

Commissioning Report

Version 2.0, 24th August 2015



Version history

| Version | Date issued | Summary of change | Version owner |
|---------|------------------------------|--|------------------|
| 0.0 | 21 st July 2015 | First draft released to programme team for review | Ann Wolstencroft |
| 1.0 | 3 rd August 2015 | Incorporates feedback from the programme team | Ann Wolstencroft |
| 2.0 | 24 th August 2015 | Incorporates feedback from Member Governance Board | Kath Hoare |

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Introduction

This report is a high level Commissioning Strategy for 2020 Vision Partnership. It builds on the recommendations of the Activist Report and subsequent Phase 1 Commissioning Project endorsed by the Member Governance Board on 5 June 2015. This outline framework covers:

- Commissioning Principles
- Approach to Commissioning
- Service Design Principles
- Long Term Strategy & Framework Development

It must be acknowledged at this stage this is an initial strategy that will require further development and refinement and in particular more detailed engagement with members and officers in each of the 2020 Vision partner councils.

Background

At the beginning of the 2020 vision programme Activist looked at preferred sourcing options and conducted a preliminary option appraisal to help identify the sourcing options most likely to meet the outcome framework of savings, influence, quality and creativity.

As a result two broad strategic options were recommended for consideration on the shortlist, traditional sharing (s101 and s102) and Teckal and Trading Companies. These were shortlisted as both had the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also had the merit of using partnership models that are tried, tested and trusted already among the partner authorities (e.g. GOSS, SWAP and Ubico).

In June 2015 the Member Governance Board endorsed a structure for the joint venture partnership as shown in the Business Case. The structure includes a designated Council Lead Director for each Council that would not only continue to manage their retained services but they would also assume responsibility for commissioning services from the joint venture partnership. It was also agreed that each Council Lead Director would be responsible for leading the commissioning of specific partnership venture services (PV services) e.g. ICT on behalf of all partners across the partnership.

There remains the right for each council to decide which shared service it would source from the Partnership Venture and which it may source separately from another provider. It should be understood that should a

partner have agreed to share a service through the Partnership Venture this will then be considered the preferred provider for an agreed period of time, e.g. 4/5 years, after which a new commissioning process may be undertaken.

In the future if the partnership moves, as planned, to a Teckal company rather than a Joint Committee the proposal would be to discuss the formation of a distinct shared commissioning function that in the longer term could take a more 'joined up' approach to commissioning to ensure that opportunities for collaboration are fully exploited.

Shared Approaches to Commissioning

Following the report completed by Activist further work was undertaken to set out the current commissioning activities at each Council and assess the appetite for differing degrees of shared commissioning amongst senior managers at each Council. The further report Commissioning Project – Phase 1 - May 2015 identified that the current picture of commissioning at each Council has highlighted many key areas where the four Councils share the same approaches:

- There is a shared understanding of Vision 2020, and the partnership venture, as a potential way for each Council to become more efficient and effective by working together but without sacrificing their sovereignty.
- All Councils have a pragmatic outcome focused approach to commissioning seeking to ensure their local communities can access high quality and appropriate services.
- All share a desire to make sure their decision making processes are supported by impartial specialist advice from trusted advisors with sound local knowledge.
- All Councils aspire to find the best sourcing solutions and are open to innovation.
- All appreciate the wide variety of skills and experiences needed for effective commissioning.
- All are committed, to some degree, to sharing commissioning resources including client activity.

Operating Principles for Commissioning

The shared understanding above led to some 2020 Vision Commissioning principles that were endorsed by the Member Governance Board on 5th June 2015 and these are;

- Each partner council will have access to commissioning support, including trusted advisors, that will enable it to develop and set its strategic policies, source service provision, and manage its contracts and relationships with a range of service providers.
- While this support will be directly managed by each council to enable that council to control and manage that work, this support does not necessarily need to be employed by that Council, albeit there would need to be suitable governance structures in place. This principle is already established, to some degree, within current structures.
- Each Council should be able to access further skills, experience and expertise from technical experts that may be directly employed, part of a shared unit or employed by another Council or organisation.
- Each of the four Councils must be able to approach commissioning in their preferred way and be free to be agnostic in terms of sourcing decisions.
- Commissioning criteria need to be able to reflect local requirements (as well as shared).
- Sharing commissioning activity is a principle the partners Councils aspire to.
- Shared client arrangements is a principle the partner Councils aspire to and can see the merits of this early on for example with regard to GOSS and ICT.
- The Partnership Venture is one of a number of key providers from whom councils may source.

