

South Lakeland District Council
Overview and Scrutiny Committee
Friday, 17 July 2020
Commissioning Strategy 2020

Portfolio:	Councillor Andrew Jarvis - Finance and Resources Portfolio Holder
Report from:	David Sykes - Director of Strategy, Innovation and Resources
Report Author:	Paul Mountford - Performance, Innovation and Commissioning Specialist
Wards:	All Wards
Forward Plan:	Included in the Forward Plan as published on Tuesday, 26 May 2020

1.0 Expected Outcome

- 1.1 A strategic and integrated approach to how we best turn the Council's priorities into actions for the benefit of the people and communities of South Lakeland to deliver:
- improved outcomes for local people,
 - improved engagement of local communities and providers, and
 - improved satisfaction with services.

2.0 Recommendation

2.1 It is recommended that the Overview and Scrutiny Committee:

- (1) Approve the Commissioning Strategy 2020 and provide any comments to Cabinet.**

3.0 Background and Proposals

- 3.1 Commissioning is the whole cycle of how our services, programmes, projects and partnerships are planned, designed, developed, delivered, managed, evaluated and terminated.
- 3.2 Our Commissioning Strategy, as detailed in Appendix 1, seeks to turn the Council Plan into action. By doing so we will:
- best meet the needs and priorities for South Lakeland,
 - inform and reflect policy direction,
 - guide the choice of service or delivery models and the market to meet those needs; and set out how customer and/ or community preferences can influence our choices to meet those needs; and
 - ensure that services and programmes are delivered in the most cost effective way, having regard to social value, economic and environmental value and continually evaluate the impact and outcomes.
- 3.3 Our Commissioning Strategy sets out our commitment to improving outcomes for local people through effective integrated commissioning.
- 3.4 The Council is increasingly using commissioning to modernise and dynamically drive improvements in its services, recognising its strategic role in improving customer satisfaction and the value for money we provide to local people.

- 3.5 Developments at national level support the need for an increased shift towards a commissioning based approach to the delivery of council services.
- 3.6 The purpose of our Commissioning Strategy is to:
- support a shift in thinking about how services and programmes provided to residents of South Lakeland will be designed and delivered in the future,
 - set out our commitment to improving outcomes for local people through integrated activity and more effective commissioning practices,
 - introduce a set of corporate criteria for commissioning to help guide how the services and programmes provided to residents of South Lakeland are designed and provided supporting improvement in customer satisfaction and the delivery of our budget; and
 - set out the operational basis on which our approach to commissioning will be achieved including the creation and delivery of a strategic commissioning programme.
- 3.7 Commissioning is defined as *“the cycle of assessing the needs of people in an area, designing and then securing appropriate service.”*
- 3.8 Our Commissioning Strategy will deliver real benefits:
- joined-up service delivery planning and decision making,
 - innovation in service design and delivery,
 - savings through targeted need and avoidance of duplication and/ or over-lap,
 - savings through new service delivery methods,
 - savings through decommissioning; and
 - enhanced capability for actively managing emerging agendas.
- 3.9 Our Commissioning Strategy will ensure a co-ordinated approach within the organisation, which will respond to the will and ambition set out in the Council Plan.
- 3.10 Our Commissioning Strategy is designed to ensure compliance with existing legislation, predominantly the EU Procurement Directives, and reflects all related legislation and national policy drivers including the Social Value Act, Localism Act, advances in Equalities legislation, National Procurement Strategy, Transformational Government Agenda, the ‘Roots’ Review and the Sustainable Task Force’s Report ‘Procuring the Future’.
- 3.11 The Commissioning Strategy is complementary to the Council’s existing Sustainable Procurement and Commissioning Strategy, approved as part of the Council’s Policy Framework in 2016 and updated in February 2019. The existing strategy primary focus is procurement, being the process of acquiring goods, works and services. At the time of approving the update in February 2019, it was acknowledged that the strategy would need review to ensure it meets the Council’s needs in the future under the Customer Connect model.
- 3.12 It is proposed that our Commissioning Strategy takes precedence over the Council’s Sustainable Procurement and Commissioning Strategy in so far as it refers to commissioning. Officers of the Council will provide a further report on the updating of the Councils Procurement Strategy.

- 3.13 Our Sustainable Procurement and Commissioning Strategy introduces the concept of commissioning as *“securing services that address the needs and wishes of the service user as determined through research and planning.”*
- 3.14 Commissioning is rooted in challenge and change and involves a process which involves evaluating need, looking at new ways of working and being open to how and in what way a service is delivered. While commissioning may involve the use of an external supplier, commissioning involves an approach open to the consideration of change.
- 3.15 Our Commissioning Strategy sets the framework for how we use the total resources available to the Council in order to improve outcomes for South Lakeland residents in the most efficient, effective, equitable and sustainable way.
- 3.16 Procurement considerations and activity form specific stages of the commissioning cycle and represent part of the strategic and integrated approach to how we best turn the Council’s priorities into actions for the benefit of the people and communities of South Lakeland.
- 3.17 Our Commissioning Strategy involves a range of activities, currently reflected in part through the work of Overview and Scrutiny Task and Finish Groups, which help to identify the needs and priorities for our area, develop policy direction and service models to meet those needs of which the commissioning cycle involves a broader discussion between needs assessment, resources, delivery and evaluation.
- 3.18 Our Commissioning Strategy would ensure that robust performance management arrangements are in place. This will enable us to monitor expectations of outcomes from commissioning and allow us to monitor the environmental and social value relative to resources invested to evaluate impact, identify ways to improve performance, and enhance the performance of existing activities.
- 3.19 In approving our Commissioning Strategy it is proposed that the Council’s Monitoring Officer make the required amendments to the Council’s Constitution as outlined in Appendix 2. The amendments are to Part 3 - Responsibility of Functions section 2, section 6 and Part 2, Article 13 paragraph 13.03(b) Key decisions.
- 3.20 The Commissioning Strategy is now presented, providing the strategic approach to turning the Council Plan into activity which best meet the needs and priorities for South Lakeland. It will be supported by the existing [procurement] strategy’s focus on process of procurement.

