

WIRRAL COUNCIL

CABINET

1 SEPTEMBER 2011

SUBJECT:	OUTCOME BASED COMMISSIONING
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ADRIAN JONES
KEY DECISION?	YES

1.0 **EXECUTIVE SUMMARY**

1.1 The purpose of this report is to provide Cabinet with an update on the development of a strategic approach to outcome based commissioning and its relationship with the development of Neighbourhood Plans.

2.0 **RECOMMENDATIONS**

2.1. That Cabinet note the progress being made and receive further reports following the consultation on Neighbourhood Plans.

2.2. That Cabinet endorse the approach to connect the Outcome Based Commissioning project to the work being done on developing Neighbourhood Plans.

3.0 **REASONS FOR RECOMMENDATIONS**

3.1. Cabinet requested an update on 2 June 2011.

3.2. Connecting these activities will ensure a consistent approach to commissioning across all Council services.

4.0 **BACKGROUND AND KEY ISSUES**

4.1 On 2 June 2011, Cabinet agreed seven key principles that underpin the development of an outcome based commissioning framework and requested that a further report be presented on options for applying the approach to major service reviews.

4.2 Further research has been conducted on the subject and the approach needs to be integral to the response to the Localism Bill. Cabinet agreed on 2 June 2011 that the initial focus for the development of this commissioning approach should be in the following two areas:

- (a) services provided by the voluntary, community and faith sectors
- (b) services provided to adults with a learning disability

- 4.3 The Wirral Learning Disability Partnership Board agreed revised Terms of Reference in March 2011 and is progressing to review and revise its strategic intentions through a number of sub-committees. It aims to develop a new Business Plan for 2012-13 and beyond by November 2011. The primary aspect of the commissioning framework is stakeholder engagement and the Board met on 1 August 2011 to agree an action plan that will promote wider and better engagement of the various groups in the learning disability community. The Business Plan will be considered by Cabinet on 8 December 2011 and NHS Wirral in February 2012.
- 4.4 In relation to commissioning in the voluntary, community and faith sectors, Cabinet have agreed the extension of many of the voluntary sector funding arrangements for the remainder of this financial year whilst a wider review of commissioning and grant funding is undertaken. This review sits alongside the development of the Council approach to participatory budgeting and the development of Neighbourhood Plans for Wirral communities. Cabinet agreed on 23 June 2011 that the initial results of the consultation will be reported to the 11 Area Forums in October 2011 and that Neighbourhood Plans would be in place by December 2011.
- 4.5. In a broader context, advantage has been taken of the research capacity afforded by officers on the MBA programme. An academic study entitled '*Outcome Based Commissioning: Implementation through the Neighbourhood Planning Process*' was completed in July 2011 and is currently being assessed. The study evaluated the prospects of applying this commissioning approach to other service areas where communities would be more involved in service design and in some cases service delivery through social enterprise, mutual or any other corporate entity.
- 4.6. The consultation conducted as part of this research revealed a significant appetite to be involved in the design of services and to some extent the provision. The consultation also highlighted the need for the Council to be explicit about potential efficiencies that might be achieved through the approach. People recognised the reduction in resources the Council faces over the medium term and were keen to express their views on priorities for the remaining resources. It is premature to invite Cabinet to consider any savings from this approach, but it is an opportunity to engage with local residents about priority spending on locally determined outcomes.
- 4.7. At this stage of the development it is also premature to suggest which service areas best lend themselves to the approach. It could be argued that all Council functions should be included with due regard for those statutory services that are almost entirely demand led (child protection, safeguarding vulnerable adults, housing benefit). The identification of the potential application should arise from the ongoing community engagement within the Neighbourhood Planning process.

5.0 **RELEVANT RISKS**

5.1 A number of key risks have been identified from the ongoing research.

- (a) The failure to maintain budget stability may make it difficult to sustain the support needed for local groups to be engaged and develop alternative delivery models. This will be mitigated if all delegated budgets are managed effectively.
- (b) A lack of awareness of outcome based commissioning may lead to a misunderstanding of the concept and may lead to mistrust and lack of confidence in the model. This is mitigated by not rushing through the changes and ensuring every opportunity is taken to improve understanding through the plethora of community consultations.
- (c) There is a risk of the most vocal in communities driving the agenda. Outcome definition and relative importance are not universal. This is mitigated by actively seeking out new people and groups to become more engaged and ensuring harder to reach communities are heard.
- (d) There is a risk that some statutory services that do not have a transparent impact on local communities are given a lower priority for investment. The Council will need to articulate these, and their value to the wider community, so that they are better understood.

6.0 **OTHER OPTIONS CONSIDERED**

6.1 This report provides a brief update on progress being made. All options that emerge from further research and community feedback will be considered.

7.0 **CONSULTATION**

7.1 The widest possible consultation will need be undertaken with local communities. As part of the Neighbourhood Planning process, meetings are being held with each Area Forum and many consultation events and targeted programmes are underway.

7.2 The academic research referred to in the report was supported by various consultation events that included two focus groups attended by 20 individuals from diverse communities; four semi-structured 'one-to-one' interviews with people previously engaged with consultation; a self administered on-line survey of 82 individuals who attend Area Forums; and discussions with staff from different Departments

8.0 **IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are none directly arising from this report, however voluntary community and faith groups will be instrumental to the implementation, both in terms of engagement and potential service deliverers.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 There are none directly arising from this report. The consultation is being met from within existing resources. Outcome based commissioning and Neighbourhood Planning is likely to have a material impact on the range and extent of services the Council offers, and who provides them.

10.0 LEGAL IMPLICATIONS

10.1 Subsequent decisions on funding will be conducted in accordance with the revised contract procedure rules and European procurement directives where financial thresholds are reached.

11.0 EQUALITIES IMPLICATIONS

11.1 Commissioning strategies and Neighbourhood Plans are being developed in consultation with Wirral communities. All Plans will have equalities assessments and actions to engage minority communities and target groups.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 Whilst there is no direct impact, funds already available to local groups are directed to energy efficiency. The carbon reduction challenge is contained within all new Council contracts and will feature in all discussions about service delivery.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Cabinet were made aware of the impact of the Localism Bill on 23 June 2011.

FNCE/170/11

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APPENDICES

None

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	
Cabinet – Development of an Outcome Based Commissioning Framework	2 June 2011
Cabinet – Neighbourhood Plans Area Forum funding	23 June 2011