

## Report of the Head of Scrutiny

### Report to Scrutiny Board (Strategy and Resources)

**Date: 18 July 2016**

**Subject: Strategic Commissioning**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

## Purpose

1. The purpose of this report is to provide a summary of the Scrutiny Board's consideration of strategic commissioning, to inform a discussion with the Executive Member (Strategy and Resources), the Chief Executive and other senior officers within the Council .

## Background

2. At the beginning of the previous municipal year (2015/16), the Scrutiny Board (Strategy and Resources) considered undertaking a piece of work around 'commissioning' – the focus being to look at the principles, benefits and practicalities of developing a centralised commissioning hub, which aimed to ensure services are commissioned consistently across the Council, based on the evidence of what works and what is value for money.
3. To help develop the Board's thinking around 'commissioning' a visit to Manchester City Council was undertaken, where an Integrated Commissioning Hub had been established in July 2013. A summary note of the 'Manchester model' is attached at Appendix 1.
4. The Scrutiny Board recognised the timing of work around 'commissioning' was crucial and did not wish to complicate nor duplicate work any discussions already taking place with external partners on integrated commissioning by undertaking any inquiry.

Discussions with the Executive Member (Strategy and Resources) and relevant Directors confirmed a considerable amount of work was being undertaken in this area, led by the Director of Adult Social Services. As such, the Scrutiny Board agreed to receive an update report on the work undertaken in March 2016.

#### March 2016

5. At the Scrutiny Board (Strategy and Resources) meeting in March 2016, the Director of Adult Social Services clearly outlined the direction of travel proposed by a cross-directorate working group of senior officers and sought the Board's support for its recommendation to establish a Corporate Strategic Commissioning Group, chaired by a Director. The Scrutiny Board (Strategy and Resources) was also asked to support the establishment of a cross-directorate Operational Group, to be chaired by a Head of Commissioning.
6. The Scrutiny Board (Strategy and Resources) did not give its endorsement to the proposals, largely on the grounds that it was not convinced that the model would achieve "...the best of both worlds: a good strategic overview and opportunity to think about commissioning in a different way without the fragmentation that a structural solution, .i.e. a single commissioning unit would create".
7. In addition the Scrutiny Board (Strategy and Resources) was concerned that the proposed model did not include Housing, Jobs and Skills and others involved in Commissioning.
8. Following that meeting, the Chair of Scrutiny Board (Strategy and Resources) wrote to the Chief Executive outlining the Scrutiny Board's concerns and inviting him to a future meeting to discuss his views on the current thinking around commissioning.

#### **Summary of main issues**

9. At its first meeting of the new municipal year (2016/17), the Scrutiny Board (Strategy and Resources) confirmed its intention to continue with its consideration of 'commissioning' as part of its work schedule for 2016/17. This was confirmed with the Executive Member (Strategy and Resources) and the Chief Executive, who were invited to attend the meeting.
10. To help with preparations for the Scrutiny Board meeting, on 29 June 2016 there was a short discussion between the Chair of the Scrutiny Board (Strategy and Resources), the Executive Member (Strategy and Resources) and members of the Council's Corporate Leadership Team, including the Chief Executive. A note produced following that meeting, highlighting some key questions and issues to consider, is attached at Appendix 2.
11. It should be noted that while it is not anticipated that all the matters/ issues highlighted in Appendix 2 will be fully addressed at the meeting, these should be regarded as an initial statement of intent to help shape the Scrutiny Board's further discussions around commissioning.
12. To further assist Scrutiny Board, a copy of the Local Government Association's report. 'Commissioning for Better Public Services (July 2012)' is attached as Appendix 3.

13. Appropriate representatives have been invited to the meeting to discuss the approach to commissioning and address issues raised by the Scrutiny Board.

### **Recommendations**

14. That the Scrutiny Board considers the attached Executive Board and identify and agree any specific scrutiny actions that may be appropriate.

### **Background documents<sup>1</sup>**

15. None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



**Scrutiny Board (Strategy and Resources)**  
**Strategic Commissioning**

**The Manchester model – summary note**

The Manchester integrated commissioning hub was established in July 2013. The hub brings together commissioning across the Council into one place. It is designed to drive the quality, innovation and impact of commissioning within the Council and with partners and commissioners in the City.

Manchester's approach to commissioning is based on integration with other commissioners in the City to achieve shared outcomes – recognising the often artificial divides between commissioners and the needs of residents.

