - £650k. Experience has shown that there has been approximately a 10% drop in costs over the last 12 months, but this can vary between projects.

In Martyn Withnall's team, staff procure and manage all contracts. The central procurement team is used and Martyn noted that Vicky Fisher has given them tremendous support and they are happy with this arrangement. The new on-line procurement system has made procurement easier and more efficient as the team are able to select the cheapest supplier.

Do you think the procurement structure should be more centralised?

In Keith Smith's view E&R let very specialised contracts and need expertise in these fields to produce the best documents. Keith is not supportive of a corporate procurement structure for the works contracts because of their specialist nature, although street-lighting energy could be an area to look at corporately.

Stuart Freeman's view is that procurement should not be centralised but there is an argument for having a specialist resource within E&R to work on all contracts as they come up. This would save costs by taking more of the work contracted out to Jacobs. At present the management of the work placed through the Jacobs contract forms a small part of people's substantive roles, there would be greater opportunity to squeeze more value from if a dedicated contract management resource were in place – the contract management could be across more than one contract in the portfolio/ council. This could be an invest to save bid.

Who deals with electricity / street lighting?

The energy contract is with EDF procured through OGC Solutions, the government procurement agency securing energy for local authorities and public services. Keith Smith is aware of other potential suppliers – WMS declared an interest and were invited last year to supply costs, but they could not provide green energy or supply to the required timescale. A report is going to cabinet within the next month stating that 6 months statutory notice is being served to OGC Solutions to review energy charges. This will open the field to other suppliers such as WMS or the West Midlands Highways Alliance.

If you could make one change to improve procurement, what would it be?

Keith Smith will e-mail suggestions to Stephanie Jones.

Stuart Freeman:

- To invest in additional specialist resource within E&R. This would allow for consolidation of workload, more work to be handled in-house and more savings to be squeezed from Jacobs through better contract management.
- Set up a register of all local authority contracts and when they are due for re-negotiation to identify opportunities for joint working on both existing and new contracts. This may include understanding what existing collaborative groups such as the West Midlands Highways Alliance and the MHA are planning to procure.
- To develop a register of quality assured local suppliers including those used by the authority and those used by local developers. This will create a database of

potential suppliers with local market knowledge and expertise who can be invited to tender for contracts.

Martyn Withnall:

- To give staff a better understanding of procurement processes.
- To have an in-house procurement officer within the team that is fully trained.

Appendix 2

Procurement Scrutiny Review Meeting with CYP – 20th March 2009

Present:

Cllr. Roger Aveley
Maurice Viney – scrutiny co-optee
Tina Wood – Head of Commissioning, CYP
Angela Yapp – Business Manager
Stephanie Jones – Scrutiny

Apologies:

Councillor Karen Tomlinson

Tina Wood

Tina explained that children's services are procured through a commissioning process which she defined as broader than procurement.

There are different stages of the commissioning process:

- Evaluation of service users needs
- Mapping of current services delivered by Telford & Wrekin, PCT and other partners
- Design or re-design of services to fit needs – this could involve re-shaping current provision or purchasing new services
- Evaluation and monitoring of new services

Commissioning in CYP is led at a strategic level by the Children's Trust which is a joint planning and commissioning body responsible at borough or cross-boundary level. The Council and the PCT are the most significant players on the Trust, but it also includes the LSC, the police and other partners. There is a children's Joint Commissioning Team made up of 5 commissioning posts jointly funded by T&W and the PCT. Resources are reviewed collectively.

The Children's Trust links into Change for Children Boards at cluster level. The CfCs commission services at locality level.

The CfCs link to locality working where individual care packages are commissioned.

Does the Children's Trust tie into the LEA, schools and governing bodies?

This is an important part of the Trust and has strong links with education. The CfC Boards in the clusters are led by head teachers.

Do you use the Central Procurement Team (CPU)?

The CPU is used for advice and guidance around tendering but the business managers and joint commissioning team do the procurement. This is a very specialised area of work around service development and designing individual care packages so the portfolio needs to do this

Are any of the commissioning staff qualified in procurement?

Tina thinks that there are at least 2 qualified (Gail Stephens, Brian Kitson) and one has done a certificated course (Kate Smeetley).

How do you ensure value for money?

Value of money is considered on a balance of quality and price. Joint commissioning pushes forward integrated services so services are better, more savings are made

and work is not duplicated. Joint commissioning goes across the council as well as partners.

Do you do any joint commissioning with other local authorities?

Some services are regionally procured. Children and Adolescent Mental Health Services (CAHMS) are procured with Shropshire and Staffordshire.

Angela Yapp

Angela is the Business Manager for placements of Children in Care (CiC) in the safeguarding / corporate parenting team. There are around 234 children residential or foster care. They receive a range of support some of which is delivered by in-house staff and some is bought in.

The main contracts are:

Castel Care – a block contract for residential care within Jigsaw.

National Foster Care Associates – for initial placements

Transport contract for children in care

Spot purchase assessments

There are also a number of other contracts

A central unit has been set up and all requests for resources are made through the unit.

How are the contract managed and how do you secure value for money?

This is done through regular meetings with providers. The placements officer meets them once a month and assesses value for money. A report on each child is made – school attendance, leisure and fun etc.

The cost of keeping a child in an internal foster care placement is £400 per week, for an external foster placement the costs is £773 per week, the costs for external residential is £3,069 per week. Angela has been looking at ways of stimulating the market for foster carers. Consultation has been done with foster carers to ascertain their capacity and to identify ways of encouraging new foster carers to come forward. Support carers are used to support foster carers (providing back-up if they need it) and this saves money by keeping children out of residential care. There is a shortage of foster carers but T&W compares well with other local authorities. The numbers in residential care are reducing. Costs were saved by the closure of one of the children's homes. 12 months ago there were about 35 in residential care, there are now 18 and this is expected to drop to 14 by the summer.

When children are placed out of county, a needs assessment is undertaken with the child and social worker to find the best solution for the child. Quality of care has to be taken into account as well as cost when placing. All provider invoices are evaluated to eliminate waste. Meetings are held with the management teams of providers so that they understand T&W's requirements as a local authority and what is expected of them.

£10k of savings have been made on the travel budget for 08/09 so far this year. Some costs are statutory and cannot be avoided such as transport for children placed out of county and children under care protection orders attending needs assessment meetings. The other main transport spend is on taxis for school and leisure. The policy is that when a child goes into care, the education department is liable for travel costs to and from school for journeys over 3 miles for one school term. Angela picked up the fact that this was not happening and that these costs were being paid by Children's Social care. This has now been rectified and the education Business Unit now pay these costs for all new children in care for a period of 4 months. Other options for increasing transport by foster cares are being

explored such as the viability of paying for driving lessons for carers and increasing the mileage allowance to make carers more flexible about giving lifts. The possibility of using CVS to provide transport instead of taxis is also being looked at. Flexcards are used for local buses. Angela was not sure if the red buses and twister service is being used but will check, and if not consider if they are a better or cheaper option than ones used currently.

Do you use Integrated Transport?

The Integrated Transport is used but Angela did a mystery shopping exercise on the contracted taxi firm and found that they were overcharging the council – the firm quoted a lower price to the mystery shopper as a private client. This has been brought to the attention of Integrated Transport and has been included in the Transport Review just undertaken.

Schools funding is ring-fenced. In Staffordshire, the schools use the County Council's contracts. Do you know if this happens in T&W?

Angela thinks this happens in the clusters through the Partnership Boards.

If you could change one thing about procurement to improve it what would you do?

Tina - Difficult to influence, but change the national rules to make the tender process less bureaucratic and faster.

Appendix 3

Procurement Scrutiny Review Meeting with ACC – 5th May 2009

Present:

Paul Taylor – Head of Service
Christine Harrison – Lead Joint Commissioning Manger (Older People, P&SD and Carers)
Richard Peach – Business Manager
Councillor Roger Aveley (Chairman)
Maurice Viney – scrutiny Co-optee
Stephanie Jones – Scrutiny

Apologies:

Councillor Karen Tomlinson

Paul Taylor gave an overview of commissioning in ASC.

Before the 1993 Community Care Act, social services was responsible for assessing needs and were also the main providers of residential care for older people and people with special needs including day care centres and home help. The social security system for residential care led to the growth of the private care sector. The 1993 Community Care Act transferred funding from social security to local authorities and also increased funding for residential and nursing homes plus care to support people at home. By this time, most local authorities had transferred residential care out to the private sector. By the time Telford & Wrekin became a unitary authority, 85% of provision was contracted out to private providers through block contracts.

The Choice Directive then gave individuals the right to choose which provider to use. This meant that procurement of care could no longer be done on a block contract basis but had to move to spot contracts to procure for individual care. This means that the council may have a block contract with a provider as well as many spot contracts.

There are still block contracts in place to ensure services are available locally i.e. block contracts are used to develop the market. For example:

- Day centres for adults with learning disabilities (ALD): there was historically no market for this, so the council block contracts day centre services in Halesfield, Lakeside and Stirchley. This is in addition to the 2 council owned homes in Wellington and Stirchley.
- Day centres for older people: there are block contracts with Accord and Coverage Care fro specialist day centres and in Millbrook for specialist centre for people with dementia.

Questions

Are people means tested for funding?

People's needs are assessed first to determine the level of care required. There is then a financial assessment to see how services will be funded and if they are eligible for public funding. The threshold for eligibility is less than £23K in savings, and there is also a high salary threshold. If the person is living at home and will remain living at home, the value of the property is not counted as savings. If the person has to move to residential care and the house is left empty, then the value of the property is taken into consideration. If the person moves into residential care but a spouse or dependant remains in the property, then it is not classified as savings.

How do you ensure value for money and how do you benchmark?

Richard Peach has a member of staff working on benchmarking and does a significant amount of work with CIPFA on unit costs. Other local authorities have been consulted and there was a meeting at the end of March to report back on the results of this consultation and to identify areas for improvement and potential savings. This could include different financial modelling, the IT infrastructure and provision for Adults with Learning Disabilities (ALD). There are regional centres of excellence for ALD and there is a training day in June to look at models to see how value for money should be built in.

The Department of Health produces an annual report on spend across all local authorities and the information can be broken down to disaggregate overheads from care costs so that actual costs can be compared.

In addition to national and regional benchmarking, market testing is done by going out to tender and inviting bids to look for value for money, unit costs are profiled in conjunction with Shropshire Partners in Care, a national benchmarking model by the UK Home Care Association is used for domiciliary care and work is done with private providers to understand their costs including profit and overheads as well as cost of care so these can be benchmarked.

The Purchasing Plan is used as a strategic planning tool. This explains what services are contracted, from whom, blocks and spots, priorities for the future (e.g. shifting to home care away from residential) and there is a hyperlink to tender documents so that suppliers can shape provision to future needs.

The team is dynamic and intervenes in contracts to challenge prices for example in ALD residential care, but quality of care also has to be taken into consideration.

Direct payments will be a national driver for the future. Money will be given to users directly to procure the services they want and need and this will have an impact on the Purchasing Plan. It is not clear how this will fit in with block contracting (currently ¼ of provision is block contracted) but users may choose to buy from elsewhere and this could de-stabilise the market. What people spend money on will also need to be monitored.

How much profit do private providers make on average?

An average of 10-12%. In 2000 T&W specified that providers should be not-for-profit companies, but even not-for-profit companies have to make a surplus. This is taken into consideration at the evaluation stage. Each contract will be slightly different. This is a benchmark figure as to reasonableness, some contracts in place may be lower than this.

Do you do any joint commissioning?

The total annual budget for care is £34m. This buys care for older people and adults with learning disabilities, mental health issues and physical and sensory disabilities. £26m is spent on spot purchasing. £8m is spent on block contracts.

People's needs can be for health as well as social care so some funding comes from the PCT. Of the total spend, the council funds around £19m and the PCT funds around £14m.

Several block and spot contracts are wholly funded or partly by the PCT and the council contracts on behalf of the PCT. There is a joint budget (known as a Section 31 Agreement, and more recently up-dated as Section 75 under The Health Act 2006) for some services such as intermediate care and these are jointly procured with the PCT.

T&W also joins procurement up with Shropshire where the 2 authorities need similar services to strip out costs, although contracts are awarded separately. For example this was done for mental health provision and the Community Meals on Wheels.

Which internal staff are involved in procurement?

The commissioning and contract team take the lead in identifying need and the market. The commissioning and contracting team is a jointly funded team across health and Social Care. It comprises of Joint commissioning managers, contracts and quality monitoring staff. The team support the commissioning cycle which includes needs analysis, service review, procurement and contracting, service redesign and quality monitoring. There is a lead Joint Commissioning Manger for Older people, Physical and Sensory Disability and Cares and one for Adults including mental health, Adults with Learning Disability, Substance Misuse and employment.

The commissioners work with a number of stakeholders including carers, providers, advocates to represent users and social services to identify needs and specify the service. For example, looking at domestic care for old people, there was a workshop involving Senior Citizens, Age Concern and the voluntary services. Once the service is procured there are a series of discussions to identify what care is needed, when and how it should be provided. Social workers get involved in reviewing the needs of people who require care as part of the assessment process. There are a range of stakeholders who review the service which could include carers, people who receive service, quality monitoring offers, CQC, the providers themselves.

