

		AGENDA ITEM 4
		PAF/23/18
Committee:	People and Families Policy and Scrutiny Committee	
Date:	8 November 2018	
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RELATIONSHIP MANAGEMENT

As part of its induction programme the Committee had briefings on the care market and one of the issues discussed at some of them was supplier relationships.

A review of supplier relationships was undertaken by County Council Officers and a report published in November 2016. Coming out of that review was agreement to conduct an annual supplier relationship survey – the first of these was undertaken at the beginning of 2018.

The Committee considered the issue of supplier relationships at its June 2018 meeting taking in the above November 2016 report, the results of the survey (challenging progress being made against the recommendations in the November 2016 report and highlight issues still not being addressed or progressed) and consideration of and alignment with the overall Care Market Strategy. As an aide memoire the minutes from the June meeting are attached as **Appendix 1**.

The Committee requested a further update from Steve Ede, Head of Procurement, who will be present to introduce and supplement the attached update report (**Appendix 2**).

Action required:

- (i) To consider the presentation and subsequent discussion.
- (ii) To consider the structure of any further follow-up work on this issue.

Appendix 1

Extract of the Minutes of the meeting of the People and Families Policy and Scrutiny Committee, held at 10am in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Thursday, 14 June 2018

6. Relationship Management

The Committee considered report (PAF/14/18) on supplier relationships from Steve Ede, Head of Procurement. A review of relationships with adult social care providers had been undertaken by County Council officers and a report published in November 2016. The review had been undertaken as there had been a perception that relationships between ECC and the care market were poor. ECC had recognised that it could not meet additional responsibilities imposed by the Care Act around market management and sustainability without improving relationships with the care market.

A number of actions had been taken to date including:

- (i) the establishment of a Care Provider Information Hub.
- (ii) assisting the growth of the Essex Care Association (ECA) – the County Council now attends quarterly meetings which were now being conducted in a more professional, respectful and positive atmosphere. Simon Harness had been seconded as a Development Director at the ECA to look at further developing ECA in the care market and to improve relationships with ECC
- (iii) conducting Annual Relationship Management Surveys,
- (iv) the development of a Care Market Strategy 2017-21;
- (v) a number of workforce initiatives had been developed to help alleviate the issues of recruitment and retention and raising the profile of the profession including a newspaper supplement promoting careers.
- (vi) A Strategic Provider Group for the domiciliary market had been established to discuss issues with senior officers and improve collaboration.
- (vii) A New Advisory forum would develop ideas and shape thinking between ECC and a number of key players in the market. Eight suppliers had been invited – comprising a range of national companies and small SMEs. Members queried whether membership was truly representative and whether it included a mix of contented and unhappy suppliers. It was confirmed the eight included Runwoods (the largest supplier) and a SME domiciliary care provider. Membership may change over time.
- (viii) Members queried the mechanisms for ensuring that ECC sufficiently engaged with smaller providers. The establishment of the hub and the enhanced role for the Essex Care Association would assist this.
Action: members suggested that officers should also develop specific forums/meetings for smaller providers and it was agreed to look into this further.

- (ix) Work had begun on clearly defining roles and responsibilities of ECC officers to help suppliers more easily navigate between various departments and teams in ECC.
- (x) There were a variety of different operational accountabilities within ECC so officers were not pursuing one single person for an oversight role for all providers. However, providers were welcoming more face to face meetings with senior officers and the Cabinet Member and Deputy Cabinet Member.
- (xi) Aged debt had reduced to around £1.2m (having peaked at £5m), helped by a focus on improving processes. The amount was attributable to approximately 720 outstanding invoices with 500 of them outstanding for more than three months. The aged debt represented less than one day's spend by ECC. The reasons for the outstanding invoices could be complicated and varied ranging from invoices quoting wrong rates, not matching against details on ECC systems, lost invoices, and sometimes invoices requiring significant time to resolve issues through correspondence. It was acknowledged that processes needed to further improve. **Action:** - further information would be provided to members on the older debt and breaking down the aged debt between small and large companies.

Action: The Chairman thanked Mr Ede for attending and asked for a further update on progress being made - timing TBC.