

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Overview And Scrutiny Board

**Date of Committee** 25 May 2011

**Report Title** Report of the Public Service Reform Task and Finish Group

**Summary** The report and recommendations of the Task and finish Group are submitted for the consideration of the Overview and Scrutiny Board. The Board is asked to consider referring the recommendations in relation to Phase Two 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 John Ross, Jerry Roodhouse, Peter Fowler, Sid Tooth
- Cabinet Member  Cllr Farnell
- Chief Executive  .....
- Legal  Jane Pollard
- Finance  .....
- Other Strategic Directors  David Carter, Monica Fogarty
- District Councils  .....
- Health Authority  Paul Maubach NHS Warwickshire

Police

Colin Grainger Police Service

Other Bodies/Individuals

Phil Evans, Liz Holt, Paul White

**FINAL DECISION NO**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by  
this Committee

.....

To Council

.....

To Cabinet

16 June 2011

To an O & S Committee

.....

To an Area Committee

.....

Further Consultation

.....

## Agenda No

### Overview and Scrutiny Board - 25 May 2011.

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

##### **Recommendation**

The Overview and Scrutiny Board is asked to endorse the Phase Two recommendations with a view to their onward transmission to Cabinet

The Report of the Public Service Reform Task and Finish Group is attached for consideration.

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

Shire Hall  
Warwick

16 May 2011



**Public Service Reform Task and Finish  
Group –  
Breaking the Mould**

**May 2011**

Overview and Scrutiny Board

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# Executive Summary

## Report of the Public Services Reform Task and Finish Group

### Foreword by the Chair

The Public Service Reform Task and Finish Group were commissioned by the Overview and Scrutiny Board in July 2010. The Group has undertaken two separate phases of work. In Phase One the Group decided to focus on public reform in the areas of adult social care, health, education and police services and reported initially to the Overview and Scrutiny Board in January 2011 recommending that

- The Council should move towards a strategic commissioning model but should be clear how this would operate.
- Any proposals for trading, outsourcing, collaborative models should be supported by a proper business case and certain key questions must be answered
- 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.



**Councillor John Ross  
Chair of the Public  
Service Reform Task and  
Finish Group**

The Phase One recommendations have been accepted by Cabinet and the Council adopted a move towards a strategic commissioning model as part of its Corporate Business Plan 2011-13 in February 2011. More information about Phase One can be found in Sections 1 to 6 of the main report.

In the second Phase of its work the Group has followed up on some of the recommendations in Phase One, namely the move of the local authority towards a strategic commissioning model of operation and the procurement of 'common' goods and services. Its key findings from Phase Two are set out below.

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.

I would like to thank all those who contributed to the review without whose help, assistance and valuable contributions the work of the Task and Finish Group could not have proceeded. A list of contributors is set out in Appendix 1.

I would also like to thank the other members of the Task and Finish Group Councillors Peter Fowler, Jerry Roodhouse and Sid Tooth for their work in both Phases and Clive Parsons independent member of Warwickshire Police Authority and Janet Smith Non-Executive member of NHS Warwickshire for their contributions to Phase One.

## Phase 2

### 1. Introduction

The Group was of the view that the local authority should move towards a strategic commissioning model of operation rather than the traditional provider model. How that might be achieved was unclear in Phase One and therefore the Group undertook further enquiries in Phase Two. In addition the Group examined the council's arrangements for the procurement of 'common' goods and services to see if the local authority was making the most of its buying power.

### 2. Key Findings –Phase 2

2.1 Strategic Commissioning does not just mean procurement or outsourcing. It is about a range of behaviours and cultural change as much as deciding non-core and core services. New skills are required – a different set of behaviours from both councillors and officers.