What competencies and qualifications do staff have in procurement?

Commissioning and contracting officers are in the West Midlands Group for quality monitoring. Staff involved in commissioning and contracting access the Inlogove Commissioning and Contracting certificate. All staff have been trained. One member of staff is undertaking CIPs training.

Other national organisations are used to support staff such as the Care Services Improvement Partnership and Care Services Efficiency. There is currently no mandatory competency framework for commissioners, but this is being looked at nationally and it could be that a professional qualification will be developed. There are regional groups to support staff such as:

- Managing the Market,
- Contract and quality monitoring group. Commissioners are also supported by regional networking groups.

How do you work with the Central Procurement Team (CPU)?

They are used for expert advice on standards terms and conditions so standard clauses are used where possible, but many are non-standard as care is very individual so the commissioning team specify these parts of the contracts. Fran Jones, Service Development Manager, is on the Central Procurement Group to ensure connectivity and corporate initiatives such as sustainability and equalities. The CPU provides support and advice on EU tenders, e.g. the use of the e-delta system for tendering.

The commissioning teams write the specifications for tenders in conjunction with arrange of stakeholders, including people who use services, carers, professional, providers etc and then check these with the legal and procurement teams. KPIs are specified and monitored.

How are complaints from users dealt with?

All domiciliary and residential providers have to be registered with what used to be the Commission for Social Inspectors which is now called the Care Quality Commission (CQC). Complaints can be made directly to the provider, or to the CQC. Users can also complain to the council even if they are in private residential care.

Do people complain or do they tolerate poor quality services?

Some users have no capacity to complain and there are therefore contracts with advocacy organisations such as Age Concern and Taking Part to provide this kind of feedback. The contracts are funded out of the central budget.

All provision has to be funded from within the set budgets and there is always more need than money so tough decisions have to be taken. People have to meet minimum thresholds of need to qualify for funding.

How are social workers trained and qualified?

All social workers are fully qualified to degree level and are registered with the General Care Social Council.

Who is responsible for checking the quality of care?

The local authority employs social workers who work with individual service users. There is a small team of contracts monitoring staff. A risk and proportionate based monitoring system has been developed and a range of intelligence is gathered about when a provider is not working. The council then works with the provider to help them take steps to address any issues and improve the quality of care. This is done through a developmental action plan and the approach is to work together and not an adversarial process. If this does not work, the council can suspend purchasing with the provider which is a powerful tool. It can be difficult when standards in a certain home are not good, but an individual user chooses to remain there and a decision has to be made as to whether to fund an alternative provider. The CQC also acts as a regulator, but the process takes much longer and the council's power to cease funding a contract is a much more effective tool in achieving a quick response.

The logistics of home care are difficult. The council runs 2 domiciliary care services, one for short-term rehabilitation of older people and the other is a specialist centre for adults with learning disabilities. It can be logistically complex when people become ill and need to stay longer than expected.

The council works with Shropshire Partners in Care, the LINKS and Senior Citizens to look at provision on the "softer" side – talking to people about what it is like to live in a residential home so people can make individual judgements about quality. Users, relatives and social workers are all involved in these discussions.

Overall, Telford & Wrekin provides a reasonable level of service to users according to national and regional indicators. The CQC has rated Telford as excellent on a number of indicators produced annually and overall is rated as providing a high level of service.

How do you ensure consistency of cover i.e. users have the same carer?

Consistency is specified and a KPI in contracts. If carers change very regularly this could indicate there is a problem and this would be investigated and monitored. This is reported to the CQC and improvement plans are put in place as soon as possible.

A big issue is there is not enough money so carers are poorly paid, earning about £6 per hour so there is little value placed on care work. T&W works with Shropshire Partners in Care and grant funding for care is put into training for providers.

How do you know which providers offer good quality care?

The CQC monitor and rate providers on a 0-3 star rating system. It is difficult when a low rated provider can actually have very good individual staff working for it, so the rating system does not give the whole picture. Quality is a very individual matter.

Are there any changes that could be made to save money?

Historically services for adults with severe learning disabilities contracted out of area

because local service and hospitals could not provide the service. This is very expensive. If there was a service in place to stabilise and tackle the problems of challenging behaviour, this could bring significant savings. People could be brought back into the county, although there could be an issue with people who have been living out of county for more than 10 years and who choose not to move back.

The work that Richard Peach has been doing on benchmarking and value of money has made savings.

There is an issue when people make the transition from children to adult services as there is more funding available for children's services. ACC should work very closely with CYP because if the services for 16-17 year olds are not right, this sets ACC up for very high costs.

Conversely, providers would argue that they should be funded at a higher level. Tendering provides an opportunity to be more focussed on costs and where they can be stripped out. The monitoring team is not very big for dealing with all the issues, but money spent on this diverts money from actual care.

A fees incentive scheme has introduced to offer higher rewards for meeting minimum quality standards. This means that poor/low quality services are not rewarded and this sends an important signal to providers. Fees are negotiated on the quality of provision. Information about dignity, meals etc are provided on the website.

There is a balance between value for money and length of contract. Care contracts have historically been let for 3 years as the council has been quite risk averse, but the tender process can take up to 12 months which means that work loads are very high and the cost of procurement is high. Contracts are now let on a longer term basis so reduce the workload and costs. The average contract is now 5 years with a 5 year extension option. Contracts are monitored so if there is a drop in standards, action is taken and the contract can ultimately be stopped. Contracts are subject to annual inflationary negotiation, which is within the budget envelope for this year. 2/3 of contracts are now spot contracts which are not subject to a tender process so immediate needs and changing volumes can be responded to quickly.

Is there an issue with care homes buying up houses for people?

If the business meets the planning requirements, then they can do it. This has not caused a great problem for ACC yet, although if the county becomes a net importer of older people whose capital runs out, then they become the responsibility of the council. The same applies to children placed in Telford & Wrekin who become "ordinarily resident" in the borough, the council can become liable for their care, but this is an issue for CYP.

The commissioning and contracting framework used in ACW is shown below.

Framework for Joint Commissioning and Purchasing



© IPC

Appendix 4

Procurement Scrutiny Review Meeting with ICT – 24th February 2009

Present:

Cllrs. Roger Aveley (Chairman), Karen Tomlinson
Mike Weston – Head of Service ICT
Tom Greatorex – Business Manager
Kirsty King – Business Manager
Alison Smith – Scrutiny Manager
Stephanie Jones – Scrutiny Officer

Apologies:

Maurice Viney Co-opted Member

What are the main contracts that you procure?

There are a number of main contracts:

- Network management – this is a standard contract across all council properties and schools except for Civic Offices. ICT are looking at including Civic Offices within the scope of the SLA at no extra cost.
- Geographical Information Systems (GIS) – this is a managed contract with MacDonald Dettweiler which has been taken over from E&R. ICT have worked with MDA to develop an SLA in order to manage the contract better.
- New main infrastructure project – this is with Dell and the central procurement team are involved in the contract procurement
- Desktop equipment (PCs, Laptops) – the contract has been with Computacentre since 2004 but is currently being re-tendered using the central procurement team and the legal department
- Maintenance of aging hardware and printers – these come under a smaller contract
- Pool vehicle contract – this is a 3 year contract, managed in conjunction with fleet services, currently under review as part of the Transport Services Review. ICT has already achieved savings by moving away from a daily hire contract.
- Mobile phones are procured from Orange via the OGC framework agreement.

Which other staff are involved in procurement e.g. writing tender documents, evaluating tenders, actual procurement?

The technical nature of the services procured means that the technical specs are written by ICT staff, but the central procurement team is used throughout the process. External experts such as the Society of IT Managers are sometimes used to specify contracts.

ICT also help develop technical specifications in-house for other departments needing software applications such as revenues & benefits. The OLAS system which requires upgrading is being market tested to ensure value for money. When considering procuring software or hardware the process involves market testing and benchmarking with other local authorities.

How much do you involve the central procurement team and could you use them to more effect?

The central procurement team is used to set up and evaluate all contracts.

ICT has a good relationship with central procurement, and they work jointly on contracts let by other portfolios that require technical specification, as the central

team lack the required degree of technical expertise. This is a mutually supportive relationship, and ICT is aware that the procurement team struggle for resources. ICT provides as much notice as possible to large procurement projects and involves central procurement in the early stages.

Contract management is done by ICT as the central team have limited resources for this. Contract management is not just about monitoring performance against KPIs and calling suppliers to book; it is important to build a relationship with suppliers. Mike manages the Dell and Synetrix contracts, Tom the desktop and mobile contracts. All three are involved. There is a contracts register which makes sure that reviews are done when they should be.

How are staff qualified and trained in procurement? Do they all understand regulations relating to procurement?

The ICT staff do not have procurement qualifications but have done the corporate procurement training and some have also done the SOCTIM negotiation course and a course on PPP outsourcing processes. ICT rely on the central procurement team and legal to guide them through the process. There is no refresher training.

What criteria are used to evaluate tenders i.e. how is price balanced with quality and what other factors are considered (e.g. local suppliers, equality, sustainability)?

Quality, price and local suppliers are all considered. ICT follow the CIPFA evaluation model for price and quality, see reference sites and take up references.

How is the equipment contract managed?

Equipment is called off from the OGC framework agreement which is in place for three years. The central procurement team helped to set the contract up and ICT manage it.

ICT try to forecast needs and trends to estimate unit costs to make sure that the price charged is competitive and negotiate down for bulk orders. PCs are owned by the portfolios so ICT have no control over when new orders are placed. ICT want to change this so that they own the PCs and have a new model to get best value from the PC lifecycle. A desktop pc has a lifespan of 4 years, but staff in portfolios sometimes replace equipment earlier when manufacturers bring out upgrades. Better management and forecasting will bring more savings. Equally 25% of PCs are over 4 years old so staff are not getting the best quality service.

The desktop contract is just going out to tender. 16 suppliers have been invited to tender and have 2 weeks to respond. The whole process from evaluation to award should be 4-6 weeks. The pre-tender documents were written by the central procurement team who designed the framework and ICT put in the technical specifications. The tender templates on the procurement website are good, and the Delta on-line procurement system has reduced paperwork.

ICT support 10,000 PCs in schools and 3,000 corporate PCs. Current spend on support is just under £1m per year and ICT are looking at ways this can be reduced.

The schools do not have to procure equipment through ICT, but 50% do especially if the school has no IT staff on site. With the move to the BSF model, all secondary schools will have to buy through ICT. Schools will be able to use the on-line catalogue when this is set up to get the best prices.

How are the mobile and telephone network contracts managed?

Telewest have the best network call tariffs with an almost zero charge for local calls

from aggregating calls on the VOIP network. One school saves around £10k a year. The council and schools annual bill is around £120k. Calls from the Orange mobiles are now being routed over the VOIP network so this is reducing costs. ICT is aiming for no-cost calls to the Orange corporate mobile phones

The Orange mobile contract is worth £250k per year. This is being renegotiated via the OGC framework to get unlimited talk/text/e-mails on phones. Comparisons with other providers have been made but there are costs associated with switching provider. Performance testing for black spots has also been done and Orange has better coverage in the borough. The broadband network could be extended to parish councils.

Currently it is down to individual preferences as to whether staff buy a Blackberry or SPV. ICT think a needs assessment should be done so users get whichever kit is best for their circumstances and job.

Do you link procurement of equipment to training so that staff getting new equipment are trained in how to use it?

The ICT courses are on the public schedule, but individual managers have to budget and arrange these for staff.

An induction training toolkit is being developed, starting with telephone use. The new equipment catalogue on the website will have information about recommended training courses for the equipment being bought. Staff volunteers will be used to deliver this to save on buying in trainers.

It was noted that training for members could be better. The new training toolkit should help this but there could be extra sessions for members.

Do you use local suppliers?

It is difficult to buy locally with IT because suppliers are national or international companies, but ICT specify wherever possible that suppliers should have a local presence. PC World will be tendering for the desktop contract within the next 2 weeks. Synetrix opened an office in Telford on the back of a 5 year contract with the council.

Do staff have a good knowledge of the markets they are procuring in?

Mike thinks they do. Mike has previous experience from 4 other authorities.

How do you ensure that you are securing value for money?

- **Do you use key performance indicators as what are they?**
- **Do you benchmark with other local authorities or market competitors?**

Benchmarking is done with other local authorities. SOCTIM indices are used to benchmark performance and price. KPIs are specified in every contract with penalty clauses. There are regular service reviews. Turn-around times are specified in the equipment contract. Prices are scrutinised to check that the supplier has not built the cost of potential penalties into the price.

A benchmarking exercise with other local authorities into the cost of laptops and network connections found we were paying more, so this contract is being re-tendered.

How is old equipment disposed of?

WEE regulations are followed for council owned equipment. Leased equipment goes back to the lease company. Centralised ownership of all PCs would make compliance with disposal regulations tighter.

