

# ***Information/Discussion Paper***

## **Economy and Business Improvement Overview and Scrutiny Committee - 28th November 2011**

### **Strategic 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 scrutiny?**

- 1.1 At its May 2011 meeting, the committee received a report on progress in embedding a commissioning approach within the council. Members of the committee requested a further update in six months time.

#### **2. Summary of the Issue**

- 2.1 The council has agreed the ambition of, by April 2012, leading our community by taking a commissioning approach. We will be driven by the needs of people and place, in order to improve wellbeing, the economy and the environment, and use resources efficiently and effectively.
- 2.2 Becoming a 'Commissioning Council' means working with the community to agree outcomes and with partners to focus resources on delivery. It also requires a change to the culture of the organisation so that it maintains a focus on **what** it is trying to achieve ('outcomes') whilst being open-minded about **how**.
- 2.3 During the last six months, the council has made great progress in turning its ambition into reality.

#### **3. Summary of evidence/information (reviews, changes to the way we do things, member involvement, the future)**

- 3.1 Commissioning takes place at all scales from the small to the very large. Here are some examples of commissioning in action:
- 3.1.1 In July Cabinet agreed a successful bid to develop additional capacity and expertise within voluntary and community sector providers of community-based youth work. The procurement of these services was based on a commissioning approach which, working with partners and members, assessed needs and developed a set of target outcomes. Three proposals were formally assessed against these outcomes. The process was viewed as clear and transparent by both winning and losing bidders!
- 3.1.2 A similar approach has been used to allocate £20K local NHS funding for a programme enabling adults to be physically and mentally healthy.

- 3.1.3 The first part of a further £60K of partnership funding to support the direct delivery of positive activities for young people has been allocated; a second round is currently in progress.
- 3.1.4 The creation of a Local Authority Company to deliver a range of environmental services to Cheltenham BC and Cotswold DC illustrates the application of commissioning principles in a practical way on a large scale to respond to a time-limited opportunity. Based on the needs of the community and the two councils, our analysis indicated that the formation of a company was the best approach. The company will come into being on April 1st 2012.
- 3.1.5 A commissioning review of development control, strategic land use, heritage and conservation, urban design and building control has come to the conclusion that a change to the delivery model is not appropriate at this time. The review has developed an outcomes framework for the services against which the internal teams (including the shared building control service) will now deliver. Other initiatives - exploratory activity with partners, work with the voluntary and community sector - anticipate a review of alternative models when the national planning context is clearer.
- 3.1.6 The commissioning review of Leisure and Culture is now in its planning stage and is engaging with external stakeholders on intended outcomes. Next the review will focus on an evaluation of alternative ways of running our Art Gallery and Museum, designed to complement its redevelopment and set in the context of the desire for economic and creative growth in that part of the town. By looking at the councils' Leisure and Culture services in the light of the proposed outcomes, the review has already identified a potential £263K p.a. of savings which can be made by 2013/14.
- 3.1.7 The Housing Review has produced an outcomes framework which will be used as a basis for consultation and used to inform the development of the housing and homelessness strategy.
- 3.1.8 Some of our services have been commissioned by other organisations:
- Our Partnerships team has facilitated a multi-agency event on behalf of the police to address high levels of domestic burglary in the town.
  - Our ICT team is delivering a system hosting and support service to the GO partnership
  - The Inspiring Families Executive Group commissioned CBC to employ a project officer with funding from the SW RIEP
- 3.2** The move to a strategic commissioning approach across the whole council has led to a number of changes to the way we operate:
- 3.2.1 Restructuring of the organisation has included the creation of a Commissioning Division which is now in place and is providing services to facilitate the reviews listed above.
- 3.2.2 A review of the knowledge and skills required by the Senior Leadership Team and Service Managers is in progress to identify and fill gaps.

- 3.2.3 A mass of guidance on how to commission has been compiled. Given the range of different scenarios in which commissioning principles are applied (see above), the guidance is deliberately not prescriptive, rather it provides a toolkit from which commissioners and providers can select. Members may wish to consult the briefing note provided to the Audit Committee in September 2011 which includes more information about our processes, resources and toolkits.
- 3.2.4 Our partnership arrangements have been improved so that they support a joint approach to commissioning – a new structure has been agreed and a joint strategy, which will include a joint commissioning plan, is being developed.
- 3.2.5 Strategic commissioning is being embedded into our corporate processes. To take one example, the writing of our corporate plan will reflect our ongoing reviews and our priorities for future reviews. We have worked with members and senior officers to agree a set of criteria for determining priorities (see the 23rd May 2011 report to the committee) and will be applying them in the creation of the 2012/13 plan.
- 3.3** The involvement of members is critical to making a success of commissioning:
- 3.3.1 A cross party group of members, led by the Cabinet Member, Corporate Services, was in place from September 2010 to October 2011. It:
- delivered a framework for member engagement in agreeing commissioning strategy and participating in commissioning exercises
  - promoted knowledge and awareness of strategic commissioning amongst members
  - initiated a review of scrutiny which is taking into account the new perspectives of commissioning
  - initiated a skills audit of members which will be used by group leaders to take account of strengths when selecting for committees and working groups
- 3.3.2 Each major commissioning review has a Cabinet Member's Working Group meeting regularly to guide and support it. Overview and Scrutiny committees are also playing a role in commissioning reviews and in monitoring commissioned services.
- 3.3.3 As described in 3.1.1 above, Cabinet is actively using commissioning principles.
- 3.4** In summary, Cheltenham Borough Council is well on the way to realising its vision of becoming a commissioning council by April 2012.
- 3.5** The major current challenges are:
- ensuring the major commissioning reviews deliver community and financial benefits
  - ensuring we have the capacity and skills to sustain the commissioning approach whilst continuing to deliver services and manage a number of other large corporate change initiatives
  - ensuring that the service we provide to customers does not become more

disjointed

**4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.**

- 4.1** Members are asked to determine what information they need at future meetings to ensure that the council delivers its ambitions to be a commissioning council and how it will measure whether it has achieved its stated ambition.

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<b>Background Papers</b>	Corporate Governance arrangements and commissioning – Briefing note to Audit Committee, 21 <sup>st</sup> September 2011
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<b>Scrutiny Function</b>	Economy and Business Improvement overview and scrutiny committee