

Appendix 2 – Commissioning in action in Cheltenham

In this appendix, two examples of 'local' commissioning are described, illustrating the practical experience of the council and focussing on the roles of members in shaping the outcomes and services and in monitoring performance.

1. Creation of ALMO – Cheltenham Borough Homes

Back in 2000 the government set the target of councils meeting the Decent Homes Standard in all council properties by 2010.

A considerable amount of investment was required in order for Cheltenham to bring all its properties to this standard.

At the time we didn't call this a commissioning exercise – however we did in fact follow a commissioning cycle and apply commissioning principles.

We looked to understand and prioritise outcomes in accordance with need (in order to achieve target within the defined scope of making our properties decent) and also wider customers' aspirations.

A condition survey was undertaken to determine the level of investment required to bring the existing stock to the decent homes standard and moving forward, the level of investment required to maintain stock to this standard.

Kitchens and bathrooms were identified by tenants as a priority for decent homes works, however we also understood the importance of the wider aspirations and priorities of tenants such as responsive repairs and good quality housing management to deal with individual tenants as well as at a wider neighbourhood level to deal with anti social behaviour and build a strong sense of community. Maintaining good governance and accountability with high levels of service user influence was also a requirement for tenants.

We looked at different ways of achieving these outcomes within the confines of the housing finance framework including:

- Retain stock within council ownership and management.
- Large Scale Voluntary Transfer (LSVT) to a registered social landlord (existing or newly created).
- Creation of an Arms Length Management Organisation

and concluded that an ALMO should be created as the delivery vehicle for meeting all the needs and aspirations of our stakeholders and customers.

Member involvement

At the time the council was not established as a strategic commissioning authority therefore the project was delivered via project management resourced by officers of the council's existing housing services structure and relevant officers from support services.

Project sponsorship was undertaken by the Cabinet Deputy (Neighbourhood & Community).

A member and officer joint workshop scrutinised the options identified in the planning stage following needs analysis.

A cross party member and tenant representative working group was established (Housing Options Working Group) to determine recommendations to Cabinet on the options.

The Social and Community Overview and Scrutiny committee informed and influenced the implementation – e.g.:

- communications strategy for the ALMO
- the aims and objectives presented as a means of delivering
- the Council's landlord role.
- the relationship between the Council and the ALMO
- future working arrangements with the ALMO and its Board.

Cabinet approved:

- project management proposals for the establishment of the ALMO
- principles for the management agreement and the delivery plan, including functions;
- principles and priorities for the capital investment strategy for Council homes to be delivered by the ALMO;
- seeking approval for a Section 27 application (management agreement and delivery plan) to be made.
- detailing the shadow ALMO outline plan for capital investment to enable stakeholder consultation.

Full Council approved:

- the application to the Secretary of State to create the ALMO
- the terms of the Section 27 application and management agreement
- delegation of the Council's landlord role to Cheltenham Borough Homes as per section 27 application and management agreement as above

Monitoring and review arrangements

Monitoring arrangements included the establishment of a client officer to oversee the delivery of the ALMO. This officer is responsible for ensuring that the ALMO complies with the terms of the management agreement and respective schedules.

The client officer meets monthly with the Executive management team of CBH and relevant ADs of CBC to test the deliverability of the strategic objectives contained within the management agreement.

A performance monitoring role is also undertaken by a council officer who meets quarterly with relevant service leads of CBH to analyse an operational performance monitoring matrix to assess the delivery of housing services in relation to top quartile performance and best practice. This monitoring also includes the analysis of all complaints reported to and dealt with by CBH including: details of complaint; outcomes of investigations and lessons learnt/improvement actions as a consequence so that service failure incidents are distinguished from policy/standards/communications issues and dealt with as appropriate and continually monitored. Complainants can ultimately refer to the Local Government Ombudsman should they remain unsatisfied having gone through all stages of CBH's complaints procedure.

The ALMO is also subject to both internal and external auditing.

Member involvement in the established ALMO

The retention of full ownership by the council enables the council to review the arrangements at any time.

An annual review of performance and setting of strategic direction is held with relevant offices and the Cabinet Member Housing.

There are five elected member seats on the Board of CBH and regular meetings are held with the Cabinet Member CBC.

The annual report is submitted to O&S and Cabinet.

2. Supporting People Programme

Nationally, the Supporting People programme began on 1 April 2003, bringing together seven distinct housing-related funding streams from across central government. It is a decentralised programme administered through 152 top-tier authorities who, since the removal of the ringfence and allocation via the Area Based Grant, have complete discretion over where to direct their funds to best meet local needs.

The purpose of creating a 'single pot' for commissioning was to introduce a system of planning, monitoring and funding for housing related support services, which will be flexible, cost effective and reliable.

In Gloucestershire, 'Supporting people' is a partnership of councils, health and probation services which promotes the needs and aspirations of vulnerable people seeking to increase their independent living options.

The partnership has defined target outcomes based on a range of evidence of needs which include current patterns of usage of housing related support services, analysis of statutory homelessness figures, and national projections of future needs.

In order to deliver those outcomes, in a continually reducing budget context, the partnership members have managed the pooled budget to increase efficiency and performance (through consistent performance management including benchmarking and service quality reviews) and also redesigned and developed new services to better meet need; customer aspirations and positive outcomes such as floating support services, thereby enabling people to remain in the home of their choice with support coming to them, as opposed to people having to move to alternative accommodation where support was provided.

The programme consists of a mixed economy of providers including statutory agencies, private sector providers and a significant number of voluntary and community sector organisations. Contracts are awarded via competitive tendering processes.

Services commissioned by Supporting People have achieved broad health, housing and social care objectives, serving both the customer as an individual and neighbourhoods as a whole.

In 2004/05 the expenditure for Gloucestershire's Supporting People Programme was in excess of £29million but has been subject to year on year budget reductions to a position of just under £22.5million in 2009/10, a reduction of almost £6.75million.

Member involvement

At the beginning of the programme, a member reference group was established to consider the papers and influence the Partnership Board in delivering the interim strategy that had been developed during the transitional period. During the development of the first Supporting People 5 year Strategy the governance arrangements were reviewed, with the conclusion that the member reference group should be incorporated into the Partnership Board, with the arrangements for decision making as follows:

Structure of the Partnership

The Partnership is governed by two bodies. These are:

1) The Supporting People Partnership Board

- Provides strategic leadership
- Approves the annual financial plan and manages the budget
- Approves the 5 year strategy in the context of each Partner's delegated level of authority
- Makes decisions on which services to commission
- Approves tendering strategies/approves tenders
- Instructs Administering Authority to contract with providers

Membership

Each partner appoints two representatives to the Supporting People Partnership Board. This is normally a **Lead Member** or Non Executive Board Member and a Chief Officer or Director. Each partner may send substitutes but the representatives should ensure they have the authority to enable the Supporting People Partnership Board to operate efficiently.

The Partnership Board is supported by the co-option into its membership of the two non-voting members. These are:

Supporting People Independent Professional Advisor – Role is to provide an impartial provider perspective to the decision making process and provide scrutiny to the decision making process.

Financial Manager from the Administering Authority – Role to provide Financial Management advice to the Board to inform the decision making process.

2) The Core Strategy Group

- Interprets/develops policy proposals
- Monitors performance of Administering Authority
- Monitors performance of service providers
- Makes recommendations to Commissioning Body on commissioning decisions

Membership

An appropriate officer from each partner agency/commissioning function*

*i.e. the PCT and County Council have discrete commissioning activities which means more than one officer representative from each agency e.g. learning disabilities, older people, children and young people, mental health, drugs and alcohol