Are you aware of people buying off-contract? What can be done to stop this?

Mike is not aware of any off-contract spend within ICT.

The corporate credit p-card is used for emergency fixes if the supplier can't provide parts. This happens 2-3 times a month and is avoided if at all possible as PC World is more expensive than contracted suppliers.

Do you procure with partners?

ICT considered a joint procurement with Staffordshire for the desktop contract, but the requirements and timescales could not be tied together.

Mike is approaching the LSP to consider public sector broadband aggregation and joint procurement with partners.

How do you evaluate customer's (council staff) ICT needs and link this to procurement?

There are ICT commissioning groups within the portfolios which set the priorities which are then taken to the Technology & Transformation Board. This works at a strategic level to join up the needs of the portfolios and link them into the central procurement team so that procurement is strategically planned and not reactive. Each portfolio has a nominated ICT contact to help develop and support the commissioning group.

Mike – what is your experience of other procurement models in other local authorities and how does Telford & Wrekin compare?

Mike started working in procurement Liverpool in 1985 where there was a massive procurement department.

Powys has a similar model to Telford & Wrekin. East Riding had a very small department which did not have enough capacity so the department was extended and all procurement was put on-line, using industry standard codes. No other ordering could be done outside the central contracts.

If you could change one thing about procurement to improve it what would it be?

The availability of procurement support from the central team. The quality is very good, but they are under resourced. This slows down processes and means that departments tend to go ahead on their own.

All on-line procurement.

Appendix 5

Procurement Scrutiny Review Meeting with Asset & Property Management, 2nd March 2009

Present:

Councillor Roger Aveley (Chairman)
Hugh Rodger – Business Manager
Chris Butler – Business Manager
Stephanie Jones – Scrutiny

Apologies:

Councillor Karen Tomlinson, Maurice Viney Co-opted Member

Summary of major contracts in Hugh Rodger and Chris Butler's business areas:

Hugh Rodger

The Architecture Landscape & Building (ALB) Business unit along with the other business units in Asset & Property Management provide a comprehensive service for land and property development and management.

The Architecture Landscape & Building Business Unit design and manage contracts for a range of new buildings and also arrange and supervise the repair and maintenance of the Council's existing buildings including schools libraries, leisure buildings civic buildings and also the Property Investment Portfolio (PIP), which includes industrial and commercial units.

Contracts procured relate to both new buildings (such as schools) and also the refurbishment and adaptation of existing Council buildings, including extensions. Capital and maintenance projects have a client representative from Asset & Property Management who works closely with the client (e.g.CYP) the end user (e.g. school) and the design and contractor teams in the delivery of projects, School have their own devolved budgets for maintenance and the majority of schools buy back into the R&M service provided by ALB.

The procurement route depends on the nature (e.g. size and complexity) and value of the project. Contracts are procured in line with the Council's standing orders and financial regulations and this generally means the following:

- For small contracts (up to a maximum value of £50,000), quotes are obtained from the required number of suppliers.
- For responsive maintenance, a term contract is in place with Seddons for some of the Councils buildings, (including PIP properties and Leisure buildings),and a range of local contractors are appointed for response maintenance on other buildings including schools..
- For contracts estimated over £50,000 a full tender process is adopted with either 4 or 6 tenderers invited, depending on the value.
- The type of contract used depends on the project but can include full design, design & build, or partnering. Each of these options have differing needs with regard to the level of information provided.
- For contract over the OJEU threshold, OJEU processes are followed.

Chris Butler

Chris' team is an in-house business unit providing consultancy to a range of engineering schemes with both internal and external clients. Chris manages a number of contracts.

There are a number of small, longer term contracts for works to the value of £75k which operate on a schedule of rates so there is no need to retender these. The rates are constantly monitored. A reactive contract for response times of under an hour for small works such as repairs to manhole covers is being introduced. There is a small contract for £15k in place for sewerage maintenance and a small contract team manages the contract for the flood defences in Ironbridge.

There are major contracts in place funded through various external funding bodies including ERDF and DEFRA. OJEU processes are applied to contract worth in excess of £3.6m. Procurement has to follow very stringent processes which are all subject to European Audit, so robust evidence of compliance has to be kept. These include a new £7m landing stability contract project in the Gorge with Birse which follows an older £4.6m contract. Further funding is being sought from Europe for this.

Jacobs are used to provide engineering consultancy on large projects to support on-site internal staff. Jacobs are used only for peak workloads or for areas where specialist knowledge is required. The Jacobs contract has just been renewed for 2 years and the procurement process for the re-tender of the contract after that has started. The contract is let on quality and price.

Do you use local suppliers?

Local suppliers are used for the smaller and responsive maintenance contracts for example for the shops in Leegomery and Malinslee. The use of local labour and materials is encouraged wherever possible, although it cannot be specified in contracts. In practice, contractors (including national ones) buy materials locally because it is more economical than paying haulage costs. The council does not buy materials itself as the cost of storage and insurance is prohibitive.

Do you use the Central Procurement Team (CPU)?

The CPU is involved early on in the process to advise on the letting of the larger contracts such as OJEU to ensure compliance. They are less involved in letting small contracts which are not subject to OJEU procurement regulations, although they are used for all queries about procurement. For example, a contractor had submitted an invoice for additional work on contaminated material. The CPU got involved with this and the contract was re-tendered. An e-procurement process (Delta) is being introduced whereby contract drawings, specifications and other information are stored in a vault and can be accessed by bidders to price up bids. This has been developed in conjunction with the CPU and can lead to savings on paper and administration.

The team also has a representative on the Corporate Procurement Steering Group (CPSG) which shares best practice across the authority. The CPSG met before Christmas to agree Terms of Reference and there is a meeting scheduled in the week following this meeting to take this forward.

What other staff are involved in procurement?

The engineers are involved in writing and evaluating tender documents. The CPU check the process for compliance and are used for advice, but the engineers specify documents and tenders as they understand what needs to be bought. Within ALB because of the multi disciplinary nature of building projects a range of staff are involved in preparing tender documents (usually drawings and technical specifications).

Are there any staff in the department with a procurement qualification?

There are no staff in the department with a procurement qualification but they are construction experts experienced in letting contracts. Some have PRINCE2 project management qualifications.

What criteria are used to evaluate tenders?

A Pre-Qualification Questionnaire (PQQ) is issued as part of the OJEU regulations so that bidders are matched against the tender criteria so that contractors not complying with the required minimum standards are eliminated. Chris Butler's team does the evaluation and the pitching process is also used to question and assess value for money.

Compliance or registration with industry standards and bodies are used as part of the pre-qualification and evaluation process such as:

- Construction Line – to meet financial criteria
- Contractors Health & Safety Assessment Scheme (CHAS)
- Safer Working standards
- Considerate Contractor policies

For new contractors who have not worked for T&W before, references are sought from previous clients

How do you assess value for money, and do you have KPIs in contracts?

National indicators and other local authorities are used to benchmark value for money. KPIs are built into contracts to measure performance against timescales, budgets and client satisfaction. A point system is used on major contracts to score performance.

On smaller term contracts, response times are monitored daily to pick up non-compliance. There are no penalty clauses for non-compliance, but liquidated damages can be charged, or the contractor can charge the council for delays to projects. Caution has to be exercised with very low quotes as it can mean that the contractor has no profit margin and cuts corners on delivery, so price has to be balanced with quality in evaluating bids.

Who manages contracts and how are they managed?

Engineering manage the engineering contracts for value for money. Contracts are structured so that contractors are incentivised by sharing profits from cost savings. On partnership contracts the approach has been to move away from adversarial contracts.

What partners do you procure with?

Jacobs are used as procurement partners.

The Council partnered with the PCT and procured on their behalf a new building at Malinslee. AFC Telford is another example of a partnership which delivered a new building. Salt was jointly procured with Shropshire for the recent freeze. Joint procurement of consultancy services is being explored with the new unitary council in Shropshire. Asset & Property have been working jointly with Shropshire Fire and rescue in relation to the maintenance Fire Stations and development of new and refurbished premises and the main site in Shrewsbury.

OGC frameworks have been looked at but have not been used as Jacobs supply the required services.

Are you aware of any off contract spend?

Chris Butler signs off all contracts and is not aware of any off-contract spend. Hugh Rodger is also not aware of any off contract spend.

What suggestions would you make to improve procurement at Telford & Wrekin?

- If it were possible, to reduce the amount of bureaucracy around OJEU contracts. The audit trail is very onerous and 3 dedicated staff were required to administrate the last contract.
- To reduce the amount of tender paperwork by moving to e-procurement systems, especially for smaller contracts under £50k. The only issue with this is that small contractors may be precluded from bidding if they do not have compatible AUTOCAD software.
- Development of IT systems. For example Asset & Property are looking at the procurement of a web based system to manage property assets and contracts on buildings. The facility will have the potential for orders and payments to be processed electronically, cutting down on time.

TELFORD & WREKIN COUNCIL

CABINET – 10 NOVEMBER 2009

RESPONSE TO SCRUTINY COMMISSION REPORT – PROCUREMENT

REPORT OF CORPORATE DIRECTOR: RESOURCES

1.0 PURPOSE

To inform members of the response to the recommendations made by Scrutiny Members following their review of Procurement.

2.0 RECOMMENDATION

That the response to the Scrutiny review recommendations, set out in Appendix 1, is approved.

3.0 SUMMARY

This report summarises the response to the recommendations made by the Scrutiny Members on Procurement. The responses are detailed in Appendix 1. The scrutiny review has been assisted by the involvement of a number of internal officers, other local authorities and external experts.

4.0 PREVIOUS MINUTES

None.

5.0 INFORMATION

During 2009 a Scrutiny review was undertaken by Cllr. Roger Aveley (Scrutiny Lead), Cllr. Karen Tomlinson and Scrutiny Co-optee Maurice Viney because members were concerned that the Council's procurement model is not structured in a way that allows the Authority to maximise savings and efficiencies to be gained from procurement.

Local Authority procurement has been highlighted in a number of government reports over the last few years as a key driver of savings and efficiencies. Following the Gershon efficiency review, the National Procurement Strategy, Local Government Sustainable Procurement Strategy, the Glover report and Roots review all emphasise ways in which Councils can make greater savings and bring improved local economic benefit through procurement.

The review focussed on how the current devolved model works and whether a more centralised approach would bring more gains, and looked at how

alternative models could bring direct savings to the Authority as well as deliver wider local economic and social benefits. Currently, the Council has a small Central Procurement Unit (CPU) which acts in an advisory capacity, while the actual buying function lies within the portfolios.

The review highlighted a number of areas of concern:

- There is a lack of co-ordination at a strategic level, both internally within the Authority and in exploring opportunities for joint procurement with local public sector partners and other local authorities
- How we identify, develop and prepare markets
- The lack of influence of the CPU to enforce policy and procedure, and the lack of capacity to exercise central control and oversight
- The CPU does not have the capacity to engage with all high-value procurement exercises where it can add value, for example:
 - in correctly specifying contracts to drive out savings
 - ensuring opportunities for local economic benefits are maximised
- There is a lack of a joined-up approach to between portfolios so opportunities for shared contracting arrangements may be missed
- Contract management may drift so the Council does not realise the benefits of supplier performance
- The risk of contracts being let that are not compliant with EU regulations
- A potential loss of savings due to non-compliance with corporate contracts
- Activity can be duplicated as skills and staff are not rationalised
- Experience and best practice is not shared from one procurement exercise to another

The recommendations in the report seek to address these issues by strengthening the CPU. This will require some structural changes which scrutiny Members feel can be achieved by rationalising existing resources and not by adding headcount. It is acknowledged that it is difficult to make a sound business case for this move, and may require a leap of faith by the Council. Other Authorities have taken this leap of faith and are now seeing the benefits.

Appendix 1 includes both the recommendations from the scrutiny review and the Cabinet's response to them which is generally supportive and recognises that change is needed to the Council's existing procurement arrangements.

6.0 EQUAL OPPORTUNITIES

Greater central capacity will enable the Council's Equality and Diversity Policy to be embedded in the procurement process. The Council has already approved funding for a part-time member of staff who will lead on the Equality and Diversity Policy and the recommendations should support the implementation and enforcement of this.

7.0 ENVIRONMENTAL IMPACT

The recommendations support delivery of the Sustainable Procurement Strategy which would bring wider environmental, social and economic benefits

such as enhancing opportunities for long-term unemployed people to access job opportunities arising from major capital projects.

8.0 RISK MANAGEMENT

The risks and opportunities associated with the recommendations will be identified and monitored through the Council's established risk management arrangements.

9.0 LEGAL COMMENT

All procurement projects undertaken by the Council must comply both with the Council's Constitution (financial regulations and contract procedure rules are set out at part 4, sections 6 and 7 respectively) and the relevant financial and procurement legislation.

If approved, the review set out at Appendix 1 may result in changes to procedures that will require amendments to the constitution. If that is the case those changes will need to be approved by a meeting of the full Council following consideration by the Council's Constitution Committee. In addition, any amendments to the procedures would also need to be checked to ensure that they comply with legislative requirements.

