

From: Mike Hill, Cabinet Member for Community Services
Barbara Cooper, Corporate Director Growth, Environment & Transport

To: Growth and Economic Development and Communities Cabinet Committee (GEDCC) – 12 January 2016

Subject: Progress on Internally Commissioning Library, Registration and Archive Services

Classification: Unrestricted

Past Pathway of Paper: Corporate Management Team (CMT)
Commissioning Advisory Board (CAB)

Future Pathway of Paper: N/A

Electoral Division: All

Summary: This report outlines the proposed approach for internally commissioning Libraries, Registration and Archives (LRA) against outcomes which it is proposed commences from 1st April 2016 and the issues yet to be resolved.

Recommendation: members of GEDCC are asked to discuss, comment and endorse:

- the service specification for LRA;
- the commissioning approach outlined in this paper; and
- other issues associated with delivering the internal commissioned approach

1. Introduction

1.1. In June 2015 KCC Cabinet decided that until it was possible for the full Library, Registration and Archive (LRA) service to transfer to a charitable Trust model that LRA would be internally commissioned to deliver the outcomes that KCC requires. The approach outlined in this paper will make the service 'Trust ready' as primary legislation does not currently allow the Registration service element to be delivered through an external Trust.

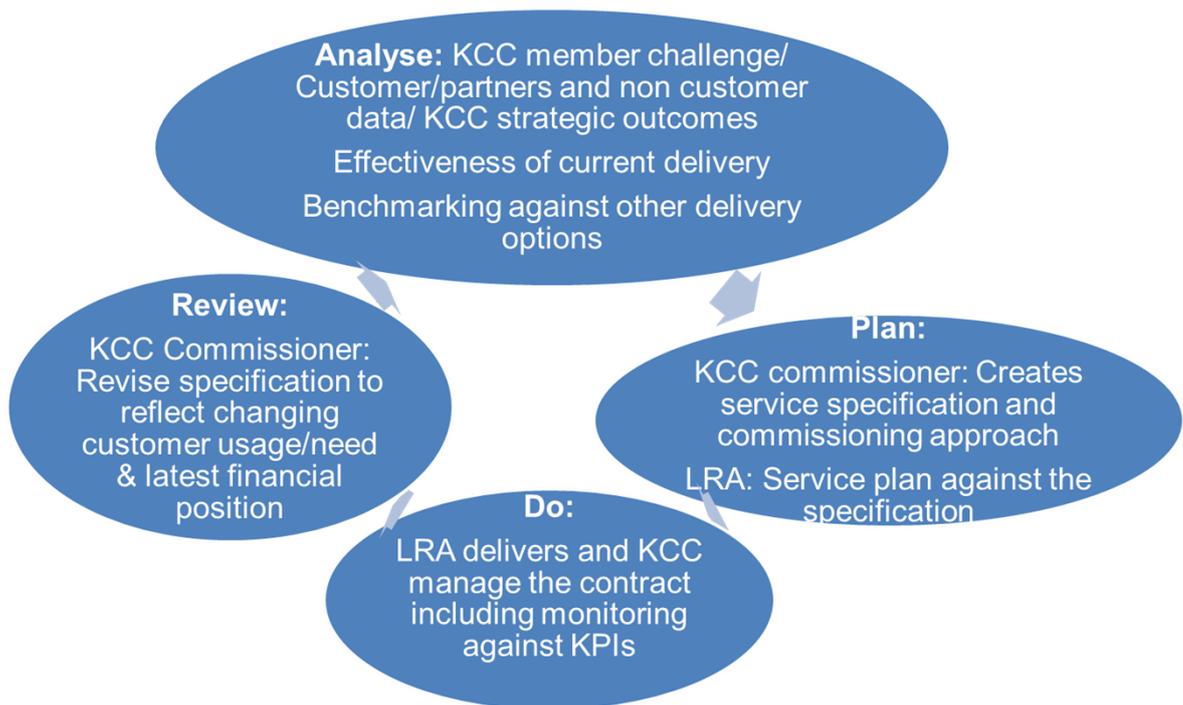
1.2. Since that decision the service, supported by other parts of KCC, has been exploring what the internal commissioning model should look like. It has considered the freedoms and flexibilities that such a service model will need to ensure it can maximise potential benefits. This model will also allow LRA to test some of the principles of an external delivery model in preparation for a potential future transfer to the Trust model.

