

Scrutiny Board Statement

Commissioning

Scrutiny Board (Strategy and Resources)

May 2017



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Desired Outcomes and Recommendations

Desired Outcome – To enhance the level of member involvement and transparency in relation to people’s commissioning.

Recommendation 1:

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned ‘people’s services’ through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.

Desired Outcome – To enhance the level of consistency in relation to people’s commissioning across the Council and the connection between the Strategic Board and Operational Group.

Recommendation 2

- (a) That the Director of Adults and Health ensures that, as a minimum, the people’s commissioning operational group provides a 6-monthly progress report, specifically focusing on:
- Performance and Quality;
 - Commissioning Workforce; and
 - Shared Intelligence.
- (b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board

Desired Outcome – To enhance the Council’s approach and improve organisational learning in relation to decommissioning across people’s commissioning.

Recommendation 3

- (a) That, through the people’s commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people’s commissioning operational group.

Desired Outcome – To ensure the most efficient and effective use of the staffing resource across people’s commissioning.

Recommendation 4

- (a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.
- (b) That the Director of Adults reviews the available overall staff resource associated with people’s commissioning to:
- Ensure it is effectively deployed; and
 - Identify and deliver any financial efficiency against existing staffing budgets.
- (c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017





Introduction and Background

Introduction

1. At the beginning of the municipal year 2015/16, we (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;
 - Ensure services are commissioned consistently across the Council; and
 - Ensure services are commissioned based on the evidence of what works and what is value for money.
2. A significant impetus for undertaking this work was that, as an authority, Leeds City Council spends in the region of £284 million annually on commissioned services.
3. Furthermore, given the significant challenges and opportunities posed by the Government's Comprehensive Spending review, we naturally posed the question; *'Is this an area where collaborative cross directorate working can help generate significant savings and efficiencies?'*
4. This work has been undertaken over an extended period – across two municipal years and several meetings. The purpose of this statement is not to repeat all the detail of those discussions: Rather it seeks to represent a culmination of our work – summarising our views and recommendations.
5. As ever, we are grateful to all those that have contributed to the discussions that have helped shape our thoughts, views and recommendations outlined in this statement.

Background

6. Our initial focus was looking at the principles, benefits and practicalities of developing a centralised commissioning hub. To help develop our thinking in this area, a visit to Manchester City Council was undertaken, where an Integrated Commissioning Hub had been established in July 2013.
7. We were open minded as to whether this model would work in Leeds but felt that the concept should be explored. A summary note of the 'Manchester model' is attached at Appendix 1.
8. We also recognised the timing of our work was crucial and did not wish to complicate nor duplicate work and/or discussions already taking place – in particular, with external partners on integrated commissioning. However, we were also conscious of not wanting to avoid posing the question, *'Is there a better way to undertake commissioning which drives improvement and saves money?'* and exploring whether or not a model similar to Manchester could work in Leeds.
9. 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, we agreed to receive an update on the work being led by the Director of Adult Social Services.
10. We received these details at our meeting in March 2016, where the direction of travel was clearly outlined – and we were asked to support the recommendation to establish a Corporate Strategic Commissioning



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Group, chaired by a Director. We were also asked to support the establishment of a cross-directorate operational group, to be chaired by a Head of Commissioning.

11. However, we did not give our endorsement to the proposals, as we remained unconvinced 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*”.
12. We were also concerned that the proposed model did not include Housing, Jobs and Skills and other areas involved in commissioning.
13. Following that discussion, the Chair of the Scrutiny Board (Strategy and Resources) wrote to the Chief Executive outlining our concerns and detailing our views that an alternative model (similar to that operating in Manchester) should be explored more fully. In outlining our concerns, the Chair of the Scrutiny Board invited the Chief Executive to a future meeting to discuss his views on the current thinking around commissioning.
14. Further discussions with the Chief Executive, the Director of Adult Social Services¹ and other senior Council officers associated with the commissioning of ‘people’s services’² have taken place during the course of the 2016/17 municipal year.

