

CABINET

22 FEBRUARY 2018

**Report of the Strategic Director - Commissioning,
Communities and Policy**

MOVING TOWARDS AN ENTERPRISING COUNCIL

Strategic Leadership, Culture and Tourism

1. Purpose of the report

To launch the authority's new enterprising council approach, to approve proposals which explore the use of new commissioning and delivery models to deliver service priorities and to approve plans to communicate and engage with employees.

2. Information and analysis

The role and shape of public services has changed dramatically over recent years. Reduced public sector funding and increasing demand for services driven by demographics and long standing social, health and economic pressures mean that the County Council, like many other councils across the country, continues to face significant challenges in providing the services local people want and need.

The Council Plan 2017-2021 sets out clear ambitions to be an efficient and high performing council delivering value for money services. Exploring creative ways to deliver better services for less and ensuring that the Council's operating model is fit for purpose is critical to the Council achieving its ambitions and addressing the challenges that lie ahead.

Over recent months the Council has put in place new structures to support the development of its new operating model. This has resulted in the creation of a new Commissioning, Communities and Policy Department and Strategic Director role, which sits alongside the Strategic Directors for Adult Care and Public Health, Children's Services and Environment, Transport and Economy in driving forward the priorities of the Council. However, more fundamental changes will be required if the Council is to continue to deliver high quality services in the future.

The Council has recently been exploring whole council approaches to transformation, widely used across the country by other local authorities. Analysis has revealed that there are advantages and disadvantages to many

of these and as such it is clear that the Council needs its own bespoke approach which reflects its vision and purpose and is right for Derbyshire. It is proposed that the approach for Derbyshire should be that of an Enterprising Council.

For any large organisation it is important to change as the world changes, to modernise and take advantage of new technology and better ways of doing things for both residents and employees. Thinking and doing things differently, not shirking bold decisions and making the most of new opportunities will drive the approach – an approach which is bold, ambitious and enterprising, where:

- Value for money is at the heart of everything that we do
- We are efficient and effective
- We focus on getting the best results for our residents whether that's by the Council delivering a service itself or by an external organisation – there's no one size fits all
- We have a bold, innovative and commercial mind set
- We do things 'with' local people rather than 'to' them and we value fairness, openness and partnership
- We are proud of Derbyshire and are ambitious for our public services.

Moving towards an enterprising council approach will require a rapid pace of change and a hugely challenging and ambitious whole council programme of transformation over the next four years. This will result in wide reaching and long lasting culture change within the Council and will see a move away from more traditional and paternalistic approaches to service delivery together with fundamental changes to relationships with local people, communities and employees. The new approach will impact on all aspects of the Council's work and strong leadership across the organisation will be crucial in delivering the changes set out above.

Work will now take place to further develop the Council's current operating model and to communicate and engage with employees on plans. This will be essential in embedding the approach across the Council. A draft strategy setting out the key steps and actions required to further develop the approach, will be prepared. This will form part of the whole council programme of transformation set out above. Work on leadership, organisational development and the skills and capabilities necessary to develop and embed the transformation programme, that will be required to become an Enterprising Council, will be a priority.

New Commissioning and Delivery Models

Approximately 50% of Council services are already run on the Council's behalf by the voluntary sector, parish councils, public-private partnerships, private contractors or charitable and community interest companies. A key priority, which will form a significant part of the enterprising council approach moving

forward, will be the further exploration of different commissioning and service delivery models to deliver Council and service priorities, including sharing or trading services with other local authorities. The priority will be to ensure that a flexible and entrepreneurial approach is adopted, enabling the creation of a mosaic of options for implementation.

A number of key steps to progress work over forthcoming months have been identified as follows:

- **Developing a shared understanding of commissioning** which will be important in ensuring that all stakeholders are aware of the range of commissioning opportunities that are available and in ensuring that commissioning is not seen purely as the privatisation or outsourcing of services.
- **Establishing a commissioning framework** which will identify parameters and principles of working and which will create a framework for the future development of the Council's approach
- **Developing a commissioning strategy** and associated action plans which clearly set out priorities and a timetable for planned activity. This will include "what" and "how" and the resources, in terms of capacity and capability that will be required.
- **Communicating widely** to ensure that there is a clear understanding of the scope, breadth and ambition of the application of the strategy in the longer term, including back office support services as well as customer-facing services.

These steps are not exhaustive and are intended as a starting point to guide work. It is anticipated that the commissioning framework and strategy will be in place from June 2018 onwards and moving forward, every service area across the council will be considered and reviewed.

However, in exploring the use of new commissioning and delivery models to deliver service priorities a number of early start service areas have been identified to test the approach and to support the development of the framework, strategy and associated action plans. These are set out below.

- **Occupational Health** - The Council's Occupational Health Service provides support to employees and their managers. The service includes a small number of staff, and buys some services in. Existing contracts come to an end between October 2018 and March 2019 so it is a good time to review the whole service and consider options for future service delivery.
- **Assistive Technology** - This service provides alarm monitoring services for older and vulnerable people, such as telecare and telemedicine. The Council has a range of external contracts with a variety of companies but

there are opportunities to buy these services in a more efficient way, giving the Council better value for money.

