

Cheltenham Borough Council
Council - 28 June 2010
Strategic Commissioning
Report of the Chief Executive

1. Executive Summary and recommendation

1.1 The issue

1.1.1 Following consideration of the issues detailed in this report at Staff and Support Services Committee on 25 February 2010 and on 27 May 2010, to receive recommendations from the Committee and to seek Council's agreement to the concept of the council using a Strategic Commissioning approach to securing public services.

1.2 I therefore recommend that Council:

1.2.1 Notes the progress outlined in this report.

1.2.2 Confirms its agreement to the principles put forward in this report.

1.2.3 Agrees that Staff and Support Services Committee should provide oversight to the Strategic Commissioning programme.

1.2.4 Agrees that a cross-party member group, reporting back to Staff and Support Services Committee, is created to advise and support the programme and nominates members to that group.

1.3 Summary of implications (note to author - cross reference to body of report where applicable)

1.3.1 Financial

Although no detailed financial assessments have been undertaken, it is envisaged that a commissioning approach will make a contribution to the medium term financial gap. There may be financial implications to the changes to the organisational structure, additional training needs have yet to be quantified but will be addressed in the development of the business case.

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1.3.2 Legal

As the programme progresses it is likely that significant legal support will be required, particularly in respect of the following: procurement advice and drafting of contracts, HR and structural/organisational issues, governance arrangements, constitutional issues including changes to Part 3 of the Constitution in respect of roles and responsibilities of officers and members.

The Chief Executive, as the Council's Head of Paid Service, has a statutory responsibility to report to the Council on proposals for changing the way in which the Council is structured and organised to deliver its services to its customers. Any such proposals must ultimately be determined by full Council. The Staff & Support Services Committee already has a role in supporting the Chief Executive in the exercise of his responsibility and can advise the full Council on the matters that are put to Council for determination. This report recommends that the Council also gives Staff & Support Services Committee specific responsibility for overseeing the programme. The Committee would need to onward refer to Council such matters for which Council has ultimate responsibility, such as overall council structure and primary budget allocation.

Whilst the proposed Member Group would not be a committee and, therefore, would not be subject to strict political proportionality rules, it is sensible to ensure that each political group is fairly represented on the Group. The Group would have no formal decision making powers.

As many of the day to day council functions are the responsibility of the Leader and Cabinet it is important to ensure that the Leader and Cabinet are fully engaged in any decisions made in due course which directly affect the delivery of those functions.

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1.3.3 Other (HR)

There are significant Human Resource implications in adopting a commissioning approach. Careful communication, engagement, and consultation with both employees and their representatives will be needed to ensure awareness and understanding of what's required. Capacity and effective skills are key issues that will need to be addressed. There are likely to be revised job roles and accountabilities; there is the potential for certain new roles created to support commissioning. Any changes will need to be consistent with the council's new pay and grading structure. This also presents an opportunity to clarify and define the role of 'manager' within the council.

The Trade Unions engagement and involvement will be needed, and the intention is to work in partnership with them on the HR implications and the associated transition processes.

A significant element will be a programme to develop the skills, knowledge and understanding required in particular at Strategic Commissioner, and Business Manager levels, covering business and partnership working skills. A joint SLT/Cabinet session was held in March that highlighted the need to address members' roles, and associated development.

Redundancies/TUPE transfers are not envisaged at this stage (as the change is envisaged to be managed through normal turnover) this cannot be completely ruled out for the future as the change will position the council to deliver services through the best means possible).

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1.4 Implications on corporate and community plan priorities (note to author - refer to the summary section of the Priorities Assessment Tool, if used - please see Cabinet Report Procedure guidelines for more information on this)

1.4.1 The council's Corporate Strategy identifies effective commissioning as the means of delivering the cross-cutting objective of ensuring we provide value for money services that meet the needs of our customers. Furthermore the Strategy references the use of commissioning to deliver many of the council's objectives and outcomes. The plans outlined in the report support the target of gaining council support for our approach to commissioning by June 2010.