Outcome Based Decision Making

With some principles in place one of the initial tasks undertaken by the Programme Team and agreed by the Member Governance Board, was to make some decisions around which services would be shared in the first phase of the programme. From the beginning of discussions it was clear that there would be an initial sharing of a number of services which would be followed in the future with others. As mentioned above the work that had been completed on commissioning had identified differences in approach and therefore it was agreed that it would be good to have a consistent approach across all the partners to the decision making process.

As it was acknowledged across the partnership that effective commissioning needed to be based on outcomes so a decision making matrix was designed based on the outcome framework from the Activist report to undertake some preliminary analysis. Coupled with this outcome framework was another assessment based on each of the partner council's willingness to share.

Shared Functions

Each council completed the documentation and that resulted in the list of services to be shared that can be found in appendix 1. This list was endorsed by the Member Governance Board on 26th June 2015.

A timetable of future commissioning reviews, based on individual partner business requirements and existing contract end dates, will be established to ensure that the partnership starts to take a joined up approach to commissioning to ensure that opportunities for collaboration are exploited.

Approach to Commissioning

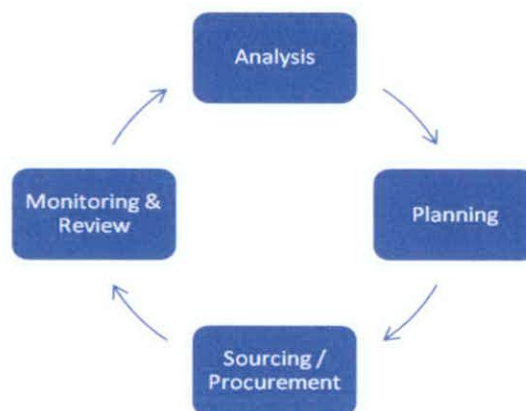
Excellence in commissioning means getting the best possible outcomes that deliver value for money. In its simplest form the commissioning cycle can be shown with four key stages. These stages are familiar (see diagram) and are used in most organisations when completing activities, projects and procuring services on an informal basis even if not recognised as a formal structure.

Analysis – identifying key issues and needs, what are the priorities, what are the options and solutions.

Planning - What are we going to do and how are we going to do it.

Sourcing/Procurement - Sourcing of new capacity & de-commissioning of old capacity.

Monitoring and Review - Is the strategy delivering the results needed, are there unexpected consequences we need to address and in the future what changes are needed to our strategy.



Over the coming months we will be working with all four partner councils to agree approaches to commissioning but in the interim we have structured the following areas of this report on this cycle. The commissioning approach undertaken will be proportionate and take into account the size of the service and risk profile.

Analyse - Commissioning Services from the Joint Venture Services

As mentioned previously we have identified a first tranche of services that could be shared and there are a number of projects that have been initiated as a result of this agreement. As these projects start to scope their work one of the key areas of work will be around understanding each authority's ambitions and analysing need. We will need to work with each of the partners to understand individual required outcomes