1.3. LRA is one of the first KCC services to be internally commissioned and as such the proposals were developed in conjunction with the corporate team

to ensure they align with the KCC commissioning approach. This paper sets out how LRA will be commissioned against the KCC outcome framework and how KCC will ensure these outcomes are delivered for maximum benefit to Kent's residents.

2. Commissioning LRA against outcomes: The service specification

- 2.1. The proposed service specification is included as Appendix A. This document outlines what KCC expects LRA to deliver in 2016/17 and is 'owned' by KCC - the LRA service will have to articulate how they will deliver against it.
- 2.2. The proposed service specification has been reviewed by the LRA service management team and Commissioning Advisory Board (CAB).
- 2.3. It is proposed that during the first year the service specification is used to test (and subsequently refine) the approach. The specification document will be available on the LRA service website so that customers can comment to ensure that the service specification reflects reality. All feedback received during the first year will be used by the 'commissioner' to inform any changes to the specification document going forward.
- 2.4. It is proposed that the service specification is reviewed and refreshed on an annual basis to ensure it continues to reflect the latest priority outcomes for KCC, the latest financial position and informed by detailed service user and market knowledge and analysis, as well as by the previous year's performance data.
- 2.5. The LRA service will respond to the specification through its annual service plan where it will detail how it will meet the required outcomes.
- 2.6. The diagram below illustrates the annual commissioning cycle proposed for Libraries, Registration and Archives;



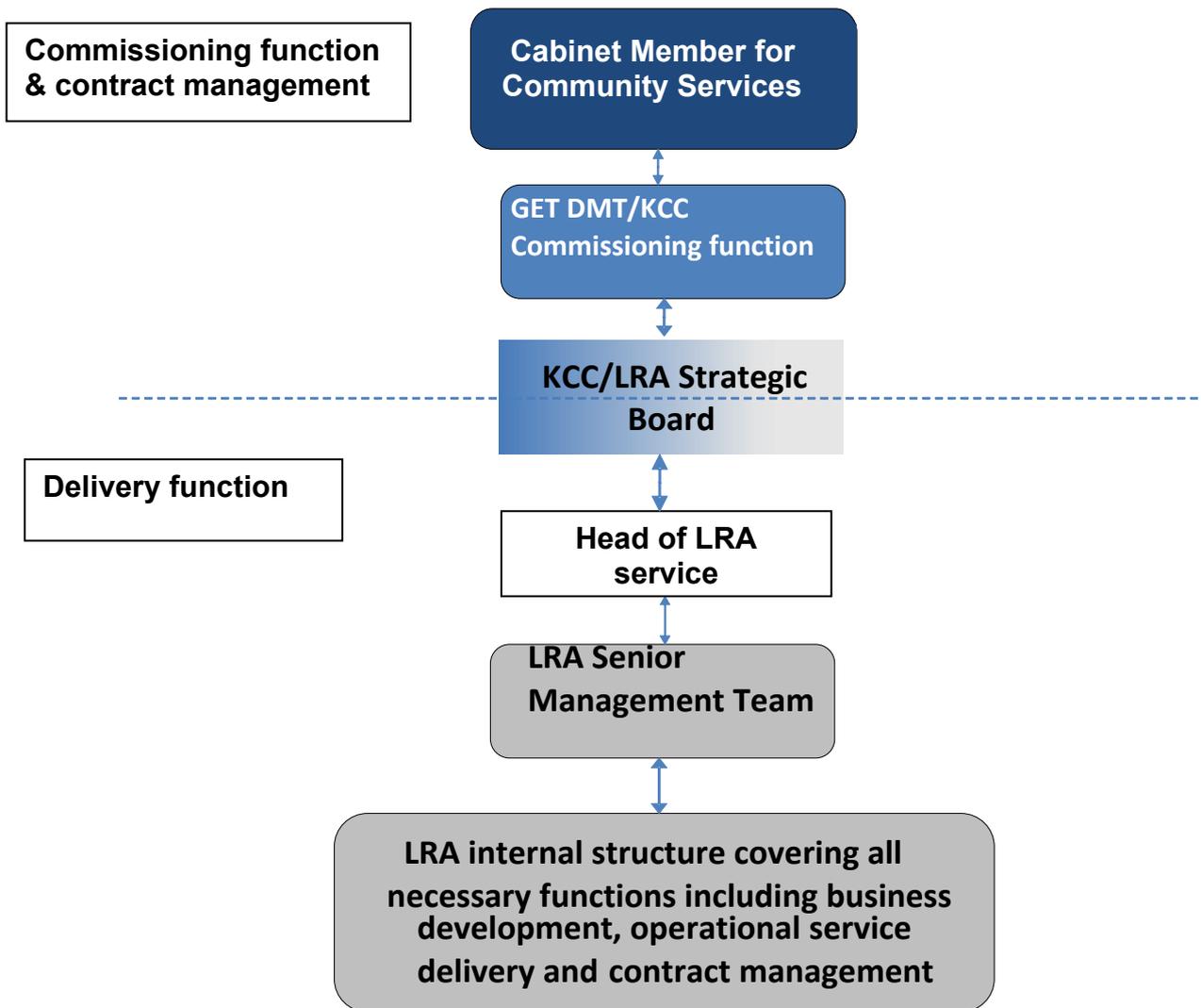
This process is designed to ensure the service remains focussed on the outcomes required, evolves to meet ever changing customer need, delivers best value for money and is benchmarked against other delivery options.

