CORPORATE RISK REGISTER
REVIEW OF RISK NO. 12 – FRAMEWORK AND TOOLS FOR NEW WAYS OF WORKING

Background to the Risk

1. This risk has been in place since 2011 due to the changing emphasis on commissioning services and programme and project management, including the risk associated with these areas and the financial and performance management of services.

2. As the Council has further developed its approach to commissioning services and working in partnership with other agencies, having the right capabilities (including skills, capacity and tools) has been an ongoing priority to support managers and commissioners in decision making and activities. The changing legislative landscape has also meant that the Council must ensure that projects and programmes, including any commissioning activity are compliant.

3. The value of having the right processes and tools in place around commissioning mean that the Council can achieve the most effective service delivery models to deliver the right outcomes for residents and service users. This includes looking at new ways of delivering services, different delivery models (such as company vehicles) and ensuring that social value aspects are included. It also ensures that the Council can work with the right providers and ensure they are delivering services that are safe and effective.

4. There are a number of risks and issues that could result if the Council does not have the right tools and frameworks and sufficient skills. These include:

   a. Decisions made around commissioning and projects might not be adequately evidence-based. This could lead to delivery models and services that are not achieving the right outcomes within the right budget.

   b. Procurement processes which are not followed will likely result in poor value for money and potential for legal challenge (which could bring high financial penalties to the Council, and court action).

   c. Poor project management for commissioning activities could result in the wrong services being commissioned and inadequate visibility and sign-off from key stakeholders.

   d. Not including appropriate social value and supply chain considerations could closing down opportunities for small businesses and voluntary sector.

   e. Poor procurement and contract management could lead to suppliers with health and safety and labour malpractices.

   f. Poor financial controls and budget management.
Process/Procedures

5. The Council’s overall programme for projects, to deliver the Council priority programme forms part of the Our Kingston Programme. Projects are managed and the programme is overseen through support from the Strategic Business Programme Management, so that each project is managed in a consistent way with key steps (business case, mandate, project initiation document, highlight, risk and closure reports) recorded and managed. Project managers and sponsors are identified to deliver the project and resource is allocated as appropriate.

6. Commissioning has a wide set of processes and procedures, overseen by the Strategic Business Commissioning function, who also provide resource and technical support on commissioning and procurement matters (in some cases working closely with the South London Legal Partnership). The Commissioning framework provides guidance on how decisions are to be made, looking at outcomes, involving residents and service users, engaging with the market, undertaking options appraisals, and undertaking procurement. This also includes a social value toolkit so proper consideration is made throughout the process of including areas such as access of opportunities.

7. As a public sector organisation, the Council must comply with Public Contracting Regulations 2015. Strategic Business Commissioning provides guidance on these regulations, and has developed the procurement framework to support managers in ensuring these are met, and can provide qualified and experienced expertise as appropriate to support complex projects. Contract Standing Orders are part of the Council’s governance process which also forms part of the Procurement Framework, with Financial regulations govern how the Council manages its financial matters. The Council’s procurements are run through Pro-contract, which provides a transparent and auditable system.

8. The Council’s Commissioning governance includes the Strategic Leadership Team acting as the Commissioning Board, overseeing the programme of Commissioning activities, and the Commissioning Support Board, which provides support, resource allocation and challenge to commissioners. Major Commissioning projects are required to be assessed through the Kingston Test at various gateways, and to ensure that key experts across the Council have sight of activities (finance, legal, procurement, HR, assets, ICT, equalities, engagement and communications, governance and risk).

9. Appropriate sign off is required for commissioning activities at business case stage and at contract award stage, including approval by the relative Portfolio Holders, Directors and the Capability Lead for Commissioning.

Current Position/Recent Developments

10. The Contract Management Framework was launched in 2014, with training undertaken by Strategic Business for a set of managers with Contract Management responsibility. Further training and a refresh of the framework took place in late 2015. This will ensure that the Council has the right contract
management capabilities, and has clear lines of reporting around performance issues. The framework (and training) is mandatory for any contract manager in the Council.

11. The Finance & Performance Support Board has recently been relaunched to include having a corporate oversight of contracts. This is being developed with contract managers and will include providing a contract management dashboard and summary of contracts, including performance and financial information, plus monitoring of risk. This provides greater cross-Council visibility and monitoring of contracts. The Council has now entered into a contract with Equifax which provides reports on contractor financial stability. Reports can be called off as needed. This is currently being rolled out.

12. The Commissioning & Contracts Panel was launched in 2015 which provides a forum for commissioners to attend with Business Cases and Award Reports (see point 8) and provide portfolio holders’ capability lead and directors to provide challenge to commissioners where appropriate. This provides more transparency and visibility for decision-making and increases knowledge across the Council. Any waivers for Contract Standing Orders are also now considered at this meeting prior to signature and are being monitored.

13. Work on the future design for the Council is taking into account the need to increased commercial and contract management skills, and embedding further commissioning and procurement skills. Key to the ongoing success, particularly as the Council moves to working across communities and in different ways is to have the right level of innovation and commercial skills within the Council. These are being taken into consideration in the future design.

14. A Commissioner’s network has been established, where commissioners across the organisation can share learning and best practice, and to have the opportunity to work with other commissioners in different disciplines to ensure that widest set of outcomes are considered. The network meets every two months and also has a Google+ community for sharing information. A commissioner’s academy is in development with Sutton and a conference is planned for the summer.