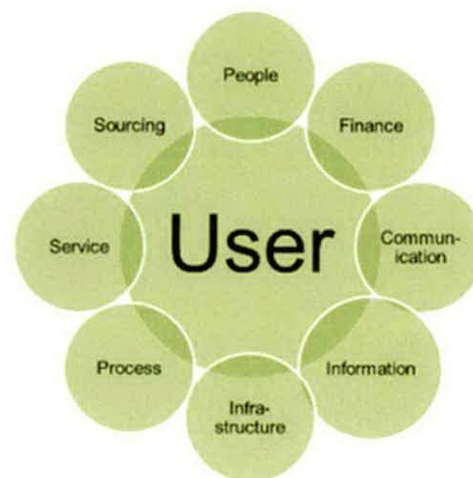
of the service being shared. Since creativity is one of the key outcomes for the 2020 vision programme, each project will need to challenge current assumptions and encourage innovation in both the definition of the challenge and potential solutions. The focus will not just be on cost and efficiency, but also on the effectiveness of what is commissioned. It is this process of fundamental challenge that will unlock the greatest potential for change, improvement and better value-for-money.

An example of this would be customer services. This is a complex, sensitive project where each council will have its own specific required outcomes and one where local priorities might well conflict with shared ones. This is also a project where all the agreed protocols come to the forefront e.g. brand identity etc. and where the commissioning of this service for some councils, if not all, will require member involvement. It is also a project that will require an examination of the fundamental purpose of customer services and its interactions with users and communities.

Whilst it has been agreed that a number of services could be shared through the Partnership Venture as part of the commissioning process there will still be a requirements to undertake comparisons with how other authorities address the challenges and some benchmarking of services. This is to check that the service being provided through the Partnership Venture offers the most effective solution, is financially competitive, high performing and of a good quality.

Plan - Shared Service Design and Specification

Service design is principally focused on the nature of the service, how it is offered and communicated to a user and how the processes involved in its delivery to the user are then organised. Following agreement on which initial services are going to be shared and the set of shared outcomes from the analysis stage there then needs to be a process of service design. There are a number of services such as GO Shared Services, ICT and Public Protection where service design is either completed or more developed.



The Programme Team recognise that service design is at the heart of some essential decisions e.g. ensuring local service delivery etc.

The following principles of service design have been agreed by the Member Governance Board which included:

1. Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.
2. Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

In designing services to meet the outcomes specified by each Council it is proposed that the following checklist is taken into account and in the design of services.

| | |
|----------------|---|
| User | Ensuring that the user continues to have a positive experience of the service. How users understand who is accountable for the service provided to them. |
| Service | Implications for the nature of the service and the service levels offered to the user. How the service offer is presented to the user, including the location. |
| Communication | The general implications for user communication and engagement. The organisation of member and staff communication and engagement. |
| Sourcing | The sourcing options that are most likely to meet the outcomes. How the partners will approach collaboration with other organisations. |
| Process | Governance : how democratic decisions and delegated decision-making are organised. |
| People | Interim management arrangements , i.e. how employees will be organised during the transition to any new arrangements. Implications for the future culture of the organisation. Implications for the terms and conditions of staff. |
| Finance | How costs and savings will be distributed between the partners. The potential for income generation . |
| Information | How performance management data will be managed for the new arrangements. |
| Infrastructure | The technology that will enable the new arrangements to function smoothly and efficiently. |

It is acknowledged that the partnership has long experience of working together through the establishment of GO Shared services and it is envisaged that lessons learnt from this process will be incorporated into the design of shared services. Initially the services would be shared through a section 101 agreement which is well-recognised in the sector and an immediately recognisable model for potential new partners. This would need to be changed if the services were moved to a different model e.g. Teckal Company but such changes would be subject to a further report.

Do - Implementing the Shared Service through Service Level Agreements

For the initial shared services it has been agreed that these would be shared through a section 101 agreement as in the case of GO Shared Services. These agreements tend to be uniform across all partners with individual councils being able to specify any additional requirements through an individual schedule.

Service level agreements will be used for specifying the service levels, performance measures and agreed length for the shared service.

Monitor & Review – Shared Client Arrangements

Once the partnership venture is established there will be a requirement to ensure that the service is delivering the specified outcomes within the agreed framework. There will be a requirement to provide the commissioners with up to date information about how well the service is performing. For GO shared services it is assumed that current arrangements will continue in the short term. For other shared services the approach to managing performance should be agreed at the time the service is sourced from the 2020 Partnership Venture. It is anticipated that a framework would be developed that satisfies all partner requirements.