10.0 FINANCIAL COMMENT

Further work needs to be done to identify potential financial implications arising from the recommendations contained in the report. However, the intention is to re-define existing responsibilities rather than to increase total costs in order to deliver overall financial savings.

Financial implications arising from the recommendations will be taken into account in the service and financial planning framework approved by full Council as part of the annual budget process.

11.0 WARD IMPLICATIONS

Council wide.

12.0 LINKS WITH CORPORATE PRIORITIES

Supports all corporate priorities but particularly the Modern and Effective Council Priority.

13.0 BACKGROUND PAPERS

Report prepared by Ken Clarke – Head of Finance and Audit (01952 383100)

Appendix 1

	Scrutiny Commission Recommendations	Benefits of recommendation	Summary of Action Being Taken	Timescale	Officer responsible
1	To undertake a full cost-benefit analysis of the current procurement arrangements and a cost-benefit analysis of models for an alternative centralised structure to determine the remit of the CPU and the resources required.	To understand the cost and potential savings of rationalisation and centralisation of the procurement function.	While a cost analysis of alternatives could largely be undertaken, calculating benefits would be a very hypothetical and imprecise exercise if we were trying to project possible procurement savings. It is therefore uncertain if the cost of a full exercise can be justified. Instead, using the work of Scrutiny and our existing information on alternative arrangements at other councils we agree that moving to an alternative set up should be explored within the parameters of existing budgeted resources around the different services. This will form part of any overall review of Council structure and shape as we face a period of declining public sector funding from 2011 onwards.	31/03/10	Chief Executive
2	To realign current structures to create a post to champion, influence and co-ordinate Procurement policies and strategy at a corporate level across the Council.	To have an overall strategic approach to procurement to maximise savings and efficiencies from joining-up internally and	As flagged above we agree with the need to review the overall procurement and commissioning structure/processes within the Council which have grown up over time .This will best form part of any overall review of future Council structure, shape and culture in response to	31/03/10	Chief Executive

		developing joint procurement strategies with partners.	changing demands and reducing funding, so that future procurement and commissioning roles and processes are fit for future purpose.		
3	To appropriately increase staffing levels and resources in the Corporate Procurement and Purchasing Unit to support the delivery of key spending and service objectives, including the Sustainable Procurement and Equalities and Diversity strategy.	To maximise savings, ensure compliance and improve delivery of wider economic benefits.	At this time of declining public sector funding we would prefer to explore a different configuration of existing ongoing procurement/commissioning resources around the Council as outlined in 1 above, rather than add to the ongoing cost base. However we agree with the importance of the areas being flagged by Scrutiny and additional one off funding to kick start work on these areas has been agreed from savings on procurement to support Equalities and Diversity, sustainability and local businesses.	31/03/10	Chief Executive
4	That the level of influence and authority of the CPU is increased so that it has the authority to impose procurement practices and procedures across the authority and is mandated with power to take action appropriate against non-compliance with corporate	To maximise savings and ensure contracts are compliant with legislation.	This should be considered as part of the process undertaken in response to Recommendation 2 above.	31/03/10	Chief Executive

	procurement practices and procedures.				
5	To introduce mandatory lines of reporting and a procurement Gateway, between the portfolios and the CPU so that a Procurement Plan is submitted to the CPU for contracts worth £75,000 or more prior to the procurement beginning. This would enable the CPU to co-ordinate overall activity, to determine the appropriate approach for the procurement process, that value for money considerations are robust and that contracts are compliant with legislation and Council policies.	To maximise savings and ensure contracts are compliant with legislation.	This should be considered as part of the process undertaken in response to Recommendation 2 above.	31/03/10	Chief Executive
6	That compliance with Corporate Contracts is mandatory, and audited, and that the CPU has the authority to deal with instances of non-compliance	To maximise savings.	It is very important that officers comply with corporate contracts, even more so as the financial position facing the Council becomes tighter. It is proposed that a discussion should be held at the Council's Procurement Steering Group about how	On-going	Payments and Procurement Manager

	or to approve off-contract spend in exceptional circumstances where it can be justified on the grounds of value for money.		officers should be reminded of their obligations and held to account for off-contract spend.		
7	That the Economic Development Unit is involved in the procurement of major capital projects from the contract specification stage to ensure opportunities for local economic and employment benefit are maximised.	To maximise opportunities for local economic benefit.	Information on procurement of major capital projects at the contract specification stage would be most helpful in identifying training and employment opportunities, and embedding these in the contract process. The Economic Development Unit would not wish to be part of the decision making process around letting these contracts but (as we have done with BSF) would be happy to be involved in advising potential contractors.	On-going	Head of Economy and Housing
8	That budget structures for office equipment and supplies are reviewed and centralised where it can be evidenced that this will bring savings.	To save money.	Effective budgetary management requires managers to be directly responsible and accountable for the resources allocated to them. Centralising budgets would reduce this direct accountability. However, the benefits sought from the recommendation may be achieved by having more corporate contracts in place, compliance with which is rigorously enforced.		

9	To invest in additional specialist contract management resource within Environment and Regeneration to reduce the level of work contracted out to Jacobs and to drive out further savings by more effective contract management.	To maximise savings.	This needs to be driven through a sound business case. While there may be lot of work on at present, the medium to long term picture looks pretty grim for the public sector and we should be staffing up for minimum 'guaranteed' levels of funding and use the private sector to top-up as required. This transfers the risk and costs of potential redundancies.		
10	To develop the central register of all local authority contracts and when they are due for re-negotiation to identify opportunities for joint working on both existing and new contracts.	To maximise savings through joint procurement.	The Central Procurement Team currently maintains a contracts register although the accuracy and completeness of this document is dependent upon timely information being provided by service areas. It is proposed that a discussion should be held at the Corporate Procurement Steering Group with the aim of re-enforcing the need to ensure that the contracts register is maintained on a regular basis and opportunities for joint working are identified by this group.	By 31/12/09	Payments and Procurement Manager
11	To develop strategies to build capacity in the local SME market to enable them to access contracts directly, or	To create a mixed economy of providers i.e. improve the level of	We are very supportive of the objective of encouraging local SME's to tender but this should not be at the expense of losing value for money. We should focus	On-going	Head of Economy and Housing

	<p>in supply chains, and to set up a register of quality assured local suppliers including those used by the authority those used by local developers to create a database of potential suppliers with local market knowledge and expertise who can be invited to tender for contracts.</p>	<p>engagement of local suppliers in supply chains.</p>	<p>on making SME's aware of opportunities, and building their capacity to tender (individually or as consortia), after that it should be a level playing field to make sure we encourage competitiveness. The Head of Economy and Housing has had informal discussions with the Chamber of Commerce and Federation of Small Businesses about this, using their membership networks to communicate opportunities and support SME's to tender.</p> <p>Some additional resources have been made available to the procurement team from January 2010 to support work on equalities, sustainability and local business.</p>		
12	<p>To set up a Procurement Board to include the Leader, Cabinet Members, the Chief Executive, Corporate Directors and senior Procurement officers, to meet bi-annually to oversee the development and implementation of the Procurement Strategy and to mandate decisions.</p>	<p>To oversee decisions made and ensure that implementation is mandated at the top level.</p>	<p>There needs to be some mechanism for reviewing procurement strategy but this needs to be developed as part of an overall review of future Council structure, shape, culture and roles referred to in the response to Recommendation 2.</p>		

--	--	--	--	--	--

RESOLVING COMPLAINTS.....IMPROVING SERVICES

New Policy & Procedure for Adult Social Care Services

(front cover)

(blank page/inside front cover)

Contents page

1. Our policy on complaints
 2. What is a complaint?
 3. Who can complain under this procedure?
 4. How the process works
 5. Advocacy
 6. Mediation
 7. The Local Government Ombudsman
 8. Improving services following complaints
 9. Complaints about services provided under contract (Care Standards/Social Care Provider complaints)
 10. Complaints which are partly about National Health Service bodies
 11. Unacceptable behaviour and vexatious complainants
 12. Performance monitoring
 13. Flowchart
-

1. Our policy on complaints

1.1 This policy and procedure on complaints applies to social services provided by the Council's Adults and Community Wellbeing Portfolio in the following areas

- Older people's services
- Services for people with a physical disability & sensory impairment
- Services for adults with learning disabilities
- Community mental health services
- Community substance misuse services
- Supporting People services
- Services to carers
- Emergency Duty Team, when they are providing a service out of hours, in any of the above areas.

Complaints about the areas of the Portfolio which are not concerned with social services will generally be handled within the Council's corporate complaints procedure.

1.2 This complaints procedure is based upon The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, which came into force on 1st April 2009. The Regulations simplified the framework for dealing with

complaints. Removing the previous three-stage process which marked local authority complaints procedures for social services since 1990, they set out a requirement that there should be a single investigation and response to complaints raised. The way the matter is handled is to be determined in consultation and agreement with the complainant, on the basis of how serious and far-reaching the concerns raised are.

1.3 We are committed to ensuring that the social services for which the Portfolio is responsible meet the highest quality standards. This applies regardless of whether we provide the service directly, or whether we purchase it from a provider (such as a care home or a home-care service) with whom we have a contract.

1.4 We know that things sometimes go wrong with services, and that staff and managers sometimes make mistakes. When this happens, we believe it is important to put things right, as rapidly and as effectively as possible. Through this complaints procedure, we are committed to working with service users, their advocates, carers and relatives, listening to them and deciding with them the most effective way of sorting out whatever has gone wrong, and putting it right.

1.5 Above all, the way we deal with complaints will be based on

- Customer focus – listening to what people tell us
- Responsiveness – acting on what people say to us
- Promptness – making sure people get answers in good time
- Transparency – dealing openly and honestly with problems
- Proportionality – making sure that the resolution fits the complaint
- Learning – making sure complaints result in changes and improvement

1.6 We also believe that when people who use our services send us comments and compliments based on their experiences, they should be acknowledged, considered and acted upon. This is an important aspect of the dialogue between local people and local services.

1.7 We recognise our responsibility to ensure a high level of awareness of their entitlement to complain among people who use or may be eligible for services. We will therefore make sure in a number of ways that people are informed and reminded that the complaints procedure is available if necessary and they can expect assistance and support if they have cause to use it. Among the ways in which we will meet this obligation are

- Information about the complaints process will be made available in a variety of way eg on the Council website, by means of leaflets and posters
- Service users will be given details by staff members in the course of their work
- Case management correspondence will routinely incorporate references to the right to make complaints
- Dedicated email address for complaints about adult social services

1.8 Also, for this procedure to be of benefit, we think it is crucial for all service users, their advocates, carers and relatives, members of the public, staff, managers and providers of our contracted services to be well informed about how the complaints process works, so that everyone is aware of their rights and obligations rights and

obligations. Recognising that we serve a diverse community, we will therefore make details of the procedure available in a range of formats, in order to maximise its accessibility and to ensure that no individual or group is prevented from using and benefiting from it. This means that we will produce information about how to complain in the following formats

- A customer feedback leaflet
- An easy-read leaflet
- Compact disk
- Cassette tape
- Details summarised in community languages

- 1.9 We recognise that some people who use our services are especially frail or vulnerable, have communication difficulties, do not speak English as a first language or are without the support of family members or friends. If we receive a complaint from such a person, we will ensure that details of an approved independent advocacy service are offered, and we will arrange this if the service user agrees. Where a service user lacks mental capacity, advocacy will always be considered. In cases where a complaint is made on behalf of a vulnerable person by a family member or friend, we will try as far as possible to establish that the complaint reflects the vulnerable person's own wishes. In such cases, we will always consider whether it would be beneficial for the vulnerable person to involve an independent advocacy service, as well.
- 1.10 Whenever we deal with a comment or a complaint, we will look critically at what has happened, to see what lessons we can learn, and ensure that any changes which need to be made are applied, not only in the case being complained about, but across the service. We believe that if Social Services have got something wrong, then we need to put it right, and to make sure that the service user has not lost out as a result. If we conclude, when the process has been completed, that the complaint was not justified, we will provide a full written explanation. In all cases, we will provide clear information about how to take matters further, so that the person making the complaint can decide if that is what they want to do.
- 1.11 We realise that the different procedures which could be applicable when concerns are raised about services (e.g. Adult Protection Procedure, the complaints procedures of other bodies, a provider's own in-house complaints arrangements, disciplinary processes, criminal investigations etc) could result in confusion for service users. In cases like this, complaints staff will ensure that there is consultation and engagement with complainants, and that sound decisions are reached with them about which procedure should take precedence, and why. Where, for example, a complaint raises concerns about any person's safety, the matter will be referred for investigation under the Adult Protection Procedure, and the decision may be taken that action on the complaint will be suspended, pending the outcome. We regard it as crucial however that people are provided with clear information about the possible interplay between different procedures and are reassured that they are entitled to request that any remaining issues can be taken up through this complaints process, once the other process is concluded.
- 1.12 We recognise that many people fear that making a complaint may result in reprisals or in a deterioration of the service provided, and so we offer an assurance that we would regard this as wholly unacceptable, and that we would take very

seriously any concern that this had happened. We will work to ensure that all members of our staff and management have a positive and informed view of complaints, and will give whatever help is necessary to enable people to get due benefit from the procedure.