2.2 Members would have a key role in setting the vision and direction of the authority by focussing on:

- listening and involving the community;
- obtaining and feeding back customer and citizen satisfaction
- engaging community resources
- prioritisation
- scrutiny

2.3 The dividends of adopting a strategic commissioning model are said to be

- Cash
- Managing the risk more effectively
- Reduction in fixed costs – fixed assets
- Right thing to do – able to take a birds eye view for people of Warwickshire
- Flexible and responsive
- Clarity of purpose

2.4 Some of the challenges are enabling a cultural shift in member and officer behaviours, workforce capacity and capability, separating decision-making from delivery, redesigning structures and possibly services, balancing competing public interests and needs. These types of changes do not happen overnight and will require a transition plan probably over at least a two year period. At the time of writing the Executive were still discussing what the operational model might look like and what might be involved in the transition plan.

2.5 The Cabinet Office seven principles should be used as a tool to judge whether the transition plan is fit for purpose. Members should also pay attention to the issues raised in the partners session in particular

- Capacity for effective data analysis
- Arrangements for information sharing
- Systems for direct feedback from customers/service users
- The need to align commissioning cycles with partners particularly in the gap analysis and planning phases

- 2.6 In relation to procurement the Task and Finish Group were satisfied that the right approaches had been and were being taken and appropriate issues addressed.
- 2.7 There is a lot of technical expertise leaving the authority at this point in time. This presents both a threat in terms of understanding the nature of services and the costs involved. It also presents opportunities to do things differently. If we are to achieve the Council's ambitions, we need to be very clear about the outcomes we want and put in place robust contract monitoring to secure improvement.
- 2.8 Ultimately the transformation agenda will drive the future commissioning agenda. What the local authority needs to do more of
- Activity around demand management
  - Contract management to drive improvement
  - Changing the culture of the organisation to look at cost not just price
  - Market management and market intelligence

### **3. Recommendations –Phase 2**

- 3.1 The Cabinet should review whether there is sufficient capacity to carry out the data analysis required by a strategic commissioning model and should review with public sector partners whether there are additional resources that could be shared.
- 3.2 The Cabinet should review with public sector partners whether commissioning cycles can be better aligned particularly around gap analysis and planning phases of the cycle to ensure we are able to maximise the information we hold and our resources.
- 3.3 The Overview and Scrutiny Board should scrutinise the transition plan to assess whether it is fit for purpose having regard to the seven principles set out by the Cabinet Office and the issues raised by partners in Section 9.
- 3.4 In developing the strategic commissioning model for the Authority the Cabinet should be alert to the need to strengthen the following around procurement
- Activity around demand management
  - Contract management to drive improvement
  - Changing the culture of the organisation to look at cost not just price
  - Market management and market intelligence

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



# Report of the Public Services Reform Task and Finish Group

## Phase One

### 1. Introduction

- 1.1 The Public Service Reform Task and Finish Group were 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 2010<sup>3</sup> 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 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.
- 2.12 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?

## **5. Recommendations**

- (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

## **6. Outcomes – Phase One**

- 6.1 The above recommendations were accepted by the Overview and Scrutiny Board and Cabinet in January 2011. The Council adopted the move towards a Strategic Commissioning Model as part of the Corporate Business Plan 2011-13.

## **Phase Two**

### **7 Introduction**

- 7.1 The focus of the Group in Phase two was to look at –
  - What needs to be done to move towards a strategic commissioning model?
  - Are we maximising our buying power in the procurement of 'common' goods and services
- 7.2 The Group held four sessions between January and April, one catch –up session, one session to look at the arrangements for procurement and two sessions to look at strategic commissioning, including a session with partners on 18<sup>th</sup> April 2011.

### **8. Key Findings**

#### **Strategic Commissioning**

- 8.1 Strategic commissioning is defined by the Cabinet Office as *“the cycle of assessing the needs of people in an area, designing and then securing an appropriate service.”* To complete the cycle, appropriate monitoring and evaluation of commissioned services is needed to assess whether and how people's needs have been met. Strategic commissioning should be thought of a cycle because it requires continuous review, assessment and improvement to meet the ever changing needs of communities.
- 8.2 Strategic Commissioning does not just mean procurement or outsourcing. It is about a range of behaviours and cultural change as much as deciding non-core and core services. New skills are required – a different set of behaviours from both councillors and officers.
- 8.3 It would mean Members to moving away from involvement in operational service decisions and towards Members providing greater community leadership and making evidence based decisions on how best to allocate resources to improve outcomes.