At a practical level, the integrated commissioning function is focused on:

- Supporting the strategic role of the Council in promoting economic growth
- Targeted interventions for individuals and families
- To reduce the cost of services, i.e. better outcomes at lower cost
- To drive changes in customer behaviour
- Aligning and shaping markets across public services, working collaboratively with other commissioners
- Developing a robust evidence base on costs and benefits to inform future decisions on commissioning and decommissioning
- Involving local ward members in the process
- Deciding when to award a grant for services rather than a contract.

It is important to note that Manchester's procurement team whilst working very closely with the commissioning team is a separate and distinct function. This approach ensures that when a project or services moves to the procurement phase, there is a clear division of duties.



## **Scrutiny Board (Strategy and Resources)**

### **Strategic Commissioning**

The following information reflects the matters arising from a discussion about 'strategic commissioning', involving the Chair of the Scrutiny Board (Strategy and Resources), the Executive Member (Strategy and Resources) and members of the Council's Corporate Leadership Team, including the Chief Executive. The discussion took place on 29 June 2016.

During that discussion it was agreed that the Scrutiny Board's further consideration of 'strategic commissioning' would commence with a verbal update at the meeting scheduled for 18 July 2016. To aid preparation for this discussion, the following matters were highlighted and shared with the Executive Member (Strategy and Resources) and the Chief Executive:

#### **People services:**

- Some general assurance around the proposed 'people's services' commissioning model and how will this contribute to the city-wide objective of making the most of the 'Leeds £'. How will the proposed 'people services' model identify and drive efficiencies?
- An overall response to the Scrutiny Board's previous comments and details of any changes to the proposed model.
- Clarify the objectives for commissioning 'people services' – where these are set out and how progress is/ will be measured and reported? Details of any current baselines.
- Clarify where efficiencies will be made across 'people services': (a) areas of duplication? (b) how commissioning takes place? (c) decommissioning?
- How much of commissioning 'people services' could be considered to be 'specialist' and how much could be considered to be 'generalist'?
- Are there different approaches proposed for dealing with 'specialist' and 'generalist' commissioning?

#### **Integrated commissioning:**

- Clarify which CCGs are in discussion with Adult Social Services to create an integrated commissioning function and how this will sit within the proposed 'people services' model?
- If only 2 CCGs are involved in these discussions (as previously reported), how will this provide an integrated commissioning model for the City?

#### **Other services:**

It is recognised that 'people services' only represents part of the overall level of commissioning across the Council, therefore it would be useful to include some details how these 'other services' are being taken forward as part of the Council's overall approach to commissioning, including:

- The objectives of the 'other services' commissioned – where these are set out and how progress is/ will be measured and reported?
- Where efficiencies will be made across 'other services' commissioned: (a) areas of duplication? (b) how commissioning takes place? (c) decommissioning?

## Scrutiny Board (Strategy and Resources)

### Strategic Commissioning

- How efficiencies will be identified and driven for other services commissioned.

#### Financial details:

Councillor Groves is also keen to understand the financial details around 'commissioned services', including the following details:

- Overall
  - Confirmation of annual spend on commissioning services – previously suggested to be £284M.
  - Confirmation of spend on 'statutory' services – actual total and as a percentage of overall spend.
- People services spending
  - Confirmation of total spend within the scope of commissioning 'people services' – actual total and as a percentage of total overall spend.
  - Confirmation of total spend on statutory services within the scope of commissioning 'people services' – actual total and as a percentage of total spend on commissioning 'people services'
- Statutory services spending
  - Confirmation of total spend on statutory services within the scope of commissioning 'people services' – actual total and as a percentage of total overall spend on statutory services.
- Third sector spending
  - Confirmation of total spend with third sector organisations within the scope of commissioning 'people services' – actual total and as a percentage of total overall spend on commissioning 'people services'

#### Summary:

It is not anticipated that all these matters will be fully addressed at the meeting on 18 July 2016, and should be regarded as an initial statement of intent to help shape further discussions around 'strategic commissioning'. As such, the details should be considered as the continuation of the Scrutiny Board's work around commissioning commenced in March 2016 and are likely to inform the next steps for the Scrutiny Board. Nonetheless, the details should be considered to be indicative, which may evolve over the course of the municipal year.

#### Nest Steps:

Further work of the Board will largely be determined by the outcome of the discussion on 18 July 2016. Nonetheless, it should be recognised this might include discussions with other Directorates/ service areas (and the associated Exec Board members) – such as Children's Services, Public Health, Housing, Localities and the relationship with the Council's Projects, Programmes and Procurement Unit (PPPU). The Board's work might also extend to include any necessary input from external organisations / bodies – such as the Clinical Commissioning Groups.

**Steven Courtney**  
**Principal Scrutiny Adviser**  
**July 2016**