

**COMMITTEE: RESOURCES AND GOVERNANCE OVERVIEW AND  
SCRUTINY COMMITTEE**

**DATE: 4 SEPTEMBER 2008**

**SUBJECT: LOCAL AREA AGREEMENT COMMISSIONING  
COMMITTEE REPORT**

**FROM: DIRECTOR ADULT SOCIAL CARE**

**PURPOSE OF REPORT**

The report is to make members aware of the work that is being undertaken to develop a Manchester Model of effective commissioning to support achievement of Local Area Agreement targets and thus delivery of key elements of the community strategy.

**RECOMMENDATIONS**

1. To note the progress made to develop the model and the potential impact on supporting a more effective and innovative approach to service delivery across the Manchester Partnership.
2. To highlight specific areas for further scrutiny and reporting.

**FINANCIAL CONSEQUENCES FOR REVENUE BUDGET**

None highlighted at present

**FINANCIAL CONSEQUENCES FOR CAPITAL BUDGET**

None highlighted at present

**WARDS AFFECTED**

All

**CONTACT OFFICERS**

Caroline Marsh, Director Adult Social Care

**BACKGROUND DOCUMENT**

Manchester's Local Area Agreement

## 1. Introduction

The Local Area Agreement is a three-year agreement between Manchester City Council, its partners and government. It has been developed and agreed with all agencies within the Manchester Partnership. As part of the drive towards better partnership delivery the Local Area Agreement makes this statement about commissioning, "Public money will be utilised more efficiently if all partnership resources are aligned towards the desired outcomes of the LAA. The Partnership is exploring innovative ways of developing and implementing commissioning of services bringing together the many models of commissioning already being used. Over the course of the LAA a more effective and innovative commissioning process will be put in place, bringing benefits to partnership members, suppliers of services and customers. We will create a Manchester model of commissioning and a compendium showing how that model is applied in different services and partners."

Recent statutory guidance (July 2008) emphasises the role of the Local Strategic Partnership and thematic partnership in shaping and steering the strategic commissioning of local services and making the Local Area Agreement a reality. This work is also critical to improve on the Council's use of resources to meet requirements for a higher score in the comprehensive Area Assessment. This report sets out how the work is being taken forward as a multi-agency project, led by the Director of Adult Social Care.

## 2. Background

Commissioning is essentially about connecting resources to priorities to meet needs and achieve the outcomes we seek for our residents. We believe we could improve outcomes and respond more effectively to the needs of our people if we were more effective in commissioning. Services already undertake commissioning e.g. Children's Services, Adult Social Care, Supporting People, Primary Care Trust World Class commissioning. Although it is done in different ways at different levels in these organisations and there is no one size fits all, there is a common strategic process. Commissioning is usually defined as a cycle, which:

- Identifies need
- Develops a commissioning strategy to meet needs
- Identifies solutions to meet needs
- Procures services, securing them at best value for money with appropriate contractual arrangements
- Develops and manages markets
- Reviews effectiveness of how needs are being met, and the cycle starts again.

This commissioning cycle drives the procurement, purchasing and contracting activities which support the process. Commissioning can take place at strategic, operational, and increasingly with the use of individual budgets, at individual resident levels. The first joint strategic needs assessment for

Manchester has been undertaken by the Joint Health Unit, working with Children's Services, Adult Social Care and the Primary Care Trust as required

by Department of Health. This is a solid foundation on which to base health and social care commissioning, and for future years it is hoped it will be updated to reflect a wider range of needs, at more local level, and be linked to how local community capacity can be utilised to address need, alongside commissioned services.

The overall objectives of the project are:

- Agree a broad definition of commissioning and its associated terms;
- Describe the range of approaches to commissioning and define what works best in different circumstances;
- Become an enabler of commissioning – encouraging commissioning at the right level;
- Seek out, develop and implement innovative ways of commissioning;
- Agree priorities for investment linked to the desired outcomes;
- Achieve 'value added' by aligning pooled resources and some mainstream funding to deliver the desired outcomes, and
- Make a measurable difference, and demonstrating this through an agreed evaluation framework and LAA indicators.