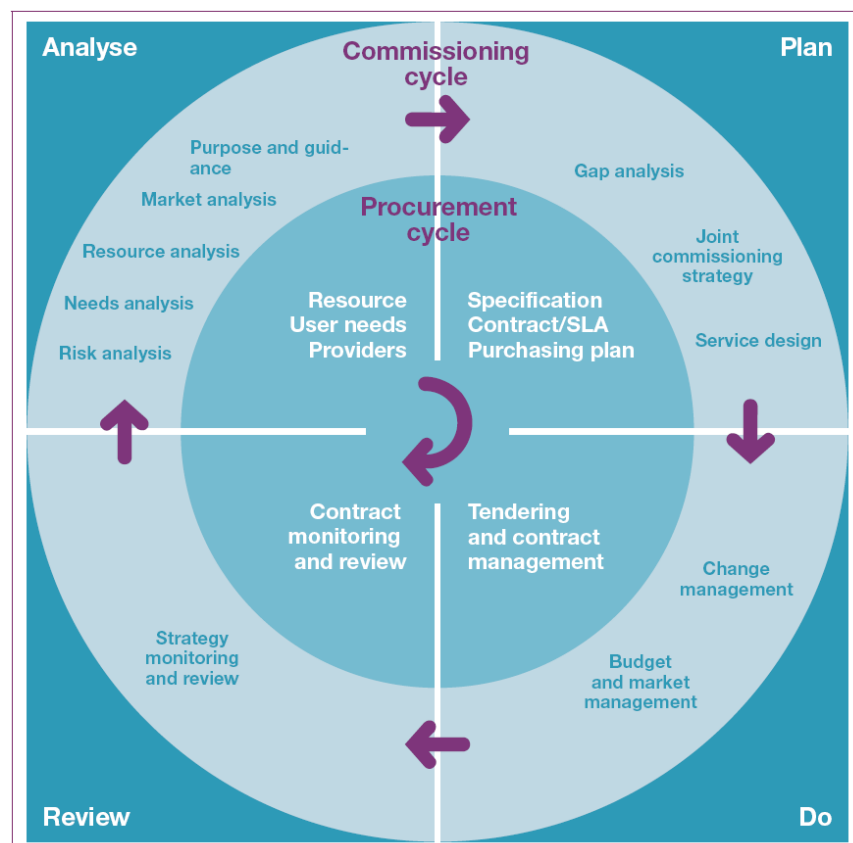
- 8.4 Members would have a key role in setting the vision and direction of the authority by focussing on:
- listening and involving the community;
  - obtaining and feeding back customer and citizen satisfaction
  - engaging community resources
  - prioritisation
  - scrutiny
- 8.5 The dividends of adopting a strategic commissioning model are said to be
- Cash
  - Managing the risk more effectively
  - Reduction in fixed costs – fixed assets
  - Right thing to do – able to take a birds eye view for people of Warwickshire
  - Flexible and responsive
  - Clarity of purpose
- 8.6 Some of the challenges are enabling a cultural shift in member and officer behaviours, workforce capacity and capability, separating decision-making from delivery, redesigning structures and possibly services, balancing competing public interests and needs. These types of changes do not happen overnight and will require a transition plan probably over at least two year period. At the time of writing the Executive were still discussing what the operational model might look like and what might be involved in the transition plan.
- 8.7 In order to reap the benefits the authority needs to understand its costs, ensure it has appropriate information/ market intelligence, and be clear about its offer for the people of Warwickshire. Who is best placed to provide is a separate issue. It is currently expected that all services will have undergone a systematic review by 2014. The benefits and disadvantages of the various models that may be used by a Strategic Commissioning Authority and what others are doing are set out in Appendix 2.
- 8.8 The Cabinet Office sets out seven principles for strategic commissioning i.e.
- **centred on people:** putting local people and communities at the heart of the process, and ensuring that they are engaged in the design and delivery of services so that the outcomes delivered are the ones that really matter to them;
  - **smoother collaboration:** developing a three-way relationship between the client, supplier and service user, based on trust, will create a shared sense of what people want to achieve and some degree of consensus on cause and effect – the things that will allow them to achieve it;
  - **better evidence and deeper analysis:** a whole-needs analysis of populations will better identify service priorities;
  - **clearer outcomes:** clear signposting between outcomes, and identifying clear links with inputs and outputs, will show how they fit into the strategic policy context;

