

NORTH LINCOLNSHIRE COUNCIL

CABINET

'ONE-COUNCIL' COMMISSIONING

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The purpose of this report is to seek approval to develop a coordinated 'One-Council' approach to commissioning.

The key points in this report are as follows:

- In 2012 we produced a 'Statement of Intent: One-Council Commissioning' outlining our 'commitment to developing a strategic and integrated commissioning capability which will transform outcomes for local people and communities'.
- Cabinet resolved at that time to receive a proposed delivery model for one-council commissioning within 12 months
- A proposed model has been designed to provide a joined-up programme based approach to commissioning in order to assist the council in responding to the following key issues:
 - Public Health Outcomes
 - Whole Council Transformation
 - Outcomes from Transformation Boards e.g. Leisure
 - Financial Plan
 - Council Strategy 2013-17

2. BACKGROUND INFORMATION

- 2.1 In October 2012 Cabinet received an update on progress with the implementation of our 'Statement of Intent: One-Council Commissioning'. Cabinet resolved at that time to receive a proposed delivery model to enable one-council commissioning within 12 months.
- 2.2 This report provides a recap on the background to the statement of intent and highlights the work undertaken over the last few months to shape a proposed delivery model. Its ultimate aim is to help drive a step improvement in commissioning performance council wide in response to the critical issues the council faces.
- 2.3 There are a number of definitions for strategic commissioning. Within our 'Statement of Intent: One-Council Commissioning', we define it as *"the cycle of identifying the needs and priorities for our area, developing policy direction, service models and the market to meet those needs, acquire*

them in the most cost-effective way and continually evaluate the impact and outcomes”.

2.4 Within the statement of intent we recognised:

- There are pockets of excellent specialist commissioning knowledge within the council that are used as a benchmark by other local authorities
- Significant progress has already been made within the People directorate in developing outcome based commissioning
- Work has already started on joining up commissioning areas and activity e.g. People directorate
- Services have a track record of delivering a number of significant positive outcomes through commissioning

2.5 We further recognised:

- Commissioning practices across the council tend to be service based and focused and in places fragmented
- There is still an emphasis to commission based on traditional volume and price instead of outcomes
- Many services are already undertaking elements of commissioning but are unaware of this due to a lack of understanding and differences in language
- Service managers regardless of the directorate in which they work and their teams need the ability to tap into specialist knowledge to support their commissioning work
- Opportunities to make further positive impacts are often missed; unintended direct and indirect impacts may occur

2.6 The following key points also affect our current commissioning position:

- The Public Health transition has been completed bringing into the council new priorities, opportunities, providers and a different language.
- It also brings new requirements to commission services against the NHS constitution for Public Health
- The recent development of the Joint Health and Well Being Strategy requires cross-council co-ordination to make step improvements in outcomes and addressing inequalities and closing the gap
- Findings from recent transformation work including leisure and the recognised need to maximise commissioning opportunities to support the council's financial position
- Implications of government funding reductions

2.7 In order to commission strategically and to secure transformational step improvement in our services it is now widely recognised that we need to establish a programme based approach to co-ordinating, standardising and joining up the operational processes for commissioning that will:

- ensure all services through commissioning are working towards our shared vision, stated values and priorities
- improve alignment of activity with key strategies

- optimise commissioning and other resources and capacity and align with the design principles for the recent council structure
- maximise the social return on investment made by the council through the full cycle of commissioning
- provide a clear method of engagement of citizens that will be used to inform the commissioning process to comply with requirements of the NHS constitution and regulated service inspection arrangements
- enable better informed commissioning
- secure outcomes within a substantially reduced financial settlement

2.8 A cross-council working group undertook an analysis of options to identify ways in which a coordinated “one-council” approach to commissioning could be achieved. A range of options were explored and evaluated. As a result of the options appraisal exercise a ‘**Programme Gateway**’ model was identified as the preferred option.

