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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>COMMUNITY SERVICES COMMITTEE</b>
<b>DATE:</b>	<b>25 MARCH 2010</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR MARIE-ANN JACKSON</b>
<b>TITLE OF REPORT:</b>	<b>COMMISSIONING STRATEGY - FRAMEWORK</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To seek approval for the draft corporate Commissioning Strategy the proposed commissioning framework and a process for prioritisation.

### **2.0 RECOMMENDATION(S)**

- 2.1 It is recommended that Members approve:
- (i) The draft Commissioning Strategy as outlined at Annex A;
  - (ii) The Commissioning Framework at Annex B; and
  - (iii) The approach to prioritising commissioning opportunities at Annex C.

### **3.0 REASON FOR RECOMMENDATION(S)**

- 3.1 At the meeting held on 26 November 2009 this Committee agreed to establish a Commissioning Board and a set of policy principles and terms of reference. This policy was ratified by Council in January 2010. The Board will be appointed in May and will meet for the first time on 3 June 2010. In order to ensure that the Board can start looking at its priorities for commissioning as early as practicable in the year the approval of a draft strategy and framework in advance of the meeting in June will allow Officers to prepare options for early consideration.

### **4.0 SIGNIFICANT RISKS**

- 4.1 As the status of this strategy is as a draft for wider consultation there are no significant risks identified with the approval of this report at this stage.

## REPORT

### 5.0 BACKGROUND AND INTRODUCTION

- 5.1 All local authorities have been under a general duty of best value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” since the 1999 Local Government Act<sup>i</sup>. The government has removed some of the requirements under that duty – to publish Best Value Performance Plans and conduct best value reviews; however the duty to deliver best value remains.
- 5.2 2006 saw the publication of a new white paper affecting local government: Strong and Prosperous Communities<sup>ii</sup>. This extensive paper sought, amongst a range of other things, to update the guidance for local authorities in regard to the duty of best value. This white paper resulted in the Local Government and Public Involvement in Health Act 2007<sup>iii</sup> and the subsequent issue of new statutory guidance in 2008: Creating Strong, Safe and Prosperous Communities: Statutory Guidance.<sup>iv</sup>
- 5.3 Chapter six of the statutory guidance clearly outlines for local authorities how they are expected to fulfil the duty of best value and in particular the requirement for Council’s to seek to achieve a balance between responding to the needs of all sections of its communities; seeking to address the whole-life costs of decisions; exploiting economies of scale and achieving locally responsive services. The guidance states that “Local Authorities will generally be better able to meet their best value duty by adopting a commissioning role. A commissioning role is one in which the authority seeks to secure the best outcomes for their local communities by making use of all available resources – without regard for whether services are provided in-house, externally or through various forms of partnership (para 6.7 of guidance).
- 5.4 The guidance goes on to describe the commissioning cycle; how to involve local people and service users in the design and delivery of services (as co-producers); the need to locate commissioning decisions closer to the communities themselves for example through parish and town councils; achieving a mixed economy of service delivery which focuses on outcomes not on the service delivery vehicle; fair and open competition requirements and sustainable funding arrangements.
- 5.5 In response to this national framework, Members agreed at the January meeting of Council to establish a Commissioning Board with a view to developing a strategic approach to commissioning for this Council in order to fulfil its duty of best value.
- 5.6 The general policy principles and scope for the Commissioning Board were agreed as the basis for both the Terms of Reference and for the development of a Commissioning Strategy.
- 5.7 Based on those agreed policy principles, in developing its Commissioning Strategy, Ryedale District Council:
- a) Defines the entire commissioning cycle as assessing needs, designing services to meet those needs, securing services and evaluating outcomes;
  - b) Recognises the need to balance delivering cost savings and efficiencies with the need to deliver good quality responsive services;
  - c) Will put people and place at the heart of its commissioning activities, involving users and communities throughout the cycle;

- d) Recognises and embraces diversity in the way services are provided and will focus on outcomes not on the service delivery vehicle;
- e) Supports sustainable commissioning and will consider the broader social, environmental and economic impacts of its procurement and commissioning decisions;
- f) Recognises it has a key role to play in developing local markets;
- g) Will make decisions in an open and transparent way in line with local, national and European financial regulations;
- h) Will actively seek opportunities for joint commissioning across statutory partners;
- i) Will manage its commissioning activities through the establishment of a Commissioning Board.

