

AGENDA MANAGEMENT SHEET

Name of Committee Overview And Scrutiny Board

Date of Committee 12 January 2011

Report Title Public Services Reform Task and Finish Group

Summary The Board is asked to consider the recommendations of the Public Service Reform Task and Finish Group for onward transmission to Cabinet.

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Would the recommended decision be contrary to the Budget and Policy Framework?
No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s) N/A
- Other Elected Members Councillors Ross, Roodhouse, Fowler, Tooth
- Cabinet Member For information Councillors: Colin Hayfield, Peter Butlin, Martin Heatley.
- Chief Executive
- Legal Jane Pollard
- Finance
- Other Strategic Directors David Clarke, Strategic Director of Resources, Monica Fogarty Assistant Chief Executive
- District Councils

Health Authority

Rachel Pearce, Janet Smith.

Police

Oliver Winters - Police Authority; Clive Parsons-
Police Authority; Colin Grainger –Police Service.

Other Bodies/Individuals

Gill Jowers - AHCS, Bob Hooper CYPF

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

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To Council

.....

To Cabinet

.....27.01.2011.....

To an O & S Committee

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To an Area Committee

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Further Consultation

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Agenda No 2

Overview and Scrutiny Board - 12th January 2011.

Report of the Chair of the Public Service Reform Task and Finish Group

Recommendations

That the Overview and Scrutiny Board considers the report and the recommendations for onward transmission to Cabinet

- (1) The Council should move towards a strategic commissioning model of operation and should clarify what this means in practice for the authority. It should also set out the principles and values which will underpin the model.
- (2) There should be a clear vision and transition plan to support the model so that service reconfiguration does not take place in a vacuum and opportunities lost.
- (3) Any proposals for trading, outsourcing, collaborative models should be supported by a proper business case and the key questions in paragraph 2.9 should be answered.
- (4) Proposals for collaboration should be based on what makes sense in service terms and not restricted to specific geographic areas 'Warwickshire' or the sub-region.
- (5) Work should be undertaken to explore the opportunities identified in Section 3

1. Introduction

- 1.1 The Public Service Reform Task and Finish Group was commissioned by the Overview and Scrutiny Board in July 2010. The scope of the potential changes to public services is vast and therefore the Group decided to focus on the areas of adult social care, health, education and police services. It has met on three occasions to gather intelligence about how services are responding to meet the challenges posed.
- 1.2 It also held a workshop on 3 November 2010 to look at the possible shape of public services across Warwickshire, what services could benefit from a different approach and the specific opportunities arising from the changes to Health and Education.

- 1.3 The government reform agenda continues to move at a fast pace. We operate on continually shifting sands as future government policy is unveiled or is amended in response to consultation responses. There is a need for the local authority to remain continually alert, to ensure its solutions are not rigid so that it can adapt its arrangements to meet new requirements/directions as they emerge.

2 Key Findings

- 2.1 The Group is of the view that the local authority should move towards a strategic commissioning model of operation rather than the traditional provider model. The suggested advantages of such an approach are that it should enable the local authority to take a more holistic approach to commissioning based on the needs of consumers/citizens. The Council has a wealth of information available to it e.g. Quality of Life Report, Joint Strategic Needs Assessment etc to enable these to be identified and a service offer developed.
- 2.2 There needs to be clarity over what a strategic commissioning model means in practice for the local authority and the principles and values which will underpin it. Will it be the 'virtual authority' model of Suffolk County Council or something different?
- 2.3 It is important that the authority has a clear idea of where it wants to be in the next 5 -10 years so that service re-configuration does not take place in a vacuum and opportunities are not lost. There should be a strategy and plan to support the transition.

Collaboration, Outsourcing and Marketing

- 2.4 The workshop on 3 November 2010³ considered 3 basic models for collaboration
- Lead Authority –e.g. Continuing Healthcare
 - Joint Service –secondment
 - New Legal Entity (creation of new organisation e.g. Housing Improvement)
- 2.5 Many of the earlier 'partnerships' had focussed on transactions as part of the 'Gershon' efficiency agenda. Latterly discussions had focussed on establishing strategic partnerships and for a variety of reasons discussions have stalled when moving from principle to implementation. There is insufficient time to engage in lengthy debates if the Council is to respond to reform agenda, the pace of change is too fast. The focus of the debate needs to move to specialist services if collaborative models are to be pursued and practical implementation.
- 2.6 To pursue collaborative models there needs to be real enthusiasm from all those who would need to be involved. There needs to be clear articulation of the intended service offer and the outcomes and a clear implementation plan.