2.9 A “Programme Gateway” essentially comprises a coordinated programme based approach to commissioning together with a challenge based “gateway” process that enables:

- robust evaluation of potential service delivery options including optimising the council’s own capabilities for service delivery e.g. role of Leisure services in achieving Public Health objectives
- funding streams associated with commissioning to be optimised to support the council’s financial plan e.g. external health funding
- improved forward planning to identify potential project overlaps and duplication
- identification of opportunities to join-up similar service commissioning requirements and outcomes to reduce costs
- identification of cross-cutting implications and unintended impacts and consequences
- effective cross-council consultation and challenge on key project specifications and target outcomes by all relevant stakeholders
- a standardised approach to commissioning processes and activity
- improved utilisation of commissioning practitioner support and advice across all service areas

2.10 Appendix 1 sets out further details of the model together with the proposed governance arrangements.

3. **OPTIONS FOR CONSIDERATION**

3.1 A range of delivery options have been evaluated and considered.

4. **ANALYSIS OF OPTIONS**

4.1 Approval of the proposed model would facilitate a joined up and coordinated approach capable of delivering the benefits set out in paragraph 2.7

4.2 Maintaining the ‘as is’ position would result in the continued fragmented service-led approach to commissioning as detailed in paragraphs 2.5 and 2.6

5. RESOURCE AND OTHER IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 It is proposed that the set up and implementation of the programme gateway is initially resourced within the Strategy and Information Governance team, which is part of the Business Support division in the Policy and Resources Directorate. This would build on and maximise the synergies associated with the team's existing council wide role in facilitating the achievement of the council's priorities and its current co-ordination role in a range of key programme based initiatives.
- 5.2 The initiative complements the category management strategy which seeks to maximise value for money opportunities through joined up activity across key areas of spend. It is envisaged that the category management team would directly support service area commissioning teams and the gateway process.
- 5.3 It is envisaged that the corporate Strategic Commissioning & Procurement Group will provide the forum within which the stakeholder challenge and programme coordination activities will take place.
- 5.4 It is proposed that service areas would continue to be responsible for delivering their commissioning priorities. However, services would be required to actively support the implementation and development of the programme gateway.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (WHERE APPLICABLE)

- 6.1 An integrated impact assessment has been completed and no adverse impacts have been identified. Adopting a programme gateway for commissioning actively supports the delivery of the One-Council vision and priorities and improves alignment with key strategies, policies and initiatives.

7. OUTCOMES OF CONSULTATION & CONFLICTS OF INTEREST

- 7.1 A cross-council working group undertook the analysis of options and contributed to the development of the proposed model.
- 7.2 Both the strategic commissioning and procurement group and the public health implementation group support the establishment of a programme gateway for commissioning.

8. RECOMMENDATIONS

- 8.1 It is recommended that Cabinet support the development of a coordinated One-Council approach to commissioning through the implementation of a programme gateway model.

DIRECTOR OF POLICY AND RESOURCES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Rachel Johnson
Date: 21 October 2013

Background papers used in the preparation of this report:
Statement of Intent: One-council commissioning, October 2012



Commissioning Programme Gateway: Outline design and governance arrangements

Author: Rachel Johnson
Strategy and Information Governance Manager

Owner: Council Management Team

Sponsors: Mike Wedgewood
Director Policy and Resources

Jason Whaler
Assistant Director Business Support

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1 Purpose

1.1 To establish a programme gateway approach to commissioning to respond to critical issues and connect excellence, provide challenge and facilitate internal and external partnership working to deliver improved outcomes for people living and working in North Lincolnshire.

1.2 There are a number of definitions for strategic commissioning, we define commissioning as:

“the cycle of identifying the needs and priorities for our area, developing policy direction, service models and the market to meet those needs, acquire them in the most cost-effective way and continually evaluate the impact and outcomes”

2 Background

2.1 Our vision is to be a dynamic, high performing customer focused council, giving the best possible value for money and changing outcomes for all people living and working in North Lincolnshire.