- **Learning Disabilities** - An engagement exercise is underway involving discussions with people with learning disabilities, families, carers and staff. We are asking people how they would like to spend their days and how we could better support them to achieve their ambitions. This may mean we need to shape the way we commission and provide services enabling greater personal choice and flexibility. The service costs £14.4 million and employs 207 day service workers who work with 950 people.
- **Libraries** - The Council has 45 libraries and two mobile libraries. A new strategy is being developed to look at different ways to deliver public library services.
- **Property** - This includes cleaning, building maintenance, construction and grounds maintenance. A review will be undertaken to assess options for delivering a more sustainable and cost effective service, across all areas of professional and operational teams, including all fee earning and traded services.
- **Highways and fleet management** - This includes highways network management, maintenance, street lighting, traffic and safety, highways structures, design, construction, laboratory, strategy, highway tree management, public rights of way, road safety, County Transport fleet management service and associated business support. These services employ around 430 staff and have over 150 different contracts with organisations.
- **Leaving care** - This service supports children in our care to make a positive move to an independent life. Increasing numbers of children coming into care and new responsibilities to support care leavers up to the age of 25 are putting additional pressure on the service. A new service approach will be developed and it is anticipated that, subject to appropriate reports to Cabinet, consultation will commence in March 2018 and any changes to service delivery arising will be implemented from July 2019.
- **Sports and outdoor service** - The sports and outdoor service, which includes two residential centres at Lea Green and Whitehall, and the school swimming service, needs to reduce the amount of money it has from the Council from £607,000 to zero by 2019/20. In order to do this the service is looking at different ownership models. Options will be presented to Cabinet in July 2018 with implementation of any recommendations by the end of 2019.

- **Thriving Communities** - Work will start to assess a number of options to mainstream work on Thriving Communities.

Governance and Programme Management

Governance arrangements, to ensure appropriate oversight and leadership of the commissioning framework and strategy are currently in development. It is expected that additional skills, experience, capabilities and capacity will be required to deliver the commissioning framework. Work is underway to identify these requirements and any gap in capacity and capability required to deliver the Council's new operating model.

In the short-term, capacity to manage and coordinate the enterprising council approach corporately across the Council will be required. It is, therefore, recommended that a permanent Grade 14 Project Manager post be established in the first instance to undertake this role. Understanding what skills and capacity are already available within the organisation will also be important. In the medium term additional specialist skills and expertise will be required but it is recognised these may only become fully apparent as the early start service areas are progressed and additional priorities for inclusion in the Council's commissioning strategy start to emerge.

Moving Forward

Progressing the early start service areas will be a priority moving forward, particularly over forthcoming months. However, work on the development of the Council's commissioning framework and strategy will also need to be progressed to meet the timescales set out in the report. Learning from the work undertaken on the early start service areas will inform the development of both the framework and strategy and updates on progress will be presented to members in due course.

3. Financial Considerations

The cost of the permanent Grade 14 Project Manager's post, which is likely to total £64,722 per annum including on costs will initially be met from the General Reserve for a period of up to two years. After this point it expected to be financed from ongoing savings from the commissioning programme.

4. Human Resources Considerations

The Grade 14 Policy Manager post will sit within the Policy and Research Division but will work with, and across, Council departments to manage and coordinate the overall corporate commissioning approach. The appointment will be made in accordance with the Council Recruitment and Selection Policy.

As work progresses on the early start service areas, any proposed changes to existing staffing arrangements will be subject to a report to Cabinet and formal consultation with affected staff and Trade Unions.

5. Social Value Considerations

Proposals to explore new commissioning and delivery models to deliver service priorities offer opportunities to maximise social value. These opportunities will be considered as part of the development of the commissioning framework and as priorities for inclusion in the commissioning strategy emerge.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, legal and human rights, equal opportunities, environmental, health and property and transport considerations.

7. Background Papers

Files held by Strategic Director, Commissioning, Communities and Policy

8. Key Decision

No

9. Call-in

Is it required that call-in be waived for any decision on this report? **No**

10. Officer's Recommendations

It is recommended that:

1. The launch of the authority's new enterprising council approach is approved.
2. An Enterprising Council strategy, setting out the key steps and actions required to further develop the Council's approach be brought to a future meeting of Cabinet for consideration and approval.
3. Plans to develop a commissioning framework and strategy, to be in place from June 2018 onwards, be supported.
4. Plans to progress a number of early start service areas to support the use of new commissioning and delivery models to deliver service priorities, as set out in the report, be approved.

5. All employees are made aware of the Council's future direction as an Enterprising Council and departments communicate and engage with employees and trade unions on the early start service areas.
6. A permanent Grade 14 Project Manager post, the costs of which will initially be met from the General Reserve for a period of up to two years be established to support the overall management and coordination of the corporate commissioning strategy.
7. Further reports on progress be presented to future meetings of Cabinet in due course.

**Emma Alexander
Strategic Director for Commissioning,
Communities and Policy**