## **6.0 POLICY CONTEXT**

- 6.1 The recommendations in this report are consistent with Aim 5 of the Council Plan – Transforming the Council and in particular objective 9 – to understand our communities and meet their needs; and objective 10 – to develop the leadership capacity and capability to deliver future improvements.

## **7.0 CONSULTATION**

- 7.1 Once agreed, the draft strategy and framework will form the basis for consultation with stakeholders, partners and the voluntary and community sector.
- 7.2 In developing this Council's approach, and in line with general principle (h) above, the proposed framework in this report draws on the work already carried out by North Yorkshire County Council Adult & Community Services<sup>1</sup> which in itself has been subject to extensive external consultation.

## **8.0 REPORT DETAILS**

- 8.1 Council has agreed that one of the functions of the Commissioning Board, when established, is to facilitate the development and adoption of a Commissioning Strategy and Model. Appointments to the Commissioning Board will be made at the Annual Council meeting in May and the first meeting of the Board is scheduled for June 2010. In order to present options to the first meeting of the Board, Member guidance is sought in advance on the development of the strategic priorities and objectives, the commissioning framework and in particular the approach to be used to enable the Council to identify its commissioning priorities.
- 8.2 This report outlines three issues for Members consideration and views: a proposed draft strategy; a suggested Model or Framework for carrying out commissioning activities; and options on how to begin to identify its priorities for commissioning.
- 8.3 Attached at Annex A to this report is a proposed draft strategy which outlines the overall purpose and vision for commissioning and its alignment to the wider Council and community plans.
- 8.4 The strategy is supported by a Commissioning Framework, or Model, which will describe the processes through which all commissioning activity should be identified and conducted. A suggested Model is attached as Annex B. This is based on national guidance and the work of the Beacon Council pilots (Devon, Hackney, Westminster

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<sup>1</sup> Strategic Commissioning for independence, well-being and choice.

and Wakefield).

- 8.5 It is recognised that the commissioning framework will not be appropriate for all Council services and activities. There are some services or activities where there is little discretion in relation to how they are delivered, the outcomes sought and the delivery agents are nationally prescribed e.g. elections and some enforcement activities. Equally there will be other services that contribute to wider community outcomes which may be suited to a joint commissioning approach. One of the key principles for the strategy will be to set out how the Council will seek to identify its commissioning priorities. There are a range of criteria which could be considered. Annex C illustrates a suggested approach to prioritisation and details some possible criteria for Members consideration and comment.

## **9.0 IMPLICATIONS**

- 9.1 The following implications have been identified:

a) Financial

Considerations in relation to cost and benefit of expenditure will be included in the criteria for prioritising the Commissioning opportunities and in review the performance and delivery of the Commissioning Strategy.

The financial implications of a particular commissioning proposal will be considered within the detailed Service Commissioning Plans for each priority proposal.

b) Legal

The Local Government Act 1999 and 2007 best value guidance enable the Council to commission services and take account of its well-being powers. The legislative framework and statutory requirements for procurement, including contract procedure rules, will be considered as part of all commissioning activity.

## **10.0 NEXT STEPS**

- 10.1 The diagram attached at Annex C illustrates the next steps in the process which are in summary:

- Gather Insights
- Identify Initiatives
- Prioritise Projects
- Develop proposals

- 10.2 Finalise Commissioning Strategy – June 2010  
Agree priorities – June 2010  
Publish Action Plan/Prospectus – September 2010

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**Background Papers:**

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<sup>i</sup> Local Government Act 1999 – [www.opsi.gov.uk](http://www.opsi.gov.uk)

<sup>ii</sup> Strong & Prosperous Communities - [www.communities.gov.uk](http://www.communities.gov.uk)

<sup>iii</sup> Local Government and Public Involvement in Health Act 2007 – [www.opsi.gov.uk](http://www.opsi.gov.uk)

<sup>iv</sup> Creating Strong, Safe & Prosperous Communities: Statutory Guidance – [www.communities.gov.uk](http://www.communities.gov.uk)