2.2 Developing an improved and effective council wide strategic commissioning capability is paramount to achieving this vision.

2.3 In 2012 we produced our ‘statement of intent: one council commissioning’ outlining our commitment to developing a strategic and integrated commissioning capability which will transform the way we work and to achieve outcomes for local people and communities.

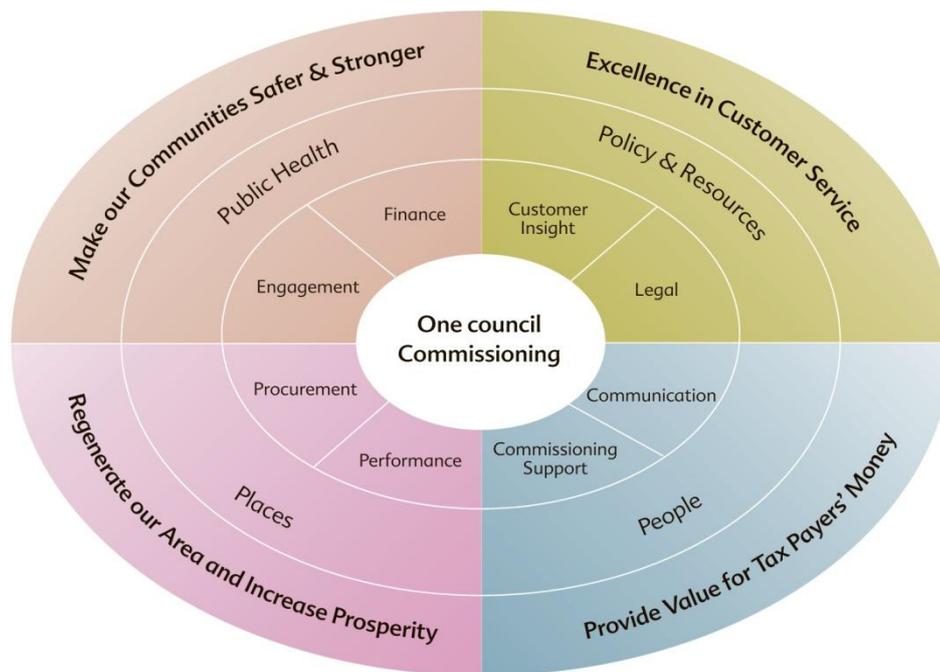
2.4 Following an options appraisal exercise involving senior representatives from all directorates in the council and in order to deliver one council commissioning, the establishment of programme based approach to commissioning is proposed. Success will depend on the development of an effective governance framework to oversee and direct key commissioning activity.

2.5 The benefits of adopting a gateway vision include:-

- Creates a unified approach, common standards and sense of togetherness
- Deliver the councils’ vision and priorities and improves alignment with key strategies, policies and initiatives
- Commissioning leadership that can influence and facilitate better co-ordination and linkages between service areas enabling best practice to be more readily shared
- Services areas would continue to be responsible for delivering their commissioning, but supported to be consistent in their approach through the use of the framework
- Is responsive to service needs
- Maximises efficiencies, outcome improvement opportunities and avoids unintended consequences
- Provides help, support and resources particularly in areas without dedicated commissioning teams
- Provides effective challenge
- Provides standardised tools, practices, procedures and standards

- Promotes the adoption of a common language
- Provides impartial advice and mediate resolutions on commissioning projects
- Supports improvement in taking account of and minimising unintended direct and indirect impacts of service commissioning
- Radically supports a transformational step improvement in the council's commissioning capability
- Positive fit with the council's culture and organisational structure

