

Meeting	Contract Monitoring Overview and Scrutiny Committee
Date	13 January 2013
<b>Subject</b>	<b>External Contracts – Management resources – creation of a new Commercial &amp; Customer Services Team</b>
Report of	Commercial & Customer Services Director
Summary of Report	This report sets out the dedicated staffing structure being put in place to manage key external contracts currently; CSG, Re, HB Public law, Barnet Homes and Public Health

Officer Contributors	Claire Symonds, Commercial & Customer Services Director
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Not Applicable
Reason for urgency / exemption from call-in	Not Applicable
Function of	Contract Monitoring Overview and Scrutiny Committee
Enclosures	Appendix A – Management Structure
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## **1. RECOMMENDATION**

- 1.1 That the Contract Monitoring Overview and Scrutiny Committee consider the information in this report and make comments and recommendations as appropriate.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet, 6 December 2012 (item 5) – approved the New Support & Customer Service Organisation: Recommendation for Preferred and Reserved Bidder and Full Business Case.
- 2.2 Overview and Scrutiny, 18 June 2013, (item 2) – resolved that the quarterly performance report to the next meeting of the Committee provides details on the resources dedicated to managing each key contract (including finances, staffing and structure), this item was deferred at the October meeting to the January one.
- 2.3 Cabinet, 24 June 2013, (item 5) – approved Development and Regulatory Services (DRS); Selection of the Preferred and reserved Bidder as the Council's Strategic Partner to form a Joint Venture (called Re) to deliver the DRS Service

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The three priority outcomes set out in the 2013/16 Corporate Plan are:
- Promote responsible growth, development and success across the borough
  - Support families and individuals that need it – promoting independence, learning and wellbeing
  - Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study
- 3.2 All the commercial partnerships are intended to contribute to one or more of these priorities.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Risk monitoring is an essential component of robust contract management. Shared risk logs are reviewed routinely by the contract managers and reported to the respective partnership governance board. Risks with a rating above 12 are reported to the Delivery Board, the Lead Commissioner, and the Strategic Commissioning Board and the lead Cabinet Member. They are also reported to this Committee.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Each contract places obligations on our partners to support the Council in carrying out its public sector equalities duty. This means having due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;

b) advance equality of opportunity between those with a protected characteristic and those without;

c) promote good relations between those with a protected characteristic and those without.

The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. With respect to a) the 'protected characteristics' also include marriage and civil partnership.

5.2 Effective contract management is vital to ensuring that the Council's duties under the Equality Act 2010 are supported by its partners.

5.3 Equalities will be monitored by collecting data on service usage, customer feedback and specific performance indicators. Where service changes affecting residents or service users are proposed, equalities impact assessments will be undertaken, and where needed, these will include consultation with residents or service users.

5.4 The Council has recently established a new equalities policy, containing equalities targets across all delivery units, and has a dedicated equalities advisor in the Commissioning Group to promote good practice and oversee compliance.

## **6 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

6.1 All of the roles within the Commercial Team are currently being resourced on an interim basis, and are costing over and above the substantive salary levels. The recruitment process to fill these posts permanently was initiated at the end of November 2013 with the intention that the permanent structure would be in place for 1 April 2014.

6.2 The new structure is shown Appendix A and is affordable within the 2014/15 Commissioning Group budget.

6.3 As a number of these posts are fairly unusual in their nature for local government, in that they require a degree of commercial acumen and experience of managing contracts, recruitment will be supported by an external organisation, at the time of writing, a brief for the procurement of such support has just been agreed and authorisation to procure has been taken under the delegated powers process.