¹ Director of Adults and Health from 1 April 2017.

² ‘People’s Services’ commissioning includes aspects of Adult Social Care, Public Health, Children’s Services, Jobs and Skills and Housing Services.

Equality and Diversity

15. The scope of this inquiry has primarily considered arrangements and the associated structures for commissioning ‘people services’.
16. As such, specific consideration of equality and diversity issues need to continue to form part of the commissioning processes for specific services, through the appropriate and consistent use of equality impact assessments.



Conclusion and Recommendations

General comments and observations

17. As a Scrutiny Board, we were initially frustrated that our work appeared to be being undertaken in a vacuum – with little cross referencing to other work being undertaken across the Council.
18. We are also conscious that this is not the first occasion where the work of scrutiny appears to have been undertaken with little reference to similar work being progressed elsewhere.
19. As the Council continues to operate in a financially constrained environment – and will do so for the foreseeable future – every effort needs to be taken to ensure we continue to strive to work efficiently and avoid any unnecessary duplication. Therefore, at the outset of future scrutiny inquiries, it is essential for all Scrutiny Boards to be fully informed and made aware of any projects already underway that might otherwise create duplication of effort and unnecessary difficulties later in the scrutiny process.
20. Nonetheless, we feel it is equally important to highlight the progress made during the current municipal year in terms of an improved dialogue with the Scrutiny Board – even if at times there have been differences of opinions. We believe that differences of opinion should be embraced and seen as a mechanism to strengthen decision-making. As such, scrutiny is not something to shy away from or to be feared, as strong, evidence-based policies and proposals will stand the test of robust scrutiny.
21. There are numerous examples across the public sector where a lack of robust scrutiny and challenge has contributed to some significant failings. As such, we make no excuses for challenging the proposed approach to commissioning, but feel this has been done positively and constructively.
22. We very much hope our comments and recommendations will further enhance the Council's approach to commissioning 'people's services' and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.
23. It should be noted that the Director of Adults and Health is referenced in the majority of our recommendations. However, this is to reflect the Director's capacity as the corporate lead for commissioning, rather than the Director role for Adults and Health.

Transparency and member involvement

24. Leeds City Council is a democratic organisation, with the 99 local ward councillors providing democratic accountability for the people of Leeds. As such, local elected member involvement is a crucial aspect of how Leeds City Council operates and continually develops the services it provides – both directly and indirectly.



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25. However, elected member involvement should not simply be regarded as ‘information giving’; rather it should be seen as a method of intelligence gathering – helping to establish what does and does not work on a local level; how current arrangements are working and seen to be working.

26. Given the financially constrained environment in which the Council currently operates; and the associated reduction in size of the workforce, we strongly believe the intelligence that local councillors can provide is particularly important in relation to services commissioned by the Council.

27. The role of Community Committees should not be under-estimated and in our view, they should play a much greater role in overseeing the delivery and performance of commissioned services across the City.

28. In our view, the benefits of enhancing the ways in which Community Committees have oversight of services commissioned and delivered on a local level is threefold; namely it would:

- (a) Improve outcomes, as a result of more detailed and regular review of performance and outcomes of commissioned services;
- (b) Help to formally facilitate the sharing of local experience and intelligence around commissioned services; and,
- (c) Improve the levels of openness and transparency around the performance and performance management of commissioned services.

Recommendation 1

That, by September 2017, the Director of Adults and Health reviews the mechanisms for reporting performance of commissioned ‘people’s services’ through Community Committees, and develops proposals for consistently reporting performance and outcomes on a regular basis.

29. We welcome the introduction and development of the Strategic People’s Commissioning Board. On our earlier recommendation, the Board now includes a wider membership and remit to include other parts of the Council that have a ‘people commissioning’ function or interest – including the Projects, Programmes and Procurement Unit (PPPU).

30. We are also pleased to see that based on our previous comments the Strategic People’s Commissioning Board is now Chaired by the Executive Member for Strategy and Resources – again recognising the importance of elected member involvement in overseeing commissioning.