- **improved sustainability:** the sustainable management of services and assets demands a focus on quality and value for money – not lowest cost – so that more is achieved with less in an environmentally friendly way;
- **better dialogue:** early dialogue within client teams, for example, between technical staff (heads of procurement) and strategic staff (chief executives), and between client teams and suppliers, will mean operational programmes are joined-up with strategic policy goals;
- **contractual challenge:** transparent information about the cost and performance of local services will allow authorities to make accurate assessments about whether existing services represent value for money.

8.9 When any transition plan emanates members will need to be assured it is robust and will get the Authority to where it needs to be. Members should assess the plan against these principles to determine whether it is fit for purpose.

## 9. The Partner Perspective

9.1 The Group used the model below as the focus for its enquiries and discussions with partners and to assess whether there any particular issues which should be borne in mind in developing the strategic commissioning model.



9.2 For most of the public sector agencies strategic commissioning tended to be the direction of travel. However for the police service the focus was more predominately on how we deliver rather than how we commission.

- 9.3 There are some fairly straightforward objectives which all partners can share but then there was a need to drill down in to the detail. Shared objectives became contentious when discussions moved to shared resources and the detail of arrangements. This is something which the Group commented in Phase One.
- 9.4 Effective analysis of the data was considered to be the key to being able to develop meaningful outcomes, knowing what we needed to achieve and the best way to deploy resources. There was concern that there was insufficient capacity to carry out this work effectively—analysts were often one of the sacrifices made to preserve frontline services. However if you don't know what you need to be providing you are not cost effective. Although some sharing of resource was ongoing in terms of analysis through the Observatory it was felt that there was scope for more. For example there were economies of scale if strategic commissioning resources in Health were combined with the local authority
- 9.5 There was a need to align our strategic commissioning cycle with partners particularly in the analysis and planning stages so that we share information in a timely way. This would also aid sharing of resources and capacity. Whilst there was a lot of goodwill in terms of data sharing and protocols, there were still some attitudes which saw information as 'my data' as opposed to 'Warwickshire data.
- 9.6 Another key issue was how do we ensure quality outcomes for service users within a strategic commissioning model if we step back from operational decision-making? Provider self evaluation of service users may not always be good enough. We need to ensure that there are robust systems for service user feedback and information management to ensure the information collected is effectively used.
- 9.7 We should establish arrangements to agree joint outcomes, joint objectives and put in place joint intelligence gathering and analysis. We need to make better use of the information we collect. We should query do we hold and analyse the right data? We should have stronger information management but we should take care not to create an unwieldy bureaucracy in doing so.

## **10. Procurement**

- 10.1 Some five or six years ago the focus of the authority in relation to centralised procurement was to achieve economies of scale focussed around common equipment e.g. stationery, furniture etc. There are now a variety of national and/or regional consortium arrangements which provide opportunities for the Council to purchase these types of common items at preferential terms. The major cash benefits and efficiencies on these types of items were achieved some time ago and are unlikely to re-occur.
- 10.2 The focus has now shifted to strategic – big spend –high risk areas such as social care, property, highways, waste. These are the areas where there is the potential to achieve major savings in the future by collaborative and shared arrangements with other public sector bodies. Big cash savings are usually achieved in the early years, thereafter if you want to reduce costs it is about managing down demand and doing things differently. For example in relation to highway maintenance the focus is to combine with other authorities to maintain a volume of work so we can continue to enjoy the economies of scale we have achieved in the past. It also provides the opportunity for more co-ordinated cross border working.