6.4 There are no other resource implications

## **7. LEGAL ISSUES**

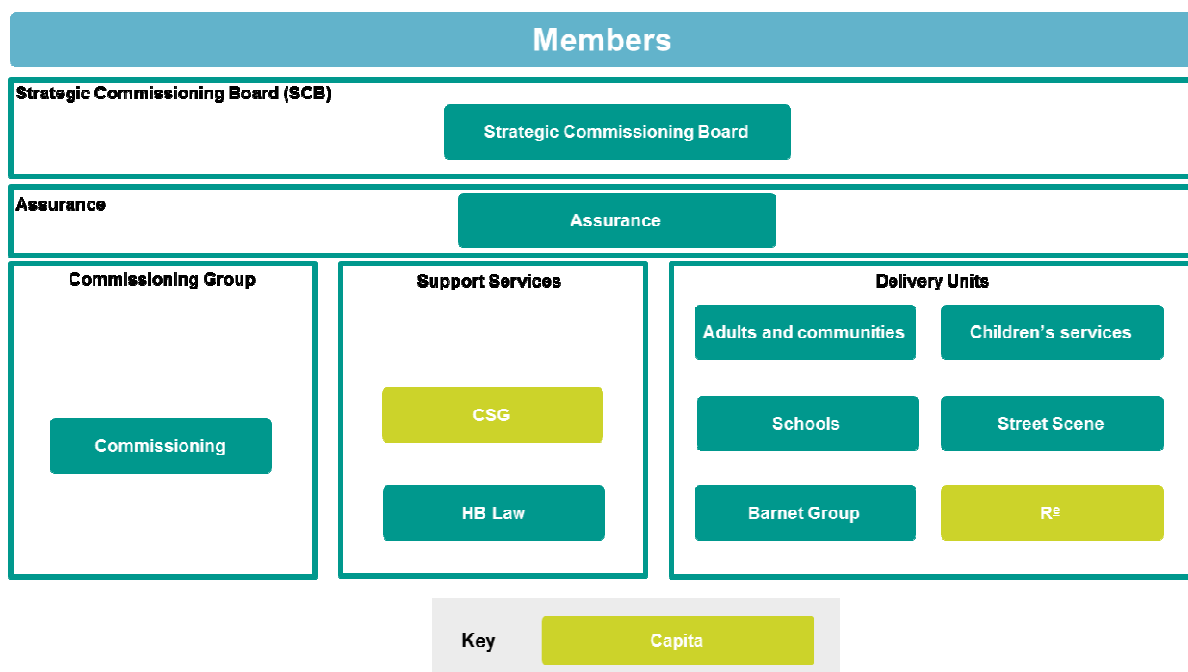
7.1 There are no additional legal comments to those contained in the body of the report.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

- 8.1 The roles and terms of reference of all scrutiny Committees are contained within Part 2, Article 6 of the Constitution; and in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution).
- 8.2 The Contract Monitoring Overview and Scrutiny Committee is responsible for scrutinising reports from the Commissioning Group, Delivery Units and Lead Commissioners detailing the performance against targets that are included within the Corporate Plan and otherwise relating to the services provided by the CSG, Re, The Barnet Group Ltd, HB Public Law and NSL and other major contracts, and to be able to challenge external providers.

## 9. BACKGROUND INFORMATION

- 9.1 The Council's new Commissioning Model went live on 1 April 2013, creating a distinction between officers who commission, review and contract manage services (the Commissioning Group), those who deliver services (Delivery Units and major commercial partnerships) and those that provide independent assurance to Members, the Chief Executive and Chief Officers that the organisation is operating properly and effectively (the Assurance Group).
- 9.2 The diagram below shows these separate groups:-



The core functions of the Council's Commissioning Group are to:

- Work with Delivery Units, Support Services and Customer Services to provide data and analysis that informs strategic decision making by the Strategic Commissioning Board and Members;
- Translate outcomes and priorities set by Members and the Strategic Commissioning Board into commissioning strategies and delivery plans;
- Identify innovative solutions that could be used in Barnet to deliver outcomes and suggest these to Members and Delivery Units;
- Define evaluation criteria and performance measures for commissions;