- 1.13 We positively welcome and value complaints and we will publicise this procedure as widely as we can, in ways that suit different sections of our diverse community. We will also offer people whatever assistance they need to get benefit from the process, and send out complaints publicity material and correspondence in accessible and preferred formats and languages, wherever possible. Whenever translation or interpreting services are required these will be sought through the Council's Equality & Diversity Unit, which assures high standards of service from the interpreting and translation providers with which it contracts.
- 1.14 The overall responsibility for ensuring the Council's compliance with the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 rests with the Council's Chief Executive. As the 'responsible person' within the regulations, s/he may delegate this function as appropriate.
- 1.15 Responsibility for managing the day-to-day operation of the adult social services complaints process lies with the Business Manager of the Adults and Community Well-being Portfolio who is the designated Complaints Manager, and whose duties and functions may be delegated.
- 1.16 This policy and procedure will be available to members of the public on the Council's website, but hard copies will be provided on request. The complaint leaflet 'Have your say...are we doing OK?' which summarises this information is widely distributed and is available at a range of community contact points, as well as from the Safeguarding & Quality Assurance Unit.

2. What is a complaint?

- 2.1 We define a complaint as

'An expression of dissatisfaction or disquiet about the actions, decisions or apparent failings of our adult social services provision, which requires a response.'

- 2.2 We realise that it would be unrealistic to register every such statement within the procedure, particularly in cases where it is possible to deal with the matter of concern there and then. Indeed the 2009 Regulations specify that a complaint which is made orally and which is resolved to the person's satisfaction the same or the following working day, does not need to be registered within this procedure.
- 2.3 It is nevertheless the complainant's right ultimately to decide whether or not the matter of concern should be registered within this complaints procedure. It is crucial therefore that clear information about the procedure is made available in advance, so that complainants can make an informed decision about whether they want to make a complaint using this procedure.

3. Who can complain under this procedure?

3.1 The following are entitled to make complaints under this procedure

- Users of social care services provided by the Adults and Community Well-being Portfolio
- People whose needs have been the subject of an assessment within one or more of the Portfolio's social services areas.
- People whose possible need for a service has been notified to the Portfolio
- People who wish to dispute the Portfolio's assessment of their mental capacity
- Family members, friends, advocates or representatives of people in any of these groups, providing that it is established as far as possible that the service user agrees with the complaint
- People who are or might be affected by an action or decision which is the subject of a complaint

3.2 The Complaints Manager may decline to register a complaint if it appears that it is being brought by a representative who is not acting in the best interests of the service user. Any such decision will be recorded and notified in writing to the complainant.

3.3 Complaints will not be registered more than a year after the matter giving rise to concern arose. Nevertheless, the Complaints Manager may waive this time limit if

- It would not be reasonable to expect the complainant to have made the complaint sooner, and
- It is still possible to deal with the complaint effectively and fairly

3.4 Complaints within the following categories are deemed to lie outside the remit of these procedures and will not be registered or dealt with under this process:

1. Complaints by other local authorities, independent providers or NHS bodies
2. Complaints from staff about their terms and conditions of employment
3. Complaints which are resolved to the complainant's satisfaction by the end of the working day following receipt (see 2.2 above)
4. Complaints of which the subject matter has been previously investigated within the terms of this procedure or another relevant complaints procedure
5. Complaints of which the subject matter has been previously investigated by the Local Government Ombudsman and where no new information has been raised to cast doubt on the Ombudsman's decision
6. Complaints about a failure to comply with the Freedom of Information Act 2000.

Any such matters will identified by complaints staff prior to acknowledgement.

3.5 Whenever a complaint is received and any of the above exclusions apply, we will (unless point 3.4.3 above applies) acknowledge the matter in writing, explaining why the relevant elements will not be considered within this statutory complaints

process. We will as far as possible continue to deal with any other elements of the complaint which are not affected by these exclusions.

- 3.6 If an anonymous complaint is received, it will as far as possible be registered as usual, and notified to the relevant operational manager. This is particularly important where the anonymous complaint contains information which may need to be considered within the procedure on the Protection of Vulnerable Adults. It is obviously not possible to acknowledge and respond to anonymous complaints, and telephone callers who prefer to withhold their identity will be reminded of this. The substance of any such complaint will however be addressed by the relevant manager.

4. How the process works (see also flowchart below at 13.)

- 4.1 The purpose of this complaints process is to resolve concerns raised by service users and their representatives, to deliver outcomes which are appropriate and proportionate to the seriousness of the issues and to ensure that changes are made in response to any failings which are identified.
- 4.2 To achieve this, the approach to handling complaints must incorporate the following elements
- Engagement with the complainant or representative throughout the process
 - Agreement with him/her about how the complaint will be handled
 - A planned, risk-based and transparent approach
 - Commitment to prompt and focussed action to achieve desired outcomes
 - Commitment to improvement and the incorporation of learning from all complaints
- 4.3 Complaints may be received through a variety of media (phone, letter, email, feedback-form, personal visit etc) and at various points within the organisation (to staff members, via the respective web addresses, direct to the Safeguarding & Quality Assurance Unit.
- 4.4 Regardless of the medium used or the point where it arrives within the organisation, each complaint must be notified immediately to the Safeguarding & Quality Assurance Unit Unit, so that it can be registered and formally acknowledged within three working days – this is a required and regulatory standard. If the complaint has been received verbally, complaints staff in the Safeguarding & Quality Assurance Unit will make a written account of it which will be sent to the complainant in an appropriate format, along with the letter of acknowledgement.
- 4.5 Either through the acknowledgement letter or by means of direct contact, complaints staff will offer the complainant the opportunity to meet to discuss the matter or to establish his/her desired outcomes. Should the complainant decline a visit or meeting, then the matters set out below at 4.6 will need to be clarified over

the phone, or if this is not acceptable, then by correspondence or failing that on the basis of existing information.

4.6 At a meeting between a member of the complaints staff (usually the Customer Services Co-ordinator) and the complainant, or by whatever other means are preferred by the complainant, agreement will be sought on the following points

- Detailed account of the of complaint
- Complainant's view of the impact which this has had on him/her
- Specific reference to any aspect which requires immediate action within the adult safeguarding/protection procedures
- Details of the outcome(s) which will resolve the matter from the complainant's perspective
- Whether the subject of the complaint could relate, entirely or partly, to another body (eg an NHS body or an independent care provider) and could therefore need a joint approach (see sections 9 and 10 below)
- How the complaint will be investigated, and by whom
- How long it should reasonably take to investigate the matter and to provide the complainant with the Council's formal response
- How often and by what means the complainant will be updated on the progress of the investigation
- Whether an advocacy, translation or other support service is required
- Whether the involvement of an impartial mediator might contribute to a satisfactory resolution of the complaint.

The meeting should result in an agreed Investigation Plan which both parties are content to sign.

4.7 The meeting provides an opportunity for complaints staff to explain how the procedure works and to explain any matters on which the complainant needs clarification. It is at this point also that any desired outcomes by the complainant which are unrealistic or unfeasible should be identified. The outcome of any such discussion must be confirmed in writing at the earliest opportunity.

4.8 The meeting should also ensure the capture of information upon which the issues raised in the complaint can be risk-assessed, for the purpose of ensuring that the mode of investigation is appropriate and proportionate. Accordingly the issues raised are plotted on two axes

- Seriousness (both from the service user's perspective, in terms of harm, risk or other damaging impact, and from that of the service, in terms of risk of litigation or serious damage to reputation)
- Likelihood of a similar failing recurring

The resulting categorisation of the risks raised by the complaint will promote a logical approach to the way forward in managing the complaint, and in providing an indication of the most suitable means of investigating it, in a way which is proportionate to the nature of the concerns raised.

4.9 The receipt of any complaint indicates that something has gone wrong, so it is vital to establish the facts about what happened. For some serious complaints, it will be

necessary to appoint someone independent of the authority to look into the case. In most cases however, complaints will be investigated by a manager from within the Portfolio, who is independent of the service which is the subject of the complaint. The risk assessment process will provide a guide as to which approach should be adopted.

4.10 Complaint investigations may be suspended if the subject of the complaint is subject to criminal proceedings or action under the disciplinary procedure. This is because these are considered to have priority over the complaint investigation process. Once they are concluded, any residual matters of complaint can be investigated. It may also be appropriate to suspend all or part of an investigative process to enable an Adult Protection investigation to proceed. In such cases the Complaints Manager will engage with operational managers to determine the most appropriate course of action. There is no presumption for suspension, and each case will be treated on its merits.

4.11 The Department of Health and the Local Government Ombudsman's Office have both published guidance on the conduct of investigations into complaints

- Investigating Complaints (Advice Sheet 1, DoH 2009)
- Guidance on Running a Complaints System (LGO's Office 2009)

Copies of both are available from the Safeguarding & Quality Assurance Unit. The principles set out should be observed in all complaint investigations under this procedure, whether undertaken in-house or externally.

4.12 Investigating a complaint may involve any or all of the following activities

- Meeting with the complainant
- Reading case file records
- Reading Council policies and procedures
- Accessing relevant law and regulations
- Making site visits
- Interviewing staff and managers

All investigations need to be summarised in a report which is submitted to the senior manager who will respond to the complaint, within the timescale agreed with the complainant when the investigation plan was drawn up.

4.13 The report, of which the nature and level of detail will be proportionate to the concerns raised in the complaint, will contain the following elements

- Description of how the complaint has been investigated
- A judgement of 'upheld' or 'not upheld' in regard to each element
- Conclusions reached, especially in relation to the desired outcomes originally specified in the complaint
- Recommendations for changes and improvements which need to be made following resolution of the complaint (these need to be specified within the Learning Log section of each investigation report)

- 4.14 The report is submitted to the senior manager, usually the Head of Service for the area referred to in the complaint, who is responsible for sending a formal letter of response to the complainant, along with a copy of the investigation report. The letter of response should summarise the salient aspects of the report, offer apologies as appropriate, specify what action will be taken in consequence and set out what broader learning points have been identified, for future implementation. It must also refer to the complainant's entitlement, should s/he remain dissatisfied, to refer the matter to the Local Government Ombudsman.
- 4.15 In the event that the responding senior manager is of the view, on receiving the investigation report, that additional action, communication or liaison could contribute to a surer or more effective resolution of the complaint, s/he may request that this be put in hand, by complaints staff or operational staff as appropriate. Any consequent delay to an agreed timescale should be explained to and agreed with the complainant.
- 4.16 If the complaint is about a proposed change to a care plan, a placement or a service, the decision may need to be deferred until the complaint has been considered. Consideration should always be given to deferring a decision that will have a significant effect upon the life of an individual until the complaint has been considered, always keeping in mind the best interests of the service user. The decision to defer will normally be made through detailed discussion and risk assessment between the Complaints Manager and the Business Manager responsible for the service. In cases where decisions are met with opposing views, the relevant Head of Service will make a final decision.
- 4.17 In seeking to resolve complaints to the satisfaction of service users and their representatives, the underlying aim needs to be to return the person who has suffered a loss, distress, delay or inconvenience as a result of the Council's actions or inactions, to the position in which they would have been, if the failing which gave rise to the complaint had not occurred. This means that the remedy offered should be proportionate to the failing. When a complaint is upheld, the desired outcomes agreed with the complainant at the outset will provide a guide to the means of putting the matter right. If it is not possible to provide a remedy in any other way, consideration should be given to offering the complainant financial redress. This should always take account of the Ombudsman's published guidance on Remedy, and of the appropriate sections of Treasury guidance 'Managing Public Money'.
- 4.18 Unlike the previous complaints arrangements, no specific timescale is stipulated for the specified components of this procedure. The length of time which is allowable will largely be negotiated and agreed with the complainant when the investigation plan is drawn up. In general terms however, the response to most complaints should be sent out within 20 working days. Any additional time required must be explained to and agreed with the complainant, by the Complaints Manager, who remains responsible for keeping the complainant informed throughout the process. Any complaint which remains unresolved after six months will be the subject of formal review by the complaints manager and a Head of Service.

5 Advocacy

- 5.1 If there are particular concerns about the complainant's vulnerability, because of communication difficulties, learning disability or for any other reason, complaints staff will, with the complainant's agreement, seek the appointment of an appropriate independent advocate. Once this has happened the advocate will be entitled to participate on the complainant's behalf in all activities related to the complaint, and speak for him/her, for as long as the complainant agrees, until the matter is concluded.
- 5.2 Details of how the advocate should be involved in the process should be discussed and agreed when the investigation plan is compiled.
- 5.3 The contact details for locally accessible advocacy services will be publicised through the Portfolio information systems and in material which is addressed to users of social care services, both in hard-copy and electronic formats.