10.3 It is important that the local authority focuses not just on the price but the whole life cost of the contract. Knowledge management can also be an important factor in reducing costs, for example it is cheaper to leave a fluorescent light on rather than switch it on and off. The lowest price may not always be the cheapest cost. Some of the cost benefits which have been achieved or are expected to be achieved through various types of arrangements include -

National –	Mobile phones - £430k since 2003/04
Sub-Regional –	Highways Maintenance - £800k p.a. from 2011/12 Fostering Framework £135k pa from 2009/10
Consortium –	Library Books £100k since 2009/10; Food £38k pa from 2010-11
Local –	Grounds Maintenance - £500k p.a. since 2009/10 Home to School Transport £850k during 2010/11 Community Homes - £840k between Oct 2010 and Oct 2013

10.2 In 2008/09 the procurement statistics revealed the Council spent approximately £330m per year on bought in goods, services and works. It processed 204,000 invoices (73,000 of these were under £100), and there were approximately 9500 trade suppliers. The new financial system (Agresso) which is currently being implemented seeks to make savings and efficiencies through electronic invoicing. It should also improve our information about spending across the authority. In terms of sharing within the sub-region the picture is mixed as some have Oracle and some Agresso.

10.3 In terms of trade suppliers there needs to be a balance between maintaining competitiveness, market buoyancy and reducing transaction costs, economies of scale. This will vary between markets. Where geography is important to the provision supplier reduction could close down a lot of local suppliers.

10.4 There is a lot of technical expertise leaving the authority at this point in time. This presents both a threat in terms of understanding the nature of services and the costs involved. It also presents opportunities to do things differently. Contract monitoring becomes increasingly important to ensure we achieve the outcomes we want. Ultimately the transformation agenda will drive the future commissioning agenda. What the local authority needs to do more of is

- Activity around demand management
- Contract management to drive improvement
- Changing the culture of the organisation to look at cost not just price
- Market management and market intelligence

## 11. Recommendations

11.1 The Cabinet should review whether there is sufficient capacity to carry out the data analysis required by a strategic commissioning model and should review with public sector partners whether there are additional resources that could be shared.

11.2 The Cabinet should review with public sector partners whether commissioning cycles can be better aligned particularly around gap analysis and planning phases to ensure we are able to maximise the information we hold and our resources.



- 11.3 The Overview and Scrutiny Board should scrutinise the transition plan to assess whether it is fit for purpose having regard to the seven principles set out by the Cabinet Office and the issues raised by partners set out above.
- 11.4 In developing the strategic commissioning model for the Authority the Cabinet should be alert to the need to strengthen the following around procurement
- Activity around demand management
  - Contract management to drive improvement
  - Changing the culture of the organisation to look at cost not just price
  - Market management and market intelligence

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

## Contributors

## Appendix 1

### Warwickshire Police Authority

Oliver Winters      Chief Executive Police Authority

### NHS Warwickshire

Rachel Pearce      Director of Compliance and Assistant Chief Executive  
Paul Maubach      Director of Strategy and Commissioning

### NHS Warwickshire/Warwickshire County Council

John Linnane      Director of Public Health

### Warwickshire Police

Colin Grainger      Sub Programme Manager *150plus* Team

### Rugby Borough Council

Doug Jones      Head of Business Transformation

### Ernst and Young LLP - Consultants

Paul Brown  
John Baker  
Geoff Parker

### Warwickshire County Council Officers

David Carter      Strategic Director for Resources

Monica Fogarty      Strategic Director for Communities

Bob Hooper      Head of School Improvement Children Young People and  
Families Directorate

Gill Fletcher      Head of Transformation Programme Adult Social Care and Health

Liz Holt      Service Manager Commissioning Support Service Children  
Young People and Families Directorate

