



Date: Thursday, 7 September 2017

Time: 1.30 pm

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire,
SY2 6ND

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AUDIT COMMITTEE

TO FOLLOW REPORT (S)

7 Management Report: Programme controls and risks (Pages 1 - 10)

The report of the Director of Place and Enterprise is attached, marked 7.
Contact: George Candler 01743 258671

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Council is achieving against its plan and that strategic risks are being monitored and managed, or on an exception basis activity for improvement is identified. This in turn will provide reflection on and assurance as to the strength of the governance environment.

- 2.3 All Committee reports to Members will continue to report on opportunities and the associated risks and these in turn should be linked to the delivery of the Council's outcomes as set out in the Corporate Plan.

3.0 Financial Implications

- 3.1 The delivery of actions within the Financial Strategy that need to be delivered over the next three years are monitored on a monthly basis and reported to the Council's Senior Management Team. To ensure consistency and robustness of the approach, any figures reported in relation to the achievement or non-achievement of savings will be directly reflected within the Council's revenue monitoring reports.

- 3.2 Financial monitoring reports are approved by Cabinet on a quarterly basis. Supporting this are monthly reports which are produced and are considered in a timely manner by the Council's Director's Team. Furthermore, to ensure Cabinet Members are able to fulfil their roles in their respective Portfolio areas, regular informal Cabinet meetings take place and these are supplemented by individual meetings with the portfolio holders to specifically review and monitor progress against the delivery of the Council's savings plans in their respective areas.

4.0 Commissioning Governance arrangements

- 4.1 As part of the strengthening of governance arrangements around commissioning including contract management the previous Commissioning Directors Group has evolved into a wider Commissioning Assurance and Performance Board. The terms of reference are attached at Appendix 1.

The board consists of the Directors Management Team who meet on a monthly basis to consider commissioning assurance as well as performance issues. This has included receiving reports from each Directorate on their key contracts based on costs, risk and strategic importance.

- 4.2 Directors are updated on whether contracts are judged to be performing well, achieving expected outcomes or failing to deliver what is required. Directors consider contracts from all of these categories and also invite contract managers back to their meetings to explain their systems and processes and how they ensure contract outcomes are delivered.
- 4.3 They also receive quarterly performance reports and customer feedback reports as part of this remit as well as most recently reviewing the current approach of employing agency staff.

5.0 Contract Management

- 5.1 As well as the contract management reporting to the Commissioning Assurance and Performance Board identified above, other developments have been progressed. Training and Development has been identified as a key requirement for good contract management.
- 5.2 The Council are testing some contract management training provided free of charge which has been developed by the University of Southampton, the UK Cabinet Office and other public bodies. This is being carried out to assess whether it would be appropriate to roll it out to relevant contract management and commissioners across the Council.
- 5.3 It has been included as a specific element of the skills audit which is being developed by the Council and will be available for all employees. The skills associated with Contract Management are included as part of an on line tool called 'myskills portrait', to be launched in October 2017. The profiling tool allows for individual skills assessment and team based profiling. The myskills portrait tool is part of a suite of online tools including a leadership toolkit and 360 feedback tool used to support the Leadership and Management Development Framework.

6.0 Commissioning Development

- 6.1 Consideration of the different contracts, required outcomes and the preparation for regulatory inspections identified that there is an opportunity to confirm where different contracts and commissioning activity share the same outcomes. By developing commissioning differently it is possible to establish and plan to deliver benefits which have greater reach and impact across council services and the people who use them. In turn this should assist in achieving more with the resources available.
- 6.2 One area that is currently being worked on is Prevention. This cuts across Adult Social Care, Children's Social Care and Early Help, Health and Housing Support. It also reaches across organisations such as the Shropshire Clinical Commissioning Group, which may open up opportunities to jointly commission services in a different way, reduce possible duplication and target resources.
- 6.3 Aligned to this is the development of Social Value Charter which the Council has led on with organisations from across the public and voluntary community and social enterprise sectors. This extends the Council's framework and approach to this activity to achieve additional social, economic and environmental benefits from the delivery of services on behalf of the Council. To date 22 organisations have signed up to the Charter. These are:
- Shropshire Council
 - Shropshire CCG
 - NHS Midlands & Lancashire Commissioning Support Unit

- Severnside Housing
- Shropshire Providers Consortium
- Citizens Advice Shropshire
- Shropshire VCSA
- Kaleidoscope Project
- Allcare Shropshire Ltd
- Age UK Shropshire Telford & Wrekin
- University Centre Shrewsbury
- Marches Care Ltd
- YSS
- Shropshire Rural Communities Charity
- Shrewsbury & Telford Hospital NHS Trust
- Headway Shropshire
- Energize Shropshire Telford & Wrekin
- Bridgnorth Community Transport Group
- Green Shropshire Xchange
- North Shropshire College
- Oswestry Community Action, Qube
- Confide Counselling

6.4 As the amount of funding from across the public sector, national government and other sources such as Big Lottery has reduced voluntary and community organisations have been affected, with a number changing the services they provide or closing down. In recognition of the pressures being faced and the value of these organisations to the Council in achieving its outcomes, a process has been developed with the Voluntary and Community Sector to share emerging commissioning plans or opportunities and highlight any issues or concerns at an early stage so that they can be considered and addressed.

