

Report of the Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 19 December 2016

Subject: Strategic Commissioning

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| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 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? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

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' has previously been circulated to the Board.
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.

July 2016

9. Following further discussions at the beginning of the current municipal year the Executive Member for Strategy and Resources, Chief Executive, Director of Adult Social Services and a range of other officers attended the Scrutiny Board to further discuss the Council's approach to commissioning. At that meeting, the Chief Executive and Executive Member welcomed the scrutiny inquiry and made a number of comments, including:
 - Strategic commissioning aimed to help the City achieve its objectives and make the best use of public resources and the 'Leeds £'.
 - Work had commenced to transform commissioning, with over £50M saved in the past 4 years.
 - A structural model (i.e. a single commissioning hub), while seemingly having the benefit of a single responsible officer, also carried significant risks, including:
 - A potential decrease in control and democratic accountability, should other partners (i.e. NHS) assume overall responsibility for commissioning.
 - A potential loss, or dilution, of specialist commissioning knowledge and skills – particularly around safeguarding for children and adults.
 - Revisions to the proposed 'peoples commissioning' approach to reflect previous concerns raised by the Scrutiny Board, included:
 - Greater Member involvement – including the Executive Board member (Strategy and Resources) chairing the Corporate Strategic Commissioning Group.
 - The inclusion of Housing and Jobs and Skills within the scope and remit of 'peoples commissioning'.
 - The significance of financial cuts – with the Council saving over £90M in the previous three years, with the requirement of a further £60M over the next 12-months.
 - A commitment for greater involvement of ward members and use of local intelligence within commissioning processes.

10. The Scrutiny Board discussed the matters raised during that meeting; making a number of comments, observations and highlighting other areas for discussion, including:

- Acknowledgement of the concerns previously highlighted by the Scrutiny Board and how these were being addressed.
- The potential role of Community Committees within the commissioning cycle.
- The category management approach within the Programme, Projects Programmes & Procurement Unit (PPPU).
- Outcome measures and communication.
- The availability and use of 'efficiency benchmarks' as a method of demonstrating progress and performance.
- Evidence of decommissioning and associated decision-making processes.
- Maintaining 'service quality' particularly during increased levels of independent sector provision.
- Quality of employment practices within parts of the independent sector.
- Governance and accountability – in terms of commissioning and service provision.
- Balancing the need for specialist and generalist commissioning expertise.
- Current internal staffing costs associated with commissioning.
- Total 'place based' commissioning.
- The Adult Social Care 'Use of Resources' peer review expected in September 2016.
- The reliance on Neighbourhood Networks to deliver statutory services.
- Pooled budgets and integrated commissioning.

11. From the discussion, the Scrutiny Board went on to identify the following as potential areas for improvement:

- Assurance on the robustness of the commissioning approach.
- Consistent triangulation of quality across the Council.
- Communication to help articulate the vision and approach for commissioning.
- Defining/ confirming the future role of the Third Sector in Leeds.
- Monitoring and reporting outcomes, including the use of cost benefit analysis.
- Identifying and discussing decommissioning of services.
- Further involvement of members within the commissioning cycle.

Summary of main issues

12. To help maintain the Scrutiny Board's focus on commissioning, the Chair of the Board has further discussed the work of Board and confirmed the Board is particularly concerned with "people based" services i.e. Adults, Public Health, Children's, Housing and Jobs and Skills, and wishes to;

- Understand how performance of commissioned services is monitored, i.e. how does the Council ensure providers achieve the outcomes intended;
- Consider how consistent performance monitoring is across the Council.
- Consider how the Council ensures any performance issues in one contract are fed into others i.e. where there may be contracts with the same organisation but from different services;
- Examine the extent of waivers and contract extensions (information has previously been provided in this regard); and,

- Consider the Leeds £, and better understand how the Council works with partners to ensure commissioning and contracting is efficient, effective and achieving outcomes.

13. Further details addressing these points will be provided in advance of the meeting and appropriate representatives have been invited to the meeting to discuss these aspects in more detail.

Recommendations

14. That the Scrutiny Board considers the details presented and identifies any specific scrutiny actions that may be appropriate.

Background documents¹

15. None.

¹ 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.