The Joint Committee will have a responsibility for monitoring service delivery as stated in their terms of reference. They will 'receive reports on the performance of the Partnership at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; make recommendations for service change as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership'. Individual councils will also have their own scrutiny arrangements. It is also anticipated informal shared scrutiny arrangements may be developed if considered appropriate.

It is also recognised it would be more effective (and cheaper) if some or all of the commissioning functions are shared for example, by pooling the client side of some the partners' contracts, it will be possible to ensure that they are overseen by a specialist, dedicated resource. As other shared service joint ventures have found, some co-ordination of clients' requirements and expectations also allows for a stronger and more coherent approach to be taken to the relationship with a shared service provider. Sharing could help to provide access to the specialist expertise (e.g. to manage contracts with commercial providers), it may also help to reduce the overall costs of commissioning.

The group have agreed to identify any quick wins in this area and once established put together proposals for sharing.

Longer Term Commissioning Strategy & Framework Design

Longer term the plan is to develop a Commissioning Strategy covering commissioning arrangements across all partners. This strategy will include the design of a flexible, commissioning framework which operates across all partnership organisations. The organisation of commissioning activity within the partnership will also require consideration and would be designed in accordance with the shared principles agreed by each Council.

Addressing the organisational design of commissioning in the partnership will involve the following:

1. A deeper understanding of the key characteristics of each individual councils approach to commissioning and seeking alignment on approach
2. An assessment of the organisational commissioning competencies across the partnership
3. An assessment of the readiness to undertake commissioning
4. Embedding challenge and innovation in finding the most effective and efficient ways of meeting shared and individual outcomes.
5. Ensuring effective political oversight and scrutiny of the commissioning process.
6. Understanding the implications for organisational structures and design related to commissioning
7. Drawing on the assessment of the readiness of the partnership councils to meet the requirements of strategic commissioning investment in staff development may be a key requirement

Commissioning Plan / Activities

| Short Term to September 2015 | |
|--|-----------------|
| Activity | Progress |
| Agree individual partner services which are initially going to be commissioned from partnership venture | 100% |
| Agree collective (all four partners) commissioning approach to joint venture services. | 100% |
| Produce a report to form appendix to the Business Case covering approach to commissioning and future approach to designing a longer term commissioning framework | 100% |

| Medium Term to April 2016 | |
|--|-----------------|
| Activity | Progress |
| Develop short term commissioner/client arrangements for partnership venture services | |

| | |
|---|--|
| Identify principal outcomes, solution design and functions for each service that will be sourced from the 2020 joint partnership venture, identifying any retained functions. | |
| Develop detailed shared service specifications joint venture services. | |
| Develop and get sign off for detailed service level agreements including performance framework for service provision | |

| Long term from April 2016 | |
|--|-----------------|
| Activity | Progress |
| Design and agree long term, flexible, commissioning framework which operates across all partnership organisations | |
| Develop Commissioning Strategy covering long term commissioning arrangements across all partners (utilising framework) and programme of commissioning reviews based on individual partner business requirements and contract end dates | |

APPENDIX 1

| Service | Cheltenham | Cotswold | Forest | West Ox |
|---------------------|----------------|----------|--------|---------|
| Go Shared Services | ✓ | ✓ | ✓ | ✓ |
| ICT | ✓ | ✓ | ✓ | ✓ |
| Public Protection | ✗ | ✓ | ✓ | ✓ |
| Customer Services | ✓ | ✓ | ✓ | ✓ |
| Revenues & Benefits | ✓ | ✓ | ✓* | ✓ |
| Legal | ✗ [#] | ✓ | ✓ | ✓ |
| Land & Property | ✓ | ✓ | ✓ | ✓ |
| Building Control | ✓ | ✓ | ✓ | ✓ |

✓ - agreed to share

✗ - not being shared

* - interested in possibility but already have a partnership with Gloucester City Council and Civica

[#] - at this time