3. Performance management: The commissioning approach

3.1. The key principle underpinning the proposed commissioning approach is that the LRA service will be commissioned as a whole service and held to account by KCC using a similar approach to that applied to an externally commissioned service. This will support the service's proposed transition to operating within a Trust model, and will provide KCC with confidence that LRA services are delivering the outcomes required.

3.2. Figure 1 below provides an overview of the proposed structure to support the LRA commissioning approach. The whole 'commissioning system' is shown below as it is important to ensure that the commissioning function is developed to align with the function of the LRA service.

Figure 1: Overview of proposed structure to support the LRA internal commissioning approach



3.3. It is proposed that the KCC ‘commissioner’ will be held within the Growth, Environment and Transport Directorate (GET) at the Directorate Management Team (DMT) level. The Corporate Director for GET would be the ultimate commissioner and contract manager from DMT.

3.4. The LRA Head of Service and senior management team are responsible for the delivery of the service and for producing the annual service plan.

3.5. The key link in the process will be the LRA Strategic Board. It is proposed that the membership of this Board includes:

- 2 x KCC Members including Cabinet Member for Community Services
- Relevant KCC Corporate Director/s including the Corporate Director for GET
- LRA Head of Service

3.6. The responsibilities of this Board will be to:

- Provide leadership to the commissioning of the LRA service
- Ensure that the service is delivering to outcomes as effectively as possible. Sign off any substantive changes to the specification
- Agree the rolling five year budget for the commissioned service
- Operate as the vehicle through which KCC confirms any changes to budgeted funding available to the commissioned service
- Consider and review new services and ideas from the commissioned service

3.7 The GET DMT commissioning function will hold the commissioned service to account for delivery of the outcomes in the service specification and be accountable for the regular monitoring of the key performance indicators specified by:

- Monitoring performance against the agreed KPIs on a monthly basis
- Requiring the service to submit regular management reports to enable early identification of any potential issues
- Requiring the service to produce an annual report which will be made publically available
- Reviewing the annual business plan developed by the commissioned service to ensure that it meets the aims of the specification and reflects the priorities and operating principles of KCC
- Gathering independent data to inform the commissioning of the service, including information from KCC's research and intelligence function, comparative authorities, and from customers

3.8 It is envisaged that this proposed approach will require no additional staffing resource and that this can be absorbed into existing GET roles

3.9 It is proposed that the commissioning approach outlined in this paper be reviewed after 12 months to ensure that it is operating effectively for both KCC and the commissioned service. This review will be led by KCC working closely with the commissioned service.