4.0 Consultation

- 4.1 In October 2017 Council approved the implementation of a new Future Operating Model (FOM) based on detailed service by service activity analysis, refined maturity assessment, cost analysis and a technology assessment.
- 4.2 The model sets out how the Council will deliver services to customers and how the customer will interact with the Council. Based on local choice, the organisational then developed through detailed design based on agreed design principles, local constraints and corporate ambition.
- 4.3 To ensure there are effective systems to manage, optimise and monitor delivery of commissioned activity both strategic and service level performance monitoring and management will be coordinated, ensuring remedial action is taken where appropriate and a co-ordinated reporting of performance to the Executive and Management Team.

4.4 All processes set out in our Commissioning Strategy will follow the Council's Constitution Rules of Procedure Part 4 - Budget and Policy Framework Procedure Rules. The Strategy is part of the Council's Budget and Policy Framework. As such Overview and Scrutiny Committee are being requested to approve the strategy to proceed to Cabinet and Council.

5.0 Alternative Options

5.1 Our Council's Commissioning Strategy is a critical element of our transformation and supports the delivery of the Council Plan priorities and outcomes.

6.0 Links to Council Priorities

6.1 Seeking continuous improvement in what we do, ensuring that our actions address the needs of South Lakeland.

6.2 Elected members play a crucial role in our Commissioning Strategy:

- working with officers to set out the strategies and frameworks to work within,
- participate in the commissioning process to ensure priorities are appropriately reflected, and
- scrutinise decision-making to ensure the process and its outcomes are meeting strategic policy goals.

7.0 Implications

Financial, Resources and Procurement

7.1.1 The Local Government Act 1999 s3(2), which was later reinforced by the Best Value Statutory Guidance 2011, placed a duty on all Local Authorities to secure Best Value, with strategy and good commissioning and procurement skills widely recognised as essential to delivering value for money.

7.1.2 Our Commissioning Strategy should be read in conjunction with the Council's Constitution Rules of Procedure Section 4 which details the contract procedure rules to be followed.

7.1.3 Additionally, the Council's procurement Toolkit provides guidance and templates which are available to support staff in meeting their procurement responsibilities.

Human Resources

7.2.1 An integrated commissioning based approach will inform the delivery of strategies, planned services, actions and projects, including whether and how activities are internally or externally commissioned.

Legal

- 7.3.1 With all decision making and particularly those related to changes to service commissioning, decommissioning or recommissioning there are requirements to carry out public consultation. Legal Governance and Democracy Specialists will provide advice on the requirements for meaningful consultation on any future commissioning proposals. Legal Governance and Democracy Specialists will also advise Services on the appropriate decision making route for any proposals.
- 7.3.2 Legal provide advice on the procurement process and on entering into contracts, variations to contracts and renegotiations with suppliers/ providers in accordance with the Contract Procedure Rules in the Constitution and with legislation.
- 7.3.3 The Public Services (Social Value) Act 2012 calls for all public sector commissioning to factor in economic, social and environmental well-being in connection with public service contracts. The Procurement Policy Note 10/12 provides further advice for commissioners and procurers. This Commissioning Strategy seeks to align our approach with existing Legislation including the Localism Act and our Public Sector Equality Duties under the Equality Act 2000.

Health, Social, Economic and Environmental

- 7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 7.5 Health, Social, Economic and Environmental Impact Assessments form part of the overall strategic commissioning cycle.
- 7.6 We will, at all stages, ensure our commissioning framework follows professional standards and legal requirements.

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 Equality Impact Analysis form part of the overall strategic commissioning cycle.
- 7.9 We will, at all stages, ensure our commissioning framework follows professional standards and legal requirements.

Risk

Risk	Consequence	Controls required
Service delivery is fragmented.	Service areas use differing sets of criteria.	The importance of a common language.
Lack of consideration of options for delivery.	Basic commissioning principles are not in place.	Proportionate commissioning approach to everything we do - including projects and partnership work.
Scoped out needs are not explicit, explained and justified.	Exceptions lead to criticism of strategy.	The need to be clear that the approach is about critically examining existing activity as well as new areas and that our commissioning model is not about outsourcing.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Commissioning Strategy 2020
2	Constitutional Amendment requirements arising from the Commissioning Strategy 2020

Background Documents Available

Name of Background document	Where it is available
Sustainable Procurement and Commissioning Strategy 2016 to 2019	Sustainable Procurement and Commissioning Strategy (2019 update)
Future Operating Model (FOM) (October 2017)	SLDC Future Operating Model - Business Case (October 2017)
South Lakeland District Council Constitution (November 2019)	SLDC Constitution (November 2019)

Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	15 May 2020	26 May 2020
Section 151 Officer	15 May 2020	4 June 2020
Monitoring Officer	15 May 2020	8 June 2020
CMT	4 June 2020	4 June 2020

Circulated to	Date sent
Lead Specialist	15 May 2020
Human Resources Lead Specialist	15 May 2020
Communications Team	15 May 2020
Leader	29 May 2020
Committee Chairman	29 May 2020
Portfolio Holder	29 May 2020
Ward Councillor(s)	Not Applicable
Committee	17 July 2020
Executive (Cabinet)	24 June 2020
Council	Not Applicable