6 Conciliation and mediation

- 6.1 The complaints regulations which came into force in April 2009 are less prescriptive than their predecessors. By focussing on the complainant's perspective, the sustainable resolution of concerns and the identification of learning points, they encourage creativity and innovation in the manner in which complaints can be handled.
- 6.2 It is recognised that a complaint investigation may not contribute to the improvement of working relationships between the service user and the staff involved. We will offer service users the opportunity to take part in conciliation, through Safeguarding & Quality Assurance Unit staff, to help resolve issues of concern and to improve working relationships as an alternative to, or in addition to, pursuing action through the complaints procedure.
- 6.3 In certain circumstances, it may be appropriate to propose that a mediation approach be considered. This can be especially useful if there is an actual or a potential breakdown in relationships or communication. It is a means of addressing the disagreements and conflicts which arise in such cases, with the aim of resolving them, on a win-win basis.
- 6.4 There is no single prescribed mediation process, but the two requirements which are essential to successful mediation are
- An impartial mediator who enjoys the confidence of both sides
 - Commitment to and belief in the mediation process
- 6.5 The Council is seeking a contractual relationship with a local mediation provider, with the intention of having a mediation service readily available in approved cases. The possible value and application of a mediation approach should be explored with the complainant at the planning stage (see 4.6 above).

7 The Local Government Ombudsman

- 7.1 Complainants who remain dissatisfied with the proposed outcome after their complaints have been handled within this procedure will be notified by the responsible manager that they are entitled to approach the Local Government Ombudsman, to request that the matter be considered by him. The address of the Ombudsman who covers the Telford & Wrekin area is:

The Local Government Ombudsman
PO Box 4771
Coventry CV4 0EH

Phone: **0300 061 0614 or 0845 602 1983** Fax: **024 7682 0001**

- 7.2 People who use the Council's services are in fact entitled to make an approach to the Ombudsman at any point. It is generally the case however that the LGO declines to undertake an investigation until the complaint has been dealt with within the local authority's complaints process.

8 Improving services following complaints

- 8.1 A primary objective of the complaints process is to ensure that mistakes are identified and remedied, and that they are not repeated in future. Achieving this requires analysis of what went wrong, why the mistake was made and what changes are needed to ensure that it does not recur.
- 8.2 Following the resolution of a complaint, one of the following two courses of action must be adopted
- Where the matter has been the subject of internal investigation, the manager undertaking the investigation will complete a Learning Log, and incorporate its conclusions into the report. This will follow a prescribed pattern, and detail the learning points which arose from the complaint and the measures which need to be put in place to minimise the recurrence of mistakes. The report should be submitted to the Safeguarding & Quality Assurance Unit for endorsement, collation and subsequent reporting to the Performance Board.
 - If the complaint was investigated by someone independent of the Council, a formal Learning Outcome Meeting involving relevant managers will be convened by the Safeguarding & Quality Assurance Unit for the purpose of identifying learning points, planning remedial actions, setting timescales and assigning tasks. The outcomes will be reported to and monitored by the Performance Board.
- 8.3 Where the complaint has involved another body (eg an NHS trust or an independent care provider) it will be important to secure the participation of their relevant managers for the purpose of maximising and sharing the learning process.
- 8.4 The complainant should be kept informed about whatever actions are taken as a result of the complaint. Once implemented, the changes or service improvements should be notified to him/her, with a note of appreciation for raising the issue.

9 Complaints about services provided under contract (Care Standards/Social Care Provider complaints)

- 9.1 In considering complaints about services which the Council purchases from independent providers, there is a distinction between the authority's responsibilities and those of the provider of the service. The Council is responsible for commissioning and purchasing services, arranging placements, (re-)assessing individual needs, monitoring the adequacy of particular packages of care etc. The provider is responsible for ensuring that the service provided meets the necessary standards, as set out under the Care Standards Act 2000 (and from 1st April 2010 under the Health & Social Care Act 2008) and complies with the respective regulations. The provider must also comply with the requirements of its contract with the authority.
- 9.2 Each of the independent providers from whom the Council purchases services is required to have arrangements for handling complaints about the service it provides (known as 'Care Standards complaints' or 'Social Care Provider complaints'). These arrangements have to be sufficiently robust and effective to enable the provider to deal with complaints promptly, fairly and in a way which is proportionate to the concern raised, without the need to refer the matter elsewhere for action. The arrangements which the provider has in place for this purpose must also comply with the respective regulations and National Minimum Standards prescribed by the Department of Health, and monitored by the Care Quality Commission
- 9.3 While the Council is accountable through this complaints procedure for the way in which it carries out its own obligations, it is not primarily responsible for Care Standards complaints/ Social Care Provider complaints. These are for the provider to handle within the arrangements prescribed in the relevant regulations. Nevertheless, as part of its commitment to improve services, Telford & Wrekin will seek to ensure that all complaints which arise within the services which it purchases are properly and satisfactorily resolved
- 9.4 In cases where the provider's final response to a Care Standards/Social Care Provider complaint proves unsatisfactory to the complainant, the complaint may be referred to the Service Standards Unit, for a consideration of further options, which could include
- Action within the adult social services complaints procedure
 - Action taken by the contracting/commissioning unit
 - Referral to the Care Quality Commission for their consideration of regulatory action
- 9.5 If the Portfolio receives a Care Standards/Social Care Provider complaint, complaints staff will the same or the next working day ask the complainant whether s/he wants the matter to be passed to the registered manager of the service concerned. If so, the matter will be sent to the registered manager within 3 working days. The Portfolio will also notify the Care Quality Commission of any such complaint, and liaise as necessary with its staff.

- 9.6 Where a complaint received by the Portfolio includes aspects which relate both to Care Standards/Social Care Provider matters and to the way in which the Portfolio has carried out its duties, the complainant's permission will be sought to pass the relevant information to the registered manager of the service. Portfolio staff will then collaborate closely with the provider and with the complainant, within the remit of this complaints procedure in order as far as possible to provide a single co-ordinated response to the complainant.
- 9.7 The distinction between areas of complaint which are Care Standards/Social Care Provider matters and those which properly fall to the Portfolio to deal with is not always self-evident. In general terms, if the matter being complained about is one where the provider service is acting or carrying out a function on the local authority's behalf, then it will fall within the remit of this complaints procedure.

10 Complaints which are partly about National Health Service bodies

- 10.1 The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, which came into force on 1st April 2009 put complaints about adult social services and about the NHS on the same legal and procedural footing. This means that, although each authority and NHS trust will operate its own procedure, the processes, ethos and aspirations of each will be similar. The regulations impose a 'duty to co-operate' on local authorities and NHS bodies, with respect to complaints.
- 10.2 Adult social services not only collaborates closely with local NHS trusts but also provides services jointly in some cases, including
- Community Mental Health services
 - Community Learning Disability services
 - Community Substance Misuse services
 - Intermediate Care services

It is therefore necessary to clarify the manner in which complaints which may cross traditional service boundaries are to be handled, so that people who bring complaints are provided with prompt considered responses and are clear about how cross-cutting matters will be handled.

- 10.3 A collaborative approach to cross-cutting complaints will rely on close communication, contact and engagement between complaints staff in the Portfolio and in the NHS trusts, on relevant complaints. A protocol to which all local authorities and NHS trusts within the Staffordshire and Shropshire sub-region are signatories has been agreed for this purpose, and is an adjunct to these procedures.
- 10.4 If a complaint received by the Portfolio appears in part to require a response from an NHS body, Safeguarding & Quality Assurance Unit staff will notify the complainant within 3 working days of its intention to collaborate with the NHS body as regards
- Identifying which agency will take the lead in the complaint

- Establishing a joint investigation plan
- Providing a single co-ordinated response

10.5 It is vital that the written consent of the complainant is obtained before personal information is passed to complaints staff in the PCT. When this is received, those aspects of complaint which are for the PCT to address must be sent to them without delay.

10.6 When the Portfolio receives a complaint which appears not to relate to social services functions at all, but to apply solely to the remit of an NHS trust, Safeguarding & Quality Assurance Unit staff will ask the complainant within 3 working days for permission to pass that part to complaints staff in the NHS trust. When consent is received, the complaint must be sent to them without delay.

11. Unacceptable behaviour and vexatious complainants

11.1 The Adult & Consumer Care Portfolio is committed to providing an inclusive, responsive and easily accessible complaints process for adult social services. It will generally not impose restrictions upon the way in which complainants are able to contact or communicate with staff members.

11.2 In line with the authority's duty of care however, staff are entitled to protection from complainants whose behaviour is abusive, offensive or threatening. In such cases, the Complaints Manager will inform the complainant why his/her behaviour is considered unacceptable and ask him/her to change it. If this has no effect, possible ways forward will be discussed at a formal (minuted) strategy meeting, convened and chaired by Safeguarding & Quality Assurance Unit staff. Decisions and action in such cases must be consistent, proportionate to the concerns, time-limited and subject to review at least annually.

11.3 Among the possible measures available are

- Restriction of access to Portfolio sites
- Routing of all contact with the person through a named staff member
- Requiring contact with the person to be by letter only
- Proposing a formal agreement with the complainant about his/her behaviour
- Accessing legal advice regarding obtaining an injunction
- Notification to the police
- Notification to the keeper of the Council's Personal Safety Precautions Register

11.4 Whilst no single definition of a vexatious complainant exists, vexatiousness may include some or each of the following

- Repetition of identical or similar complaints, but failure to accept any outcome
- Unwillingness to accept the terms of the complaints procedure
- Excessive focus on the complaints process, as opposed to the desired outcome
- Focus on unrealistic and unachievable outcomes

- Unreasonably persistent and repetitious contact with the Portfolio
- Tendency to approach different parts of the organisation, in the apparent hope of eliciting different responses
- Aggressiveness, personal abuse and threatening manner

11.5 Subject to any considerations about unacceptable behaviour, it is crucial to ensure that the substance of any complaint which seems to be being pursued vexatiously is considered and investigated with the same rigour as any other complaint, as far as possible. Only on this basis could the Portfolio justify any later course of action which had the effect of treating the complainant differently from others.

11.6 The basis on which a vexatious complainant might be treated differently from any other complainant stems from the authority's obligation to deploy its resources as fairly as possible. This entails avoiding using resources disproportionately and unproductively in respect of some individuals. Responding to vexatious complaints can be stressful to the staff involved and the authority's duty of care to its employees requires appropriate remedial action to be taken in such cases.

11.7 As in the case of unacceptable behaviour, the manner in which the portfolio deals with vexatious complainants must be agreed at a minuted strategy meeting. The actions agreed which may include several of those listed at 11.3, must be consistent, proportionate to the concerns, time-limited and subject to review at least on an annual basis.

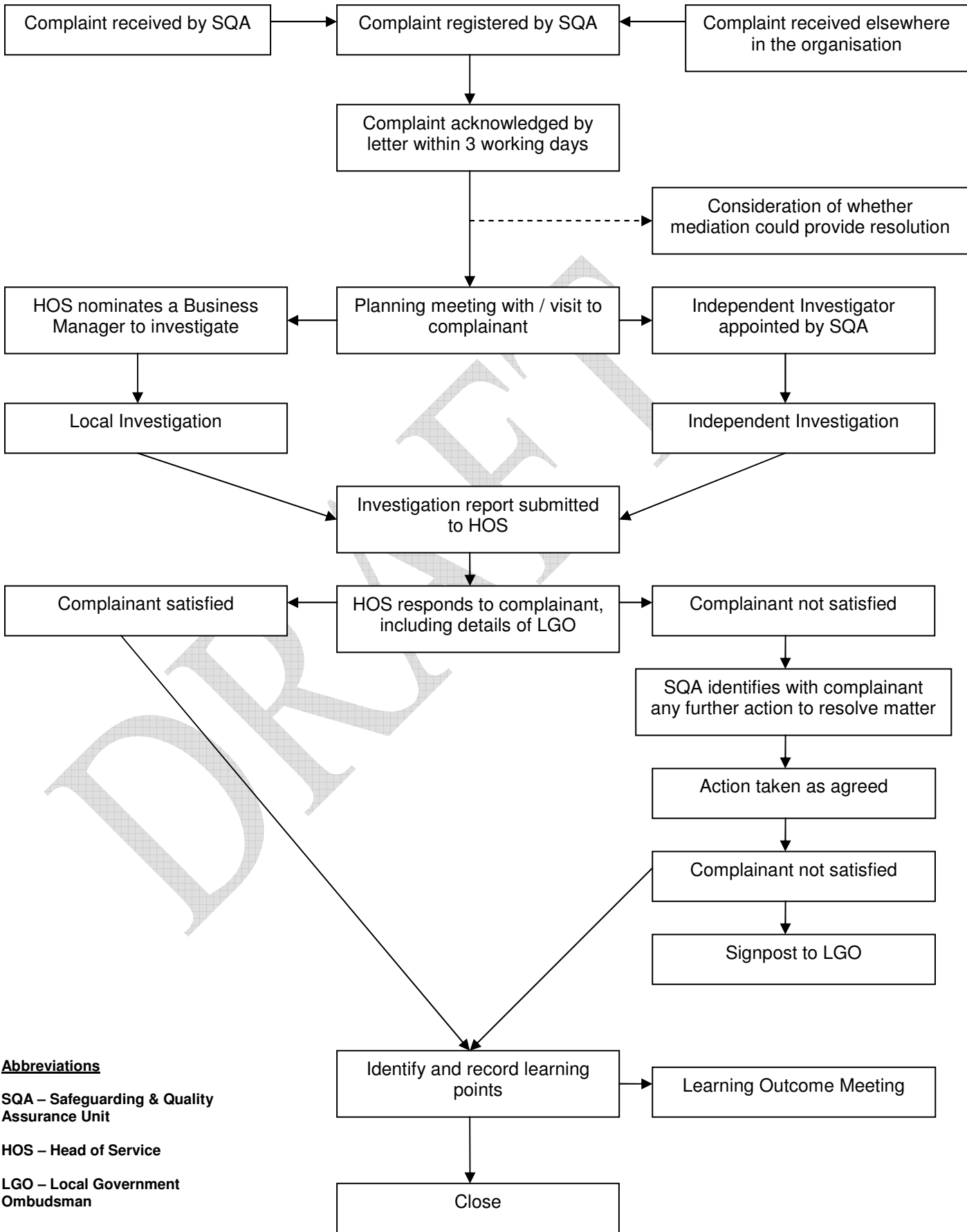
12. Performance monitoring

12.1 Activities undertaken within the complaints procedure will be reported on a quarterly basis to the Adults and Community Well-being Portfolio's Performance Board, and will be summarised in an Annual Report which will be published on the Council's website.