6.5 Over the past year the Council have procured a product from Porge Research called Illuminator which can be used by commissioners, procurers and contract managers to analyse the Council's contractor expenditure, the make-up of public sector organisations who use the same contractors, and a view of the market available. This includes understanding how much reliance any particular contractor has on the Council i.e. the Council's spend as a proportion of the contractor's total income from the public sector. This helps to inform commissioners about the sustainability of the contractor and the potential risk to the Council's procured services should they lose another contract from a different public sector organisation, or the risk to the contractor of losing a contract from the Council.

7.0 Digital Transformation and the role of IT

7.1 The Digital Transformation Programme (DTP) within the Council offers a number of opportunities to strengthen current systems and governance and assurance activity in relation to Commissioning.

- 7.2 A significant development will be increased and more-timely access to data and information. This will deliver a number of benefits during the commissioning cycle from informing the planning and design of services and outcomes based on evidence of need and intelligence which can identify expected future trends and requirements, through to contract performance management information and customer feedback to inform contract managers and commissioners as they carry out their roles.
- 7.3 The Council has had an e-tendering system over recent years. This has been particularly effective when used by the Procurement Team as well as Property Services. This has extended to include Highways and Passenger Transport over the past twelve months. Almost all tendering by the Council is carried out through this system. It provides the contract register for the Council and is also used for the storage of procurement and contract documents which strengthens governance of contract award and management.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Management Report on Programme Controls and Risks – Audit Committee 15 September 2016

Cabinet Member (Portfolio Holder)

Cllr Steve Charmley

Local Member

All

Appendices

Appendix 1: Commissioning Assurance and Performance Board – Terms of Reference

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Commissioning Assurance and Performance Board

Terms of Reference

1. Purpose of Group

The Commissioning Assurance and Performance Board (CAPB) takes overall responsibility for all strategic commissioning activity, as well as seeking relevant assurances related to contractors (providers), contract performance and supply chain management. It will as appropriate, report into Full Council, Cabinet and Audit Committee. Ultimately the Group will have oversight of all significant commissioning, re-commissioning and decommissioning activity across the Council, from a risk and cost perspective. The Board operate in the first line of defence for assurances related to Strategic Risks, and received assessments and learning from the second and third line of defence to inform their consideration of progress, issues and required actions.

2. Objectives of the CAPB

2.1 *Monitor overall delivery of significant commissioning activity*

- direct and monitor the overall progress of all commissioning activity including key risks and issues to delivery
- identify key dependencies between commissioning activities and other Council and partner programmes ensuring issues relating to them are resolved
- agree whether to approve any variations to commissioning activity
- agree when activity should be progressed to the next gateway following the process out in the approved commissioning approach
- consider the relevant outcomes of any internal or external reviews and if appropriate, instigate a review or health check of any commissioning activity at any time and confirm the related improvement action required.

2.2 *To ensure appropriate contract management and good governance are in place in relation to the management of the significant contracts (based on risk and cost), including Arms-Length arrangements and new delivery models*

- Provide governance for and own Shropshire Council's commissioning approach and ensure that it is followed
- Review the Commissioning Approach model at regular intervals to ensure it remains fit for purpose
- Ensure that there is sufficient separation of responsibility between commissioner and provider to allow effective contract management and holding to account
- Manage, through variance, key commissioning activity across the council through exception reporting and expenditure analysis
- Maintain a clear view of related risks to the Council and customers and the progress in delivering the actions to manage, mitigate or remove them, including protection of liabilities.

2.3 *Advise Audit Committee, Cabinet and Council as appropriate on commissioning activity including relevant Portfolio Holders*

- Provide regular (as deemed appropriate) Reports into Audit Committee/Cabinet/Council on monitoring of strategic commissioning across the Council

- Advise Elected Members and Portfolio Holders as appropriate when commissioning activities should be halted
- Horizon scanning to identify new opportunities to be considered for future commissioning activity

2.4 Approval of new commissioning activity (including Arms Length arrangements and new delivery models)

- Review and agree the feasibility/concept of new activities and links to Corporate Plans and Strategies
- Ensure that a clear Project Management Plan is in place and agreed for the activity
- Ensure that the equality and diversity implications of commissioning activities are considered
- Ensure that the Social Value outcomes are delivered through the new commissioning activity
- Ensure that commercial opportunities and benefit realisation are identified in plans and delivery timescales are set out in the contract
- Direct the allocation of funds and resources for commissioning activity ensuring that appropriate commissioners are in place as commissioning functions are transitioned out of the Council

2.5 Commissioning – Completion

- review lessons learned and take appropriate actions as required

3. Membership

Membership of the CDG is made up of the Directors Management Team as well as key lead officers from across the Council as requested by the Chair.

Role	Responsibilities
Director of Place and Enterprise	Chairs the meeting to ensure that exceptions are identified through regular reporting and mitigating actions are in place
Other Directorate Management Team Members and Chief Executive	To feed in information from their respective areas and confirm that the resources and benefits delivered by the commissioning activities are appropriate. This will be done through a RAG rated report To provide verbal and written updates on exceptions and ensure that actions are being taken to mitigate these. RAG rated reports will be used To be informed of the commissioning activities to date in order to provide robust challenge.
Other officers as required	To provide subject matter expertise for specific commissioning activity as and when required by the Chair
PA Team	To manage the administration of the CAPB and to ensure Formal Minutes are recorded and can be used to help inform Reports to Audit Committee, Cabinet and Full Council

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4. Decision Making Process

The CAPB will have no status as a separate entity and will work within the schemes of delegation and the accountability arrangements of the Council and inform the governance process and decision making powers held by Shropshire Council's Cabinet, Shropshire Council (Full Council) and Audit Committee.

5. Frequency of Meetings

The CAPB will meet every 4 weeks.

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