- 2.7 When considering collaborative models there is a need to ensure that you have driven out all the inefficiencies in your own processes and aligned those processes with other 'partners' otherwise you simply transfer those costs into the collaborative model.
- 2.8 Collaborative models which simply seek to share/shed management costs will not generate the scale of savings required to meet the public spending cuts. Simply combining services does not produce economies of scale, the changes need to be more fundamental. As well as managing supply we need to manage demand more effectively, for example the re-configuration of some services is with a view to reducing the demand for public services –social care reablement.
- 2.9 Whether considering collaboration, outsourcing or marketing of services key questions need to be answered?
- Do we have the market intelligence to know where the opportunities lie?
 - Is there a clear service offer?
 - Do we know the cost of our own services compared to others?
 - Do we understand the financial risks?
 - Are we confident that all the inefficiencies in our services have been driven out?
 - Is there a robust business case for collaboration, marketing or outsourcing the services?
- 2.10 There should be a proper business case, with a clear articulation of the service offer and clear common understanding between 'partners'. All partners need to know the costs of their services for collaborative models to work.
- 2.11 Overall there was little appetite for pursuing shared service models, outsourcing or marketing of services to others unless there was a business case to do so.
- 2.12 We need to move away from considering collaborative models based on geographical administrative boundaries or adjoining areas. Whilst these may be important for some public services they are not for others.
- 2.13 Overall there was little appetite for pursuing shared service models, outsourcing or marketing of services to others unless there was a business case to do so.

3 Key Opportunities

- 3 There are some immediate opportunities for the local authority to explore in terms of collaborative models. They need to be assessed quickly otherwise the opportunity will be lost.
- Further opportunities have opened up for integrated health and adult social care commissioning with the proposals for GP commissioning, for example the continuing healthcare budget is around £78M
 - Education and services to schools – Academies/Free Schools –where there may be opportunities to trade services if the market is right. Work needs to be undertaken to ensure we have a robust business case to make a service offer.
 - Commissioning and procurement of ‘common goods and services’. There are multiple ‘collaborative arrangements’ existing within the county and extending outside of Warwickshire boundaries. These might offer opportunities for rationalisation and an opportunity for public services to combine their purchasing power and drive prices down in the market.

4. Other Issues

- 4.1 In assessing the impact of the reforms on the organisation or the public it is difficult to disentangle the reforms themselves from the spending cuts and until these are worked through the picture is incomplete.
- 4.2 However we know services will be more heavily reliant in future on the web and other forms of e-communications and e-delivery. Face to face contact is expensive and the public service needs to shift public expectations in terms of contact. For some sectors of the public this will be welcome change, for others it’s a much more challenging prospect.
- 4.3 The local authority alongside its partners needs to manage services to reduce the demand/reliance on public services, but are the public ready to help themselves? The one front door programme acknowledges that a significant shift needs to take place in public behaviour if these changes are to be effective. This is not just about the organisation changing. For example the provision of online resource directories from which people can purchase their own aids, telecare etc. is a great idea however the elderly may not be aware of what is available or how to access it. The public need to be prepared to use those channels. This requires a significant information campaign.
- 4.4 A reduction in the number of public buildings, more outreach services going to the customer/client. For example the ‘virtual hospital ward’ initiative where your bed at home becomes part of the ward to reduce hospital stays.
- 4.5 The government agenda is for Academies to be the ‘norm’, free schools are simply new schools which are academies. In future the relationship with the

local authority will largely be a trading one to the extent that the local authority decides to trade its services. Do we embrace and facilitate or simply let schools decide for themselves? Ultimately having mixed economy may not be in the interests of our traded services.

COUNCILLOR JOHN ROSS
Chair of the Public Service
Reform Task and Finish Group

16 December 2010