12.2 In considering complaints performance, particular attention will be paid to

- Number of complaints arising in each service area
- Proportion which were upheld on investigation
- Significance of any common themes which emerge from complaints
- Extent of compliance with agreed timescales
- Extent of service user satisfaction with the operation of the process
- Number of complaints which have not been resolved within the process, and are referred to the Ombudsman
- Changes and improvements which occur in consequence of complaints

13. Flow Chart setting out the statutory complaints process for Adult Social Services



Abbreviations
 SQA – Safeguarding & Quality Assurance Unit
 HOS – Head of Service
 LGO – Local Government Ombudsman

TELFORD & WREKIN COUNCIL

CABINET – 10th NOVEMBER 2009

COMPLAINTS POLICY & PROCEDURE FOR ADULT SOCIAL SERVICES

REPORT OF INTERIM CORPORATE DIRECTOR ADULTS & COMMUNITY WELL-BEING

1.0 PURPOSE

The purpose of this report is to seek Cabinet's approval and endorsement for the attached draft Council policy and procedure for the management of complaints arising from Adult Social Services. This item is required following the implementation of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, which came into force on 1st April 2009.

2.0 RECOMMENDATIONS

That the statutory complaints policy and procedure for Adult Social Services be noted and approved.

3.0 SUMMARY

3.1 This report describes the draft policy and procedure for complaints about Adult Social Services. It covers the function of the policy/procedure, its aspirations and its ambitions. It stresses the location of the management and resolution of complaints within an organisational learning and service improvement context. It emphasises the linkage between the policy/procedure and related complaints systems, notably those of local NHS bodies, who are now subject to the same complaints regulations, those of the independent care providers with whom the Council contracts, and those of the Local Government Ombudsman.

4.0 PREVIOUS MINUTES

4.1 Not applicable

5.0 INFORMATION

5.1 Background

- 5.1.1 Complaints about social services have since 1990 been the subject of separate regulatory arrangements. Consequently the policy and procedure stands alongside but is different from the Council's corporate complaints procedure.
- 5.1.2 The attached policy and procedure has been produced for the purpose of ensuring that the Council complies with the new regulations
- 5.1.3 The key requirements of the new regulations include:
- a firm emphasis on the complainant's participation in determining how the complaint should be handled
 - more flexibility available than before in how complaints should be handled, opening up the possibility of engaging conciliation and mediation processes, assuming in each case that the complainant consents
 - a welcome emphasis on offering a proportionate response, on the basis of actively screening and risk-assessing complaints
 - Removal of timescales with a requirement that an initial agreement to be reached with the complainant on a reasonable time in which to undertake an agreed process
 - A strengthened link between complaints and the learning and service improvement process including the identification of learning outcomes in all complaints.
- 5.1.4 The previous three-stage complaints process has been replaced with a one stage process. If the complainant is not satisfied with the outcome and wishes to pursue it further then the next stage is a request by the complainant to the ombudsman. There can be no intervening stages within the Council's complaints framework.
- 5.1.5 We therefore need to agree clearly with the complainant what the issues are, how the complaint will be handled (i.e. is it amenable to investigation in-house or is it necessary to appoint an independent investigator?) and what is a reasonable timescale, in advance of a single investigative process.
- 5.1.6 This represents a major change in approach – unless a complaint can be resolved to the complainants satisfaction by the end of the working day following receipt it be the subject of a formal investigation by a manager who is located at a distance from the service in question and who needs to reach a decision whether to uphold the complaint or not, and to identify and record learning points.
- 5.1.7 It should be noted that each complaint needs to be formally signed off by someone other than (and by implication more senior than) the person who undertook the investigation. This responsibility is located with the Head of Service.

- 5.1.8 The new regulations apply equally to local authorities and to NHS bodies, thus sweeping away the previous obstacles to collaboration on cross-cutting complaints. There is a renewed Duty to Co-operate shared by local authorities and NHS bodies, and locally this is reflected in the draft policy/procedure and to be implemented through an updated protocol (attached as a background paper) to which each of the relevant agencies in the Shropshire and Staffordshire sub-region are signatories.
- 5.1.9 The interface on complaints between ourselves and our contractual provider partners in the independent sector has not been clarified by the regulations as much as we hoped it might be. The draft procedure therefore states that if a complainant is dissatisfied following a provider's final response to a Care Standards/Social Care Provider complaint, they are entitled to refer the matter to the Council who may deal with it in a variety of ways – but not necessarily by means of a formal investigation. Consultation with the Ombudsman on this specific point indicated that the Council needs to 'own' the complaint, if the provider was acting on the Council's behalf. In consequence we will adopt a coherent line on complaints of this type and utilise a range of available responses as appropriate such as contract compliance measures and a range of commissioning tools.
- 5.1.10 Apart from the policy/procedure itself, the implementation process will require the production of a range of additional materials, including a new complaints form (already in use), new publicity material, alternative format information, staff information booklet. In addition, there needs to be a training/briefing initiative for all social services staff to be developed and offered over the next few months.

5.2 Equality and Diversity

- 5.2.1 The Council's adult social services address the needs of some of the most vulnerable members of the community. We recognise our responsibility to ensure that no-one's vulnerability is compounded by discriminatory procedural arrangements, and that everyone has access to the possibility of redress for any wrongs suffered.
- 5.2.2 The complaints policy and procedure for adult social care sets out to be accessible to all service users, regardless of their needs and background, and to ensure that advocacy, translation and interpreting services are available on request whenever necessary.
- 5.2.3 The draft document has been the subject of an Equalities Impact Assessment, which has involved submitting it to a number of community and advocacy organisations, such as Age Concern, TREDP, Taking Part etc, for their comments and suggestions.
- 5.2.4 The policy has been written with access and equalities in mind. Alternative versions on CD, cassette and Easy-Read, as well as

summaries in community languages will be produced as part of a planned launch.

5.3 Environmental Impact

No environmental impact

5.4 Legal Comment

5.4.1 From 1st April 2009, the NHS and Social Care complaints procedures have been revised and are now governed by the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 (the majority of which came into force on 1st April) which were subsequently amended from 1st September 2009 by the Local Authority Social Services and National Health Service Complaints (England) (Amendment) Regulations 2009. The remaining Regulations 2(3) and 11 will come into force on 1st October 2010.

5.4.2 Relevant guidance entitled “Listening ,responding ,improving: a guide to better customer care “ was published by the DOH on 26th February 2009.”

5.5 Links with Corporate Priorities

5.5.1 The policy and procedure will link with the following corporate priorities

- Promoting healthy communities and improving the quality of life for vulnerable and older people
- An efficient and effective customer-focussed council that delivers value for money for the community

5.6 Opportunities and Risks

5.6.1 The opportunities and risks associated with this decision/option/project have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

5.7 Financial Implications

The procedures described in the policy offer advantages in the resolution of complaints, but do not include obligations which would result in any significant additional costs to the Portfolio. The mediation service offered does have the potential to incur additional costs if utilised, but these will be met from within existing budgetary provision.

6.0 WARD IMPLICATIONS

6.1 District Wide Implications

7.0 BACKGROUND PAPERS

7.1 The following two background papers are submitted

- Draft complaints policy/procedure for adult social services
- Draft inter-agency protocol on collaboration in complaints work, between the local authorities and NHS trusts in the Shropshire/Staffordshire sub-region

End of Report

***Report prepared by Dave Robson, Service Standards Manager,
Tel 01952 381101***

TELFORD & WREKIN COUNCIL

CABINET – 10th NOVEMBER 2009

PROPOSED AMENDMENTS TO THE SCHEME OF DELEGATION

**REPORT OF THE CORPORATE DIRECTOR ADULTS & COMMUNITY
WELL-BEING**

1. PURPOSE

- 1.1 The purpose of this report is to seek Cabinet approval to amend the scheme of delegation.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves amendments to the scheme of delegation, as set out in paragraphs 3.4 and 3.5 of the report.**

3. SUMMARY

- 3.1. The scheme of delegation is intended to help the Council carry out its business in an efficient and effective way whilst also ensuring openness and accountability.
- 3.2 Key decisions affecting policy and significant financial expenditure, and many decisions relating to the Council's statutory roles (of planning or licensing for example), are reserved to Council, Cabinet and boards / committees.
- 3.3 However, a large majority of decisions relating to the Council's day to day operations are delegated to officers. This is essential both for the efficiency of service delivery and to keep costs associated with decision making proportionate to the impact of those decisions.
- 3.4 This report requests that Cabinet amends the scheme of delegation to include provisions relating to existing legislation that were not included in the last report.
- Licensing Act 2003
- 3.5 To amend the scheme of delegation to remove the Regulation & Resilience Manager as the designated Chief Inspector of Weights & Measures and to obtain approval for the Trading Standards Operations Manager to be appointed as the Chief Inspector of Weights & Measures for the Borough of Telford & Wrekin.

4. PREVIOUS MINUTES

4.1 Reference the following:-

- Council Constitution Committee – 8 September 2005 (CCC-03)
- Council – 28 September 2005 (Minute No. 40)
- Council Constitution Committee – 14 September 2006 (CCC-18)
- Council – 21 September 2006 (Minute No. 36)
- Cabinet – 23 March 2009 (Minute No. CB-175)
- Cabinet – 11 May 2009 (Minute No. CB-199)

5. INFORMATION

5.1 Background

- 5.1.1 The Council's scheme of delegation (referred to as the 100(g)2 list) is periodically reviewed to ensure that it remains up to date and valid. All amendments and new delegations listed in the scheme must be approved by Council, Cabinet or the relevant board / committee.
- 5.1.2 Proposals set out in this report refer to an amendment of a schedule to the scheme of delegation relating to legislation that is regulated by the Trading Standards Service on behalf of the Council.
- 5.1.3 By virtue of the Weights & Measures Act 1985 (The Act) the council is deemed to be a local weights & measures authority.
- 5.1.4 The local weights & measures authority is legally required to appoint a Chief Inspector of Weights & Measures. The Chief Inspector of Weights & Measures is responsible to the local weights & measures authority for the custody and maintenance of all weights and measures, standards & equipment for the areas he/ she is appointed and generally for the operation of the arrangements made to give effect in that area to the purposes of this Act.

5.2 Equal Opportunities

There are no equalities and diversity issues arising from proposals set out in this report.

5.3 Environmental Impact

There are no environmental impacts arising from proposals set out in this report.

5.4 Legal Comment

The Council has the power pursuant to Section 101 Local Government Act 1972 to delegate the functions listed in this report to officers as described in this report. There are no other legal implications arising directly from this report.

5.5 Links with Corporate Priorities

Proposals set out in this report have no direct implications for the Council's corporate priorities however they are an important part of the framework that enables those priorities to be achieved.

5.6 Opportunities and Risks

The opportunities and risks associated with this report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

5.7 Financial Implications

There are no financial consequences to highlight arising from the implementation of the recommendations of this report.

6. WARD IMPLICATIONS

- 6.1 Whilst decisions made under delegated powers may affect any or all wards the proposals set out in this report do not have direct Ward implications.

7. BACKGROUND PAPERS

- 7.1 Relevant background papers include:-

(a) the Council's scheme of delegation {also referred to as the 100(g)2 list}

***Report Prepared by Anita Hunt, Trading Standards Operations Manager
(tel: 01952 (3)81998 or email: anita.hunt@telford.gov.uk***

TELFORD & WREKIN COUNCIL

CABINET – 10 NOVEMBER 2009

EMPLOYEE SUGGESTION SCHEME

JOINT REPORT OF HEAD OF POLICY, PERFORMANCE & PARTNERSHIP AND HEAD OF CUSTOMER STRATEGY & BUSINESS TRANSFORMATION

1. PURPOSE

- 1.1 To put forward some initial proposals for an Employee Suggestion Scheme.

