

Information/Discussion Paper

Audit committee - 22nd June 2011

Commissioning update

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to audit committee?

- 1.1 At the last meeting of the committee members indicated that as an audit committee they needed to be aware of the governance issues which may emerge from becoming a commissioning council and specifically from individual reviews. Reports have been presented to the last round of overview and scrutiny committees on the updates on each of the individual reviews and a more general report to economy and business improvement overview and scrutiny committee on the proposed review schedule.

2. Summary of the Issue

- 2.1 The commissioning programme is being managed through MSP and Prince2 methodology. There is a programme board which includes cabinet representation (leader and cabinet member corporate services) and this is supported by a cross party member working group which includes the leader and the group leader for the conservative group who act as a sounding board for the process moving forward and specifically the role of members.
- 2.2 The two commissioning reviews for leisure and culture and built environment have project teams which include the lead cabinet member and again a cross party member working group which the cabinet member chairs. These groups enable members to discuss outcomes and help support the project in reviewing the direction of travel for the delivery of those outcomes.
- 2.3 The commissioning programme board has started to explore the different delivery and governance options that are available to the council, and this work is being supported by a senior solicitor from Onelegal. This is work in progress but attached at appendix A are the different options that are available. The individual reviews are then using these models to identify whether there are examples of these in operation either locally or nationally and as the reviews move forward will consider some of the benefits and weaknesses of such arrangements. This work will help to support any decision making and assessment of how the review should then be taken forward and what further work should be undertaken through more formalised option appraisals.

3. Summary of evidence/information

- 3.1 The development of the GO programme has provided useful learning in relation to governance arrangements and we need to ensure that these are fully considered and

built into the other reviews as they progress. Members this evening are receiving an update report from the director of resources on the GO programme and members may wish to consider whether there are issues arising from this review which could usefully be incorporated into other commissioning programmes.

- 3.2 The council is also looking at how the implementation of a shared finance and HR service will be able to support other delivery models. CBH have already signed up to use the GO shared service and governance arrangements will be put in place with CBH and the shared service. The GO programme has also flagged the dependencies to the potential establishment of a council owned joint waste company and the way that the company could access services from the shared service. Work is ongoing with Onelegal to ensure that the commissioning programmes and interdependencies with other shared service/contractual arrangements are considered at an early stage to ensure that appropriate governance arrangements are in place.
 - 3.3 The audit committee will also need to satisfy themselves in future years about how different delivery arrangements will impact on the council's annual governance statement and what it will expect from such organisations. The council's corporate governance group has already started to think about the issues and what it may need to build into any agreements with different providers.
 - 3.4 Any governance framework will be developed prior to the start of any formal contractual agreement and will be reviewed and updated throughout the contract period.
 - 3.5 In commissioning outcomes the council needs to satisfy itself that it has clear processes for measuring the delivery of the outcomes, which are effective but not bureaucratic or costly.. The council already has good working relationships with CBH who in effect are commissioned to manage a range of housing outcomes and we can continue to learn from that client relationship. Different delivery models will require different client monitoring and management arrangements and member participation.
 - 3.6 However what must underpin our commissioning processes is however and whoever is delivering the service there must be a clear focus on customer service, effective quality standards and outcomes which can be measured and used to realise agreed benefits
- 4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.**
- 4.1 The leisure and culture review and built environment review are proposing to report back on the strategic direction in the autumn, following update reports to cabinet in July. It would make sense for the audit committee at that stage to be alerted to any issues which may have arisen with regards to governance issues and to consider how they would wish to be kept involved in the reviews from a governance perspective.

Background Papers

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Accountability

Councillor Colin Hay, cabinet member corporate services

Scrutiny Function

Economy and business improvement