### **3. Summary of activity so far**

The project was formally launched in January 2008 and a working group established. This has representation from Children's Services, Adult Social care, Supporting People, Housing, Primary Care Trust, voluntary sector and the Manchester User led Organisation. The group has scoped the work of the project and supported a number of meetings and documentation:

- Report to Manchester Public Service Board, establishing a workshop on commissioning and indicating the need for further project planning (29th January 2008).
- Commissioning workshop facilitated by Steve Jones (former Chief Executive of Wigan Council), establishing the need for a compendium of commissioning, examining the nature of a Manchester model and stating the need to focus on LAA actions (March 28<sup>th</sup> 2008).
- The workshop was designed to demystify commissioning and develop a shared understanding of the common principles underpinning effective commissioning. The workshop also provided opportunity to learn about new approaches to applying commissioning approaches such as world class commissioning undertaken by the Primary Care Trust, and commissioning for personalisation using individual budgets implemented in Adult Social Care. It is recognised that these innovative approaches will be critical for success. It is also acknowledged that significant resource is utilised on commissioned services as part of mainstream activity and that the other dimension to innovation; commissioning imaginative solutions, is equally important.

- LAA commissioning group meetings every 6 weeks, establishing a number of actions and agreeing to ask iMPOWER to update the project plan and scope the project in more detail. IMPOWER is a consultancy.

currently working with Adult Social Care to support their Change Programme, and is an organisation with considerable expertise around local authority and joint commissioning.

#### 4. Current Focus

The overall aims of this phase of work are

1. The introduction of more consistency and quality in commissioning across MCC and partners. This will help with the CAA requirement for MCC to improve its performance on ‘use of resources’.
2. The use of better and more focused commissioning by MCC and partners to help deliver the LAA targets. This will support delivery of the LAA.

In addition to the above aims, there is one further area that the project will cover – engagement with the various departments and partners whose work will collectively deliver the LAA targets. It has been proposed that this work should initially be on a self-assessment basis with quality assurance / validation at the centre. This can be summarised as follows:

Scope area	Key points
<ul style="list-style-type: none"> <li>• Improve quality and consistency of commissioning across council and partners</li> </ul>	<ul style="list-style-type: none"> <li>• Establish Manchester model and compendium of commissioning.</li> <li>• Commissioning work in ASC to be shared as part of this process.</li> <li>• Share model and require partners and departments to self-assess for quality.</li> <li>• Link to / influence regional developments in procurement and commissioning.</li> <li>• Where relevant, require action plans for improvement.</li> </ul>
<ul style="list-style-type: none"> <li>• Use of Manchester model to define local action plans</li> </ul>	<ul style="list-style-type: none"> <li>• Outputs of Manchester model work to be used by relevant partners and departments to self-assess.</li> <li>• Self-assessments should result in action / improvement plans where relevant.</li> <li>• Action improvement plans need to be validated and quality assured. This may require a number of iterations.</li> </ul>

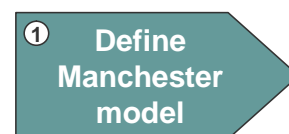
This implies a scope of project covering commissioning in all relevant MCC departments and partners, and including the commissioning budgets currently used by council departments and partners. It is assumed that the timeframe is to March 30<sup>th</sup> 2011.

#### 5. Approach and Plan

The approach has a number of discrete stages. The first stage relates to the development of the Manchester commissioning model. The second and third stages relate to the creation of action plans following self assessment by departments and partners and the validation and refining of those plans into a

coherent whole. The aim is to complete the sign-off of the action plans in January.

## 5.1 Manchester model: improving the quality and consistency of commissioning



### **Objective**

Improve the quality and consistency of commissioning across Council departments and partners.

### **Comments**

The proposed work in this area includes work to define a 'compendium' which sets out the common language for commissioning in Manchester, and to develop some principles for commissioning which collectively can be described as a 'Manchester model'.