4. LRA delivery function

4.1. The LRA Senior Management Team which comprises the Head of Service and the senior service managers from the commissioned service will:

- Detail how the service will meet the outcomes detailed in the service specification through the service's annual business plan
- Oversee the effective delivery of the contract/SLA between KCC and the commissioned service

- Deal with operational issues that impact on the delivery of the contract/SLA
- Review performance against agreed KPIs
- Agree an action plan for improvement should it be required
- Escalate any significant performance and financial risks and issues to the LRA Strategic Board as required
- Report back on actual performance at the end of the year

4.2. It is proposed that the annual performance report on LRA would go to the Growth, Economic Development and Communities Cabinet Committee for review.

5. Funding arrangements

5.1. KCC will confirm the funding that will be provided to the commissioned service on a five year basis but agreed annually. Any changes to the five year budget will be communicated to the LRA Head of Service.

5.2. Discussion of funding for the following financial year will need to allow sufficient time for the service to plan and implement any changes to delivery for the start of the financial year, with final confirmation by KCC to the commissioned service by December each year.

6. Change management

6.1. GET DMT will review and refresh the specification on an annual basis, to take effect from the beginning of the financial year.

6.2. These annual changes to the specification will need to be agreed with the KCC/LRA strategic board and then with the LRA Head of Service/Senior Management Team.

6.3. Minor one-off changes within any year can be managed as regular contract variations by the GET DMT together with the LRA HOS and senior management team as long as these do not fundamentally alter the overarching objectives of the specification, contravene KCC policies or procedures, or impact on agreed budget. Tolerances on performance/budget will be agreed as part of the specification to enable the service to manage by exception and not have to accelerate every matter.

6.4. Any more fundamental changes to the specification will require a Change Management process to be invoked which will have been agreed between KCC and the service.

7. LRA Support Service SLAs

7.1. While the service is internally commissioned it is proposed that the service develops Service Level agreements (SLAs) with its support services including; ICT, HR, Finance, and Property, Contact Centre,

Communications, Health & Safety and Digital Services. It is proposed that these are agreed by 1st April 2016.

7.2. Good progress has already been made at developing these. The challenge is in taking the overall SLAs that these services already have for KCC as a whole and making them bespoke to the needs of LRA.

7.3. Developing an SLA with the Health and Safety team is nearing completion and this has demonstrated the value of this approach. It has already helped to better define roles and responsibilities for both LRA and for the H&S team.

8. Other issues

8.1. LRA is also seeking to take forward other issues that will enable the service and KCC to maximise the benefits of the internal commissioning. LRA would like to propose a vision for a separately branded service that has a total picture of its costs which include all the corporate costs. These are key factors in moving this model forward. In summary;

- flexibility in the application of long term contracts in place such as Total Facilities management contract
- development of more bespoke branding, image and website tailored very specifically to LRA and customer needs
- Will an externally commissioned service have the potential freedom to market test for its support services in the future?
- Continue to explore how LRA becomes more business focussed and developing income generation opportunities. Connected to this is how income is dealt with. Initial positive discussions have taken place with Property around building related income and a pragmatic approach is proposed that will define when income goes to property or the service.

9. Recommendation

Summary: This report outlines the proposed approach for internally commissioning Libraries, Registration and Archives (LRA) against outcomes which is proposed commences from 1st April 2016 and the issues yet to be resolved.

Recommendation: Cabinet Members are asked to discuss, comment and endorse:

- the service specification for LRA;
- the commissioning approach outlined in this paper; and
- other issues associated with delivering the internal commissioned approach

10. Attachments

Appendix A- Proposed LRA service specification

11. Contact details

Andrew Stephens, Head of Service, Libraries, Registration & Archives
Email: Andrew.stephens@kent.gov.uk