- Provide advice to the Strategic Commissioning Board and Lead Commissioners on how to approach technical elements of the commissioning process; and
  - Manage contractual relationships with major providers on behalf of the Strategic Commissioning Board.
- 9.3 The Lead Commissioners for each contract are located within the Commissioning Group. Their role with respect to the contracts is to lead on strategies and annual business planning; review any performance issues and agree remedial actions or intervention.
- 9.4 The lead Commissioning role for CSG is split between the Deputy Chief Operation Officer (DCOO) and the Commercial & Customer Services Director. The DCOO is effectively the lead commissioner for support services, supported by the DCOO team which has specialist expertise in finance (who will also oversee contractual payments), insurance, revenues and benefits, information management, complaints, and programme and project management. This team similarly leads on these issues across the rest of the contracts and delivery units. The Commercial & Customer Services Director is the Lead Commissioner for Customer Services.
- 9.5 For Re, the Lead Commissioners are Enterprise & Regeneration Lead Commissioner, and the Housing & Environment Lead Commissioner. These officers will draw on additional expertise as required via third party experts.
- 9.6 For Barnet Homes, the Lead Commissioner is the Housing & Environment Lead Commissioner. There are additional officers responsible for developing housing policy and strategy within Re, and these officers will continue to support the Lead Commissioner.
- 9.7 Within this Commissioning Group, the Commercial & Customer Services Team has two major functions :-
- the responsibility for overseeing performance, contract compliance and managing any contractual changes for each of the partnerships/contracts within its remit. These currently are CSG, Re, HBLaw, Barnet Homes, and Public Health; and
  - to lead on the policy development for the Council's customer strategies to ensure that service developments are delivered within the agreed framework maximising customer benefit.
- 9.8 Attached as Appendix A is the proposed organisation chart for this structure. The costing of which is within the approved budget for 14/15. The creation of this structure was undertaken through the Council's delegated powers process. The charts show three direct reports to the Commercial & Customer Services Director. Two in relation to contractual relationships and one responsible for the development of customer strategy. All roles shown are new.
- 9.9 The role of Head of Customer Strategy & Programmes will be central in leading on developing the Council's relationship with our residents and policy lead for the Council's customer strategies to ensure that service developments are delivered and that they maximise the benefits to customers as well as ensuring the Council achieves effective outcomes for the residents of Barnet.

- 9.10 This role is supported by a Customer Strategy & Insight Officer.
- 9.11 The contract monitoring elements are divided into two teams, with the aim that they will collectively be responsible for monitoring a number of contracts each. The Support team will monitor; CSG, HBLaw, Public Health and it is expected Registrars. The Growth & Regeneration team will look after Re, Barnet Homes and the expected Mortuary contract. Both teams have identical structures which include three main roles:-

#### **A Partnership Relationship Manager**

- Who will be the lead for managing the relationship between the Council and a number of its partners such that the Council maximises the financial and non-financial benefits of these relationships. The aim is to achieve effective outcomes for customers and continuous innovation and improvement for the Council.
- They will lead and develop effective relationships through the engagement and co-ordination of all relevant stakeholders to foster and promote a shared and understood vision in respect of the delivery of specific Council contracts.
- They will intervene, analyse, manage and resolve business conflicts between the Council, the partner, and/or other Council partners/stakeholders promoting constructive dialogue. They will be supported by:-

#### **Commercial Performance & Development Managers**

- Who will be responsible for undertaking day to day performance and development activities ensuring that benefit realisation, management of contract change, performance monitoring and reporting is undertaken effectively and efficient for the contracts within their remit.
- They will initiate initial remedial / improvement activity, advising the Commercial & Customer Services Director, Lead Commissioner/s and Members on whether each partner is on track to deliver the commissioned outcomes and engage in day-to-day contractual monitoring and engagement, setting up and managing appropriate communication and decision-making forums and problem-resolution mechanisms to ensure effective performance monitoring. Alongside these will be a:

#### **Performance Monitoring Manager**

- Who will be responsible for the corporate monitoring of and challenge to performance data, including the all Super KPIs, KPI and PIs as well as supporting the co-production and monitoring of improvement plans.

### **10. LIST OF BACKGROUND PAPERS**

10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>TH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>LC</b>