1.5 Statement on Risk (note to report author - refer to Corporate Risk Register or Service Risk Assessment and include risk assessment as an appendix)

- 1.5.1** The corporate risk register identifies the risk of failure to develop knowledge and skills about commissioning within the organisation. Activities to deliver member and employee skills development programmes are explicitly included in the plans for future work. The register also references the use of commissioning as a means of ensuring that the council reduces the risk of decisions being based on inadequate quality information. The full risk register is included as Appendix 1.
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2. Introduction

- 2.1** Staff and Support Services Committee considered reports from the Chief Executive proposing that the Borough Council become a commissioning organisation first at a meeting on 25 February 2010 and then again, post elections, at the meeting on 27 May 2010. At the latter meeting it was RESOLVED THAT;
- (i) the progress outlined in the report be noted by the committee.
 - (ii) the principles of the 'Strategic Commissioning' report of the 25 February 2010, be re-affirmed by the committee and recommended to Council for approval in June 2010.
 - (iii) the committee recommend to Council, the creation of a cross-party members group to advise and support the programme and report back to the Staff and Support Services committee.
- 2.2** The intention of this report to full Council is to put, succinctly, the arguments previously canvassed with Staff and Support Services Committee to test the extent of full Council support for what would be a radical change in the way the Council operates.
- 2.3** Full Council is not being asked to approve any formal changes to council structures in this report. This needs to be done by a formal 'Section 4' report from the Chief Executive (a reference to s4 Local Government and Housing Act 1989) and – subject to satisfactory progress with the programme – a Section 4 report is expected to be submitted to Staff and Support Services Committee on 28 October 2010 before being presented to full Council.

3. Background

- 3.1** The main principles behind strategic commissioning are included in the 'answers to questions' included as Appendix 2 to this report. However there are many issues of detail to be resolved before any structural and process changes can be finally and confidently recommended.
- 3.2** It is probably worth adding that, given the economic situation that we face, the status quo is unlikely to be a realistic option for Cheltenham Borough Council. Some restructuring of the officer side is desirable with a view to producing savings - senior and corporate services posts would need to be particularly scrutinised for efficiencies. The range of services we provide would also need to be prioritised with a view to finding necessary budget savings in low priority areas. Strategic Commissioning provides a framework for structural change and prioritisation that puts the citizen first and should ensure that we have the processes, data and skills to make the best use

of diminishing budgets.

- 3.3** Prior to asking councillors to approve finally a move to become a Strategic Commissioning council it is intended that a robust business case be drawn up which fully tests this option against alternatives including the status quo. There is still much to learn from other councils that have previously pursued this route.

4. Consultation

- 4.1** Staff and Support Services have considered Strategic Commissioning on two occasions as mentioned above – some of the issues raised with responses are attached as Appendix 3. There has been a seminar open to all elected members of Cheltenham Borough Council. The Leaders of Political groups have also been consulted.
- 4.2** Discussions have taken place with the Cheltenham Strategic Partnership and with some of the delivery partnerships. The voluntary and community sector has been particularly supportive of the programme.
- 4.3** Senior Leadership Team has been fully engaged with the programme and have helped in shaping it. The wider staff group and trade unions are aware of the programme but, should council approve the principles, extensive consultation will then need to take place with staff and unions.

Appendices

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| 1 | Risk Matrix |
| 2 | Answers to Questions |
| 3 | Issues and questions raised by members of Staff and Support Services Committee |

Background Papers	Reports to Staff and Support Services Committee, 25 February 2010 and 27 May 2010.
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Accountability	Chief Executive (as Head of the Paid Service) Cllr. Steve Jordan (as Chair of Staff and Support Services Committee)
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Scrutiny Function	As the proposal affects all of the council's services it is relevant to all three overview and scrutiny committees. However, it may be considered expedient for the Economy and Business Improvement O&S committee to take a lead in determining the extent and form of overview and scrutiny of the matters detailed in this report.
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