Intelligence led

31. Enhancing the role of local elected members through the work of Community Committees is one aspect of an improved approach towards performance monitoring and the associated arrangements; and we are heartened to hear that the work of the Strategic People’s Commissioning Board is supported by an operational group that will focus on Performance



Conclusion and Recommendations

and Quality; Commissioning Workforce and Shared Intelligence.

32. We hope the work of the operational group will bring together the expertise of practitioners from across the Council and identity, share and implement best practice. We hope the operational group provides the opportunity for shared learning across people's commissioning and helps to deliver intelligence led approach across the Council.

33. We believe all of people's commissioning need to focus on identifiable, measurable, deliverable and agreed outcomes. These outcomes need to be routed in helping to deliver the Best City and Best Council aspirations for Leeds, with a level of consistency for all to see. Where agreed outcomes are not being achieved, the Council must take swift action to ensure service providers improve their performance – making best use of all the procurement tools available through the contract.

34. We believe the Projects, Programmes and Procurement Unit has a particular role in ensuring consistency of contractual terms across the Council, particularly where providers may hold a number of multiple contracts.

35. When letting contracts, and as part of the Council's due diligence processes, we believe the Council should review all contracts currently held with prospective providers, including details of current performance and performance trends.

36. Together with intelligence gathered through local councillors, we believe the operational commissioning group

referenced earlier provides a real opportunity for improved and enhanced intelligence sharing – which will lead to an intelligence led approach overall.

37. We also hope the Council will adopt a more consistent and intelligence-led approach when considering negotiating reduced contract expenditure levels and, wherever possible, avoid implementing universal or blanket reductions to contracts – which potentially can have disproportionate effects on different provider bodies.

38. Overall, in enhancing the intelligence led approach to people's commissioning, we believe the operational group should, as a minimum, submit a 6-monthly report to the Strategic People's Commissioning Board on the specific workstreams identified earlier in this statement. We believe such a report should also be made available to the appropriate Scrutiny Board.

Recommendation 2

(a) That the Director of Adults and Health ensures that, as a minimum, the people's commissioning operational group provides a 6-monthly progress report, specifically focusing on:

- **Performance and Quality; Commissioning Workforce; and**
- **Shared Intelligence.**

(b) That the report referred to in (a) above, is made available to the appropriate Scrutiny Board



Conclusion and Recommendations

Decommissioning

39. The constrained financial environment in which the Council continues to operate means the Council cannot simply continue to automatically extend or re-procure existing contracts or programmes. The Council needs to operate in a targeted manner – focusing on helping to deliver the Best City and Best Council aspirations for Leeds. Inevitably, this approach will require some current and/or future programmes to cease, and services to be decommissioned.
40. We acknowledge that in many cases, decommissioning services is not the preferred option and is often driven by necessity. However, any decommissioning needs to be handled sensitively and recognising there will most likely be specific implications for, at least, some local communities.
41. Equality impact assessments, we believe, are an essential element of any decommissioning decision and need to be undertaken in a consistent and even-handed manner. Only by identifying potential impacts can any mitigating action be undertaken.
42. However, we also believe it is important to learn from decommissioning decisions and to assess to what extent equality impact assessments have helped to fully identified the impacts of decommissioning services, and how successful the mitigating actions have been in ameliorating any negative impacts.

Recommendation 3

- (a) That, through the people's commissioning operational group, the Director of Adults and Health ensures those responsible for undertaking equality impact assessments have received the appropriate level of training and continue to remain up-to-date with recognised best practice.**
- (b) That where services are decommissioned, a review of the equality impact assessment is undertaken to assess its overall effectiveness and that any shared learning is reported through the people's commissioning operational group.**

43. Leeds has a long and well established Third Sector, which helps to provide a wide range of services to help support statutory provision by the Council. As a City, we should be proud of our Third Sector organisations and the services they help deliver. It is important, therefore, that in addition to the impact of decommissioning decisions on local communities, it is equally important to recognise and consider any implications on providers and their ability to continue to operate as independent organisations and fulfil other contractual responsibilities across the Council.
44. We believe the operational strategic group (referenced earlier in this statement) will have a key role in helping to both identify and, more importantly, avoid or meliorate against any potential unintended consequences



Conclusion and Recommendations

arising from decommissioning services. We believe this aspect of work should be captured in the 6-monthly report identified elsewhere in this statement.