It is proposed to use a self-assessment approach to allow partners and departments to make their own decisions about whether the Manchester model adds value to their own current position, and whether they can usefully make changes to improve their commissioning performance.

Finally, over the 3 years to 2011 the ASC commissioning team will be making some significant changes in the development of new approaches to commissioning in the context of personalisation. This thinking needs to be shared with partners and other Council departments to enable them to consider the relevance of the new thinking in the light of their own requirements, and will be included as part of the Manchester model without it becoming the dominant approach.

### **Activities**

#### **Manchester model**

- Prepare for a partner workshop pulling together draft common core principles for commissioning.
- Hold a partner workshop to debate and agree common core principles for a Manchester model.
- Write up outcomes from the partner workshop, prepare 'Manchester model' deliverable and share with partners. This deliverable would need to include a third sector approach, and an outcomes methodology.

#### **Compendium**

- Understand, against the 'Manchester model', how each department and partner current operates, the language they use, how they describe specific functions and who does those functions.

- Attempt to draw this together by documenting where people use different language for the same activity.
- Present the range of different commissioning types in a single picture.

### **Deliverables**

- A Manchester Model of commissioning and a Compendium.

### **5.2 Create action plans for delivery**



### **Objective**

To enable individual departments and partners to consider the proposed activities to deliver LAA targets through effective commissioning, and the Manchester model, and to create action plans for delivery using commissioning as a delivery tool.

### **Comments**

This part of the project is risky and requires a combination of clear governance, setting of expectations, clear templates, and willingness to challenge constructively. It also requires clear communication with partners, leadership from senior members of the Council, and probably some set-piece events to share thinking and plans. Finally, it will require some critical analysis of the action plans when returned, and an ability to join up the plans both to create a coherent single picture, and to identify joint responsibilities for activities when required. There are significant workforce development needs as commissioning requires new skills, and these will also have to be addressed.

### **Activities**

- Share the Manchester model and compendium, with relevant partners and departments.
- Create templates for the creation of specific action plans for each department / partner to facilitate completion.
- Provide support where required for partners and departments completing their plans.
- Manage the submission of plans back to the project.
- Critically analyse action plans for quality, deliverability and completeness.
- In conjunction with partners and departments, provide feedback and suggested changes to the plans.
- Create a single, coherent plan covering all the activities required, and present this as a plan over the short, medium and long term for commissioning activity.
- Get the plan signed off and suggest a model for monitoring and following up of delivery.

### **Deliverables**

- Templates for completion of action plans.

- Feedback to partners and departments on the quality of action plans.
- Single, coherent overall plan.

### 5.3 Project Management and Governance

There are a number of key elements to Project Management and Governance.

- Governance: a clear governance model is vital for the success of this project. It will be important to clarify the relationship between the Commissioning Project Group, the SMT sub-group addressing use of resources, and the Public Service Board.
- Communications: clear and precise communications with all stakeholders will also underpin the success of this project. We intend to define very early who the key stakeholders are and what their respective roles will be on the project (e.g. decision makers, influencers, etc). Senior colleagues will need to be prepared to support the communications efforts as the project progresses.
- Project management: iMPower will provide the capacity to manage the project, but will need to hand over responsibilities once the initial work has been completed. Work needs to be done to clarify how this will be achieved

## 6. Conclusions

Commissioning is an important tool to support delivery of the Local Area Agreement and to support best use of resources. It is mainstream activity for a number of departments and the Primary Care Trust. Each has its own approach, but there are some common aspects of the process applicable to all. This project will enable Manchester Model and compendium of approaches to be designed to enable commissioners to apply the best approach to achieve better outcomes and identify how to improve use of resources. There is a clear approach to develop a coherent overall plan by March 2009. Further work needs to be done by then to identify the approach to implementation in years 2 and 3 of the LAA, and to ensure sufficient focus and capacity on requirements for CAA.