2. RECOMMENDATIONS

- 2.1 That members agree the key principles and outline process in Sections 4.1 and 4.2; and**
- 2.2 Agree the next steps in Section 5 and delegate authority to the Head of Policy, Performance & Partnership, following consultation with the Cabinet Member: Policy, Performance & Partnership, to finalise details of the scheme.**

3. BACKGROUND

- 3.1 The Council does not currently have an official Employee Suggestion Scheme, although this has been considered a number of times in the past. There now appears to be growing support for setting up such a scheme from both the Corporate Employee Focus Group and a range of members, including the Cabinet Member for Policy, Performance & Partnership and the Value for Money Scrutiny Group. A Scrutiny Review of Employee Suggestion Schemes has also recently been carried out (see Appendix 2 for recommendations).
- 3.2 Research into a number of private and public sector organisations suggests that the potential benefits of Employee Suggestion Schemes include:
- Cost and efficiency savings;
 - Service improvements;
 - Improved communication;
 - Improved employee satisfaction/engagement;
 - Greater innovation, creativity and sharing of good practice.
- 3.3 Employee Suggestion Schemes also give employees an opportunity to initiate change and a voice when change is happening (only 59% of employees in the recent Employee Survey were satisfied with the influence they have in decisions that affect their job and just 30%

agreed that change in the organisation is well managed by senior managers in their Portfolio).

- 3.4 As we are entering a period of significant change and financial pressures, this seems an opportune moment to revisit setting up an Employee Suggestion Scheme. It would also link in well with the programme of Lean training that is currently being piloted.
- 3.5 A group of officers from Policy, Performance & Partnership, the Business Efficiency Team and Scrutiny have developed some initial proposals, based on research into a number of private and public sector Employee Suggestion Schemes. The proposals include some key principles, an outline of how the scheme could work and some areas for further discussion.

4. PROPOSALS

4.1 Key Principles

- 4.1.1 The scheme should have a clear value for money focus with criteria/guidance to encourage suggestions that save money or improve the way we deliver services or manage the organisation. Clear criteria should prevent the Suggestion Scheme becoming an internal 'complaints service' and could be used to score and prioritise suggestions.
- 4.1.2 The scheme should be accessible to all employees – so whilst we would encourage employees to make suggestions via the Intranet, we should provide an alternative mechanism for employees without access to a PC e.g. a suggestion box.
- 4.1.3 There should be some sort of 'independent' assessment to ensure that feasible suggestions are recognised and acted upon and also to identify suggestions that could have Council-wide impact (see Section 4.2).
- 4.1.4 All suggestions should be recorded and tracked and this information should be made available to all employees (see Section 4.2).
- 4.1.5 There should be an element of recognition and/or reward, ideally even for people whose suggestions are not taken forward.

4.2 Outline Process

- 4.2.1 Appendix 1 sets out a possible process for an Employee Suggestion Scheme. Key elements of the proposed scheme are:
- The scheme should run initially for a **trial period of two years**, with a formal review of its effectiveness at the end of this timescale;

- **Independent assessment** – a small steering group would be responsible for assessing suggestions with input as needed from relevant officers and members. This group would also assess whether suggestions about a specific service could have a wider organisational impact and where appropriate, refer these on to corporate projects e.g. Business Efficiency Team, service reviews, strategy/policy development programme. We would recommend involving member(s) and employee representatives in this group;
- Employees should, if they wish, be able to **submit suggestions anonymously**. While it would mean that we would not be able to recognise or reward these employees or get more information from them if this was required, the aim is to encourage as many people as possible to submit ideas;
- **Co-ordination** – most schemes are administered by a co-ordinator(s), who effectively ‘screen’ suggestions that do not meet the criteria and request further information as necessary. In some organisations e.g. Ricoh, co-ordination of the scheme is a full-time role, although elsewhere it is picked up as part of an existing role;
- **Recording and tracking** – all suggestions received via the Intranet would be recorded on a ‘message board’. The co-ordinator(s) would be responsible for recording suggestions received in other ways and adding progress updates on all suggestions to the message board. In this way, all employees (and members) with Intranet access could see what suggestions had been received, whether these were feasible, and what progress had been made with implementing them (we would have to consider how we could make this information available to employees without a PC e.g. through regular bulletin updates). We would also keep a record and running total of improvements and efficiencies made, so that the value/impact of the scheme could be viewed and assessed on an ongoing basis.
- **Recognition and reward** – Our research suggests that where monetary rewards are used, these tend to be relatively modest even in the private sector (usually in the form of vouchers and ranging from just £3 to about £250) and we are minded to incorporate some small degree of monetary reward as part of the scheme (possibly to recognise the ‘best’ idea received every six months). In addition to this, we will also consider non-monetary reward and recognition such as:
 - Create a ‘Top Employee Suggestion(s) of the Year’ category in the annual internal awards;
 - Reception or a ‘night out’ for suggestions where a team has worked together to implement an idea;
 - An additional day’s leave (your birthday?);
 - Prizes based around Council services e.g. free Aspirations membership, tickets to The Place etc;
 - Additional training/development and/or chance for employee to be directly involved in implementing their suggestion.

- In terms of the **scope of the scheme**, this will be open to all employees and elected members, though there would be no monetary reward available for members. The scheme could also be open to schools and learning communities (NB with reference to recommendation 11 in Appendix 2, as Academies are independent, it is not appropriate to look to include them within the Council scheme).
- To help support the development and implementation of the scheme, the Council will become a **member of Ideas UK**, a not-for-profit association of suggestion scheme managers which offers advice and guidance and gives access to a network of over 100 organisations with Employee Suggestion Schemes. Membership of this body will be reviewed on an annual basis.

5. **NEXT STEPS**

5.1 The main next steps are to:

- Consult members, trade unions and employees about the initial proposals and involve the Employee Focus Group in the detailed design of the scheme;
- Look to identify, from within existing resources, an officer to take forward the day to day running/co-ordination of the scheme;
- Identify co-ordinator(s) and set up a steering group to manage the set-up and running of the scheme.
- Continue to research best practice;

5.2 The ideal time to launch an Employee Suggestion Scheme would be December/January, to coincide with the start of the budget process (this also links well with the start of business planning in January).

6 **OTHER CONSIDERATIONS**

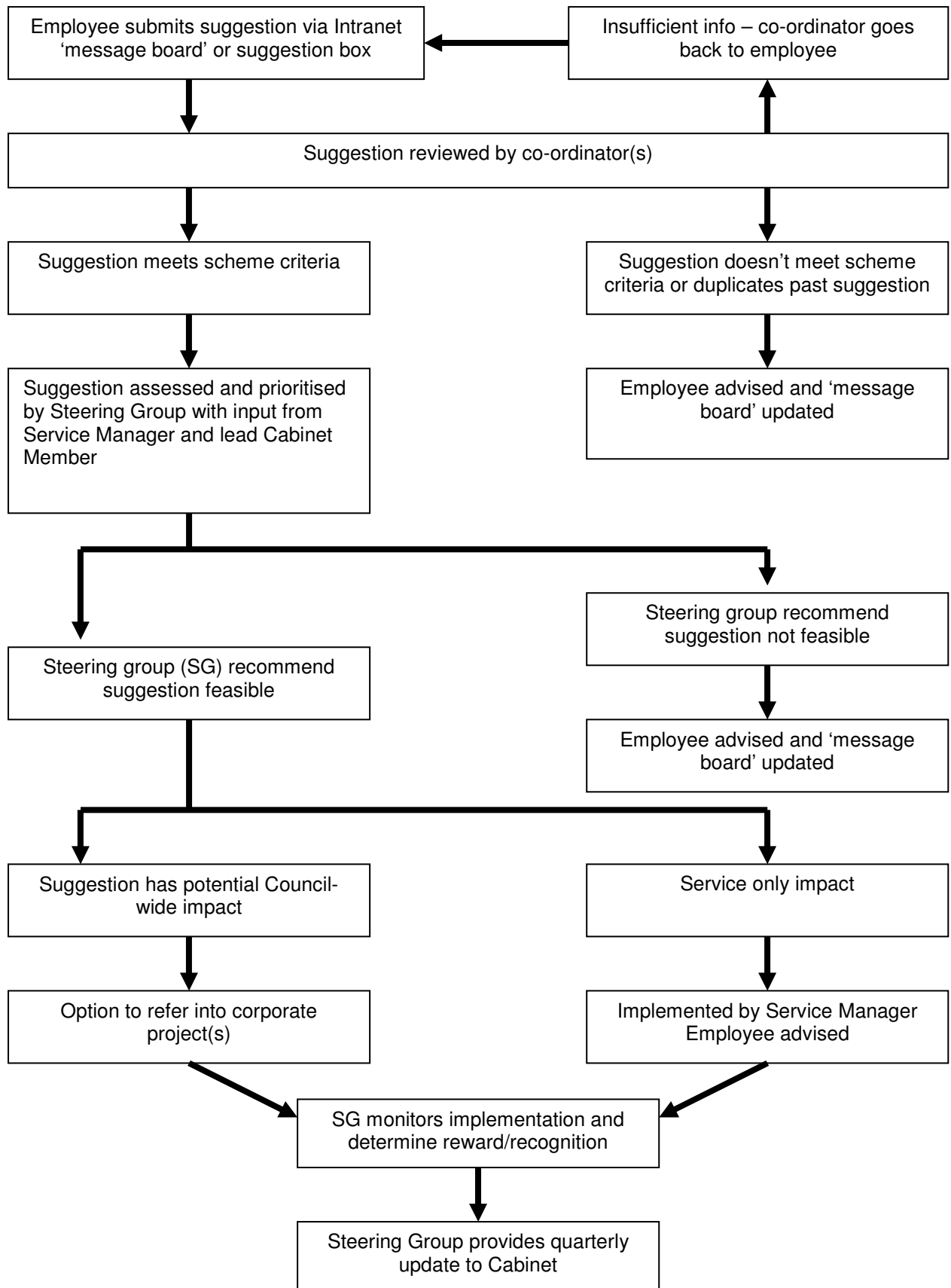
Area	Comments
Equal Opportunities	The scheme will be accessible to all employees and there is scope for suggestions to have a positive impact on equality and diversity issues, both in terms of our workforce and service delivery.
Environmental Impact	As above, suggestions could result in positive environmental impact through better use of resources or improved service delivery.
Legal Implications	The scheme would operate within the Council's governance and statutory framework.
Risk Management	Risks and opportunities of suggestions will be a key consideration when assessing the feasibility of suggestions.
Links with Corporate Priorities	The Employee Suggestion Scheme links most directly to our priority to be an 'Efficient, Effective, Customer-focused Council that delivers Value for Money for the Community'.

Financial Implications	We will look to run the scheme within existing resources and a key focus of the scheme will be to realise savings and efficiencies. The cost of joining Ideas UK is £650 pa
Ward Implications	Dependent on the suggestion, suggestions may have Borough-wide implications.

**Report prepared by Felicity Mercer, Policy and Value for Money Manager,
Tel: (01952) 380136 in conjunction with:**

- **Ann Baxendale – Internal Communications Officer**
- **Gail Rider – Programme Leader, Business Efficiency**
- **Stephanie Jones – Scrutiny Officer**

Appendix 1 – Employee Suggestion Scheme Outline Process



Appendix 2 – Scrutiny Recommendations

Proposed scheme

The scrutiny Members have reviewed and inputted into the report which will be presented to CMT on 20th October 2009. The Members welcome the proposals but wish to make a number of recommendations to be taken into account in the further development of the proposals.

Recommendation 1

That the Cabinet agrees to implement an Employee Suggestion Scheme along the lines set out in the Employee Suggestion Scheme Discussion Note, and that this should be for a trial period of at least two years.

Recommendation 2

That there should be one full-time member of staff to set up and run the scheme. This need not be in addition to existing headcount, but the role could be created by rationalising existing resources. The position could be officer level but the person must have the right personality, creativity and ability to challenge. The position should be mandated at Chief Executive level and have regular contact with the Chief Executive.

Recommendation 3

That the Council becomes a member of Ideas UK.

Recommendation 4

That every idea should be rewarded and recognised at an appropriate level.

Recommendation 5

That there should be awards for both individual and team suggestions.

Recommendation 6

That the scheme must be simple, high-tech and non-bureaucratic to eliminate unnecessary staff time and so that suggestions are “fast-tracked” where possible to implementation.

Recommendation 7

That there should be an independent moderator for suggestions that have personnel or personal implications.

Recommendation 8

That the scheme is regularly reviewed and monitored and that monitoring information is public.

Recommendation 9

That the trade unions are involved.

Recommendation 10

That the scheme should be open to Members, but that Members should only receive a very token reward for suggestions.

Recommendation 11

That schools, or learning communities, and Academies should be invited to participate.