Cost of commissioning

45. At our meeting in January 2017, we received details of the historical staffing structures developed by individual Directorates to support people's commissioning.
46. We believe this information demonstrates an historical lack of strategic direction for those areas now forming part of people's commissioning, which has given rise to a number of differing job structure and job roles across the Council.
47. We acknowledge the organic development of staffing structures and job roles has been recognised in the information presented to us; and we welcome the work undertaken to start to align structures. We also acknowledge the intention to complete the development of commissioning as a job family in 2017. We believe this work needs to continue at pace and the outcome should be reported to the relevant Scrutiny Board at an appropriate time.
48. At the same time as reporting the staffing structures, we were also provided with details of the budgeted staffing costs associated with people's commissioning. This equated to over £3.85M.

49. We recognise the demands placed on those staff responsible for commissioning services, including the additional demands brought about by undertaking equality impact assessments and undertaking provider/ service user engagement. We also recognise the details provided to us may not fully take account of vacant posts and other planned changes to staffing structures. However, we believe there may be opportunities to use the available staff resource more effectively and/ or deliver some financial efficiency against current staffing budgets.

Recommendation 4

- (a) That the Director of Adults and Health and the Chief Officer (Human Resources) continue, at pace, with the work to develop commissioning as a job family during 2017.**
- (b) That the Director of Adults reviews the available overall staff resource associated with people's commissioning to:**
- **Ensure it is effectively deployed; and**
 - **Identify and deliver any financial efficiency against existing staffing budgets.**
- (c) That the outcome of (a) and (b) above are reported to the appropriate Scrutiny Board at an appropriate time, but no later than December 2017.**



Conclusion and Recommendations

50. It is hoped these comments and recommendations further enhance the Council's approach to commissioning and also contribute to the ongoing development of integrated commissioning with external partners, in particular commissioners of local health services.
51. We look forward to a formal response to our comments and recommendations by July 2017.

**Cllr Kim Groves, Chair
On behalf of the Scrutiny Board
(Strategy and Resources)**

May 2017



Appendix 1

Scrutiny Board (Resources and Strategy)

Initial discussions on potential Inquiry into Commissioning and report on Manchester visit

Introduction

At the beginning of the municipal year, Members of Scrutiny Board (Strategy and Resources) considered undertaking a piece of work on Commissioning. This work was to focus on looking at the principles, benefits and practicalities of developing a centralised commissioning hub, the purpose of which was to ensure services are commissioned consistently across the Council based on the evidence of what works and what is value for money.

Members of the Board were open minded as to whether this model would work in Leeds but felt that the concept should be explored.

To help develop Board members' thinking a visit to Manchester City Council was undertaken.

The Visit was undertaken by Cllrs Groves, Jarosz and Hayden.

The Manchester model

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.



Appendix 1

Options for progressing a Scrutiny Inquiry in Leeds

The Scrutiny Board recognises that timing is crucial and it does not want to complicate nor duplicate any discussions already taking place with external partners on integrated commissioning by undertaking any inquiry.

However at the same time it does not to avoid asking the question, (particularly in relation to internal commissioning undertaken by Children's Services Adult Social care and Housing) "is there a better way to undertake commissioning which drives improvement and saves money?"

If this question is being asked in another forum, then Scrutiny would be happy to act as a sounding board and would not undergo a separate piece of work.

Cllr Groves discussed this matter with, Deputy Leader, Alan Gay and the Director of Adult Social Care, Cath Roff. A considerable amount of work is being undertaken, led by Cath Roff. It is proposed that the Board receive an update report in March.



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