2.6 The diagram below illustrates the vision and model for one council commissioning.



3.0 What is the Commissioning Programme Gateway Model?

3.1 The commissioning programme gateway model includes:

- Establishing a central resource within the Strategy and Information Governance team to co-ordinate, support and guide key commissioning initiatives
- Development of a commissioning programme and forward plan
- Developing criteria to enable filtering and identification of opportunities
- Identify the key commissioning projects that have cross cutting implications and potential for council wide outcomes
- The Strategic Commissioning and Procurement Group to be used as the forum for ensuring that all areas have an opportunity to contribute to key commissioning projects through shaping the specification, outcomes and evaluation of delivery options
- Provision of capacity to support areas of the council which do not have dedicated commissioning specialists through improved utilisation and sharing of commissioner practitioner advice
- Build alignment commissioning activity with category management
- Development of a corporate toolkit for commissioning
- To ensure that actions from the programme gateway process are

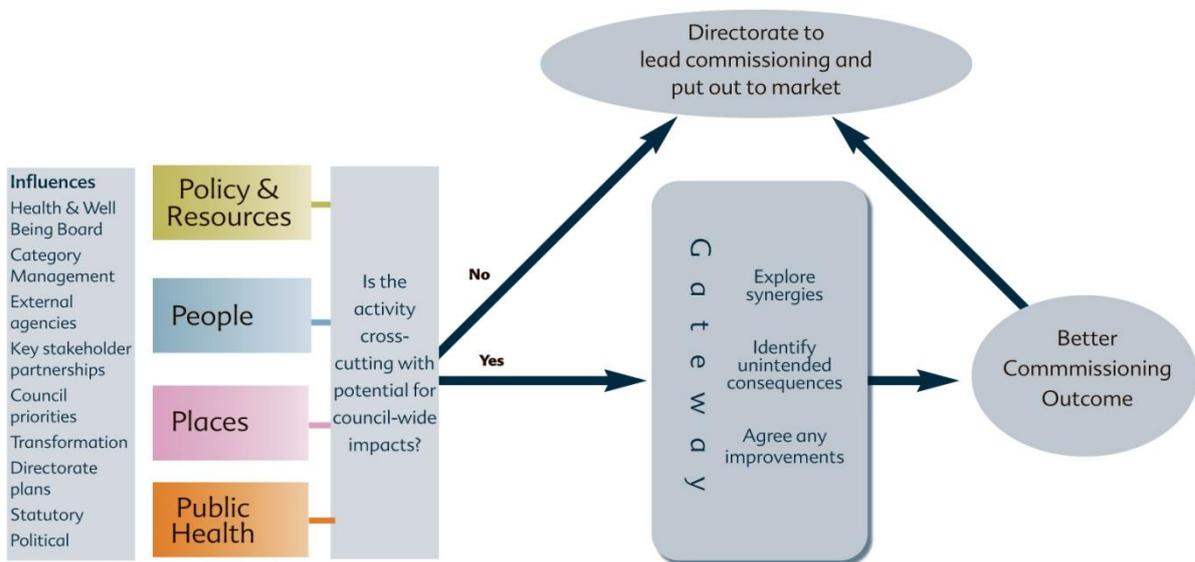
- implemented
- Monitor improvement

4.0 How will the programme gateway process work?

4.1 The programme gateway process will be lead by the strategic commissioning and procurement group and will involve:

- Reviewing and monitoring the current and planned commissioning programme
- Identification of commissioning projects with cross cutting impacts
- Consider the commissioning objectives for each of the identified key commissioning projects
- Providing a forum for effective council wide challenge including:
 - Commissioning objectives
 - Outcomes sought
 - Commissioning processes
 - Service delivery options e.g. in house, outsource etc
 - Range of stakeholders involved in consultation
 - Proper consideration of project risks and impacts
- Optimising commissioning resources and capacity

4.2 The diagram below further illustrates how the programme gateway process would work:



Examples

Single Directorate Activity

- Foster Care
- Payroll
- Professional advice
- Technical services

Council-wide Activity

- Leisure
- Community Safety
- Youth provision
- Public health
- Transport
- Regeneration