David Clarke      Strategic Director for Resources

John Betts      Head of Finance

Phil Evans      Head of Service Improvement and Change Management

Jane Pollard      Democratic Services Manager

**Strategic Commissioning Models**

**Pros and Cons**

**And**

**What's happening elsewhere?**

# Pros and cons of each option

A strategic commissioning authority will use a variety of models

Option	Pros	Cons
<b>A Do nothing/business as usual</b>	<ul style="list-style-type: none"> <li>- Minimal disruption</li> <li>- Existing management approach and structures can be maintained</li> </ul>	<ul style="list-style-type: none"> <li>- Unable to afford to maintain current levels of service provision</li> <li>- Assets redundant as personalisation increases</li> <li>- Hidden costs of personalisation</li> <li>- Inflexible and non-adaptable</li> </ul>
<b>B Transfer service provision to a Local Authority Trading Company (LATC)</b>	<ul style="list-style-type: none"> <li>- Trade on LA brand and reputation</li> <li>- Council retains surplus</li> <li>- Reduce LA staffing and corporate costs</li> <li>- LA continues influence over services</li> <li>- Able to be flexible to market needs</li> <li>- Fulfils LA role as Commissioner</li> <li>- Able to trade with all sectors of market</li> <li>- Future company options remain open</li> <li>- Future option to extend range of services</li> </ul>	<ul style="list-style-type: none"> <li>- Potentially bureaucratic</li> <li>- Day to day management outside LA control</li> <li>- Potential conflict between LA and LATC</li> <li>- Ultimate risk resides with the LA</li> </ul>
<b>C Transfer service provision to a social enterprise</b>	<ul style="list-style-type: none"> <li>- Able to access alternative funding streams (e.g. future builders)</li> <li>- Risk transferred to a third party</li> <li>- Commercially independent</li> </ul>	<ul style="list-style-type: none"> <li>- Start-up potentially vulnerable</li> <li>- Securing external funding is risky</li> <li>- Performance levels may initially decline during establishment period</li> <li>- Council has limited ability to intervene in the event of failure</li> </ul>
<b>D Outsource services to the private sector</b>	<ul style="list-style-type: none"> <li>- Commercially independent</li> <li>- Risk transferred to a third party</li> <li>- Private sector capital and enterprise can boost delivery</li> </ul>	<ul style="list-style-type: none"> <li>- Uncertain market interest and ability to deliver</li> <li>- No opportunity for LA to take advantage of future value in the service</li> <li>- LA loses influence over the services</li> </ul>

# What are others doing?

<p><b>Essex County Council</b></p>	<ul style="list-style-type: none"> <li>• Created Essex Cares Ltd. – Local Authority Trading Company for adult services</li> </ul>	<p><b>Brighton &amp; Hove Council</b></p>	<ul style="list-style-type: none"> <li>• Established a corporate commissioning capacity at the centre of the Council to channel resources across the city</li> </ul>
<p><b>Sefton Council</b></p>	<ul style="list-style-type: none"> <li>• Outsourced finance transactional and information services</li> </ul>	<p><b>Liverpool City Council</b></p>	<ul style="list-style-type: none"> <li>• Outsourced public realm services</li> </ul>
<p><b>Lambeth Council</b></p>	<ul style="list-style-type: none"> <li>• Encouraging community co-operatives to deliver community services</li> </ul>	<p><b>Birmingham City Council</b></p>	<ul style="list-style-type: none"> <li>• Established 'Service Birmingham' – joint venture company with Capita</li> <li>• IT investment to drive service efficiencies</li> </ul>
<p><b>Aberdeen City Council</b></p>	<ul style="list-style-type: none"> <li>• Developing a Local Authority Trading Company for adult services</li> </ul>	<p><b>Westminster City Council</b></p>	<ul style="list-style-type: none"> <li>• Outsourced transactional services</li> </ul>
<p><b>South West One</b></p>	<ul style="list-style-type: none"> <li>• Joint venture company between Somerset County Council, Taunton Deane BC, Avon &amp; Somerset Police &amp; IBM to provide back office functions &amp; customer service</li> </ul>	<p><b>Glasgow City Council</b></p>	<ul style="list-style-type: none"> <li>• Established a number of arms length companies to separate service delivery from the corporate core</li> </ul>
<p><b>Nottingham City Council</b></p>	<ul style="list-style-type: none"> <li>• Creating a social enterprise for the delivery of adult social care services</li> </ul>	<p><b>West Lindsey District Council</b></p>	<ul style="list-style-type: none"> <li>• Developed a social enterprise to improve outcomes for young people out of work</li> </ul>