

SCRUTINY COMMISSION – 28 MARCH 2012

REPORT OF THE CHIEF EXECUTIVE

INTEGRATED COMMISSIONING IN LEICESTERSHIRE

Purpose of Report

1. The purpose of this report is to update Scrutiny Commission on progress in embedding a culture of integrated commissioning in Leicestershire. This includes the rationale for the new approach, its supporting governance, and a review of progress to date in achieving our ambitions.

Policy Framework (and previous decisions)

2. Integrated commissioning is integral to the work of Leicestershire Together, the Local Strategic Partnership for Leicestershire. The Agenda for each meeting of the Leicestershire Together Commissioning Board and Commissioning Executive includes a Commissioning section within which progress in relation to various aspects of commissioning, for example key insights, priority setting, joint planning, governance and performance management, is reviewed.

Background

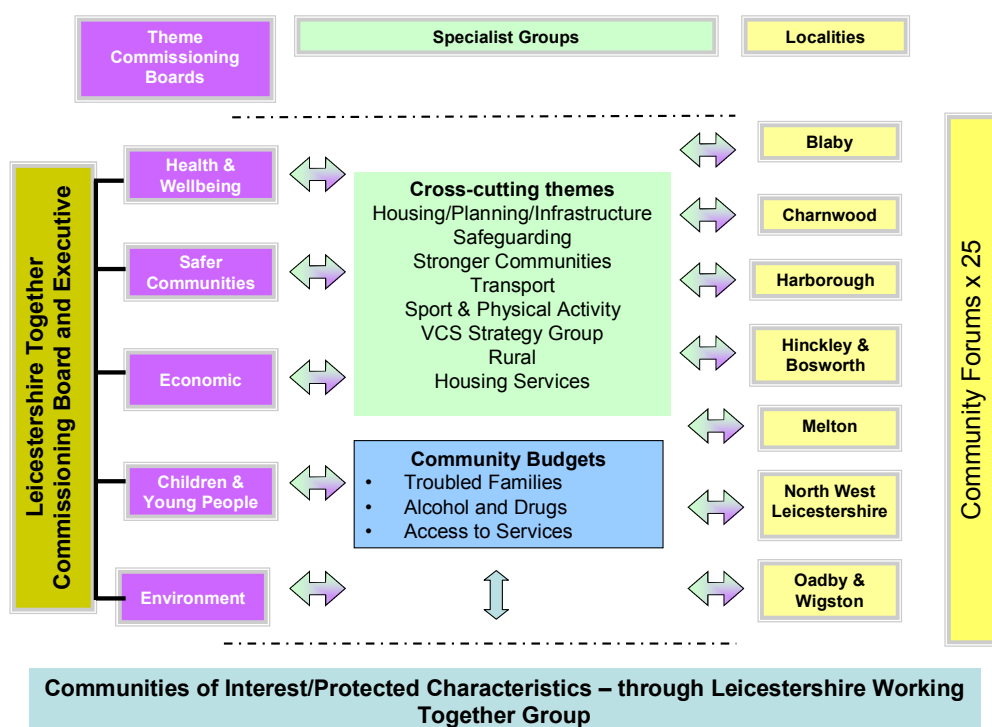
Rationale for Integrated Commissioning

3. *Integrated Commissioning* describes a process where different public service organisations and partnerships jointly plan, and in some cases fund, required activity. At a high level it covers the setting of collective strategic priorities across public services and how these will be monitored. It can also include harder-edged, more detailed plans to jointly use public resources to deliver specific outcomes, which in some cases can lead to an external procurement process.
4. The approach is founded on the basic insight that an organisation delivering a particular public service can often only achieve its objectives with the active assistance of other public bodies, and that while joint working across institutions at an operational level is increasingly commonplace, the joint design and objectives set for those services are less so.
5. The ambition is to bring a harder edge to the way in which different public services in Leicestershire work together so that, as budgets decline, better use can be made of tax-payer's money. In principle, better planning across institutional boundaries can reduce duplication and waste, and provide a more focussed and effective service for users.
6. Although previous partnership working in Leicestershire was on the whole good, senior level boards were too large and unwieldy to encourage decision making. The large number of specific grants from Central Government meant that where

previous partnership groups did focus on using resources collectively, this too often involved relatively small and peripheral additional spend rather than the core activity and core resources of the partners – the £6 billion of public expenditure in Leicestershire.

Leicestershire Together structure and priorities

7. The Leicestershire Together structure was reviewed in 2010 in order to achieve a clearer separation between those who commission services and those who deliver them. The current structure, shown below, includes the Commissioning Board and Executive, five key Theme Commissioning Boards and a number of cross cutting groups in addition to seven Locality structures and 25 Community/Area forums.



8. As the new Leicestershire Together Boards start to examine how to use their mainstream budgets to achieve the objectives they have in common, there is more likelihood of achieving a more seamless and efficient service for public service users, sometimes referred to as a *whole-systems* approach.
9. An *Integrated Commissioning* response creates an opportunity for local public services arising from the abandonment of the Local Area Agreements (LAA) and the partial dismantling of associated top down targets and bureaucracy from Central Government. In many areas public services within Leicestershire are now freer to determine their own priorities. A more coherent Leicestershire Together process provides a forum for doing so in a way that makes the most of the connections between services, whilst recognising each institution's autonomy. Unlike the LAA process, public services are choosing to enter into these partnership arrangements; it is a process based on consent not force.
10. At the heart of the process is the delivery of our shared priorities. During the last 12 months the Commissioning Board and Executive have agreed a cross cutting

principle - a shift to prevention and early intervention in order to maximize the impact of limited resources – in other words “spend now to save later” and four priority outcomes which represent the things that we see as the most important issues for Leicestershire as a place and which require us to work together to tackle them effectively:

- A. *A reduction in the number of “troubled families” in Leicestershire*
- B. *Services designed to mitigate the impacts of an ageing population and enable older people to live independently for longer*
- C. *The growth of the Leicestershire economy*
- D. *A healthier population with increased life expectancy, and a reduction in health inequalities*

11. Leicestershire’s involvement with *Total Place* and, more recently, *Community Budgets* means we are at the cutting edge of how local areas work together in a post-LAA world, and although the approach is still evolving there are signs the investment in *Integrated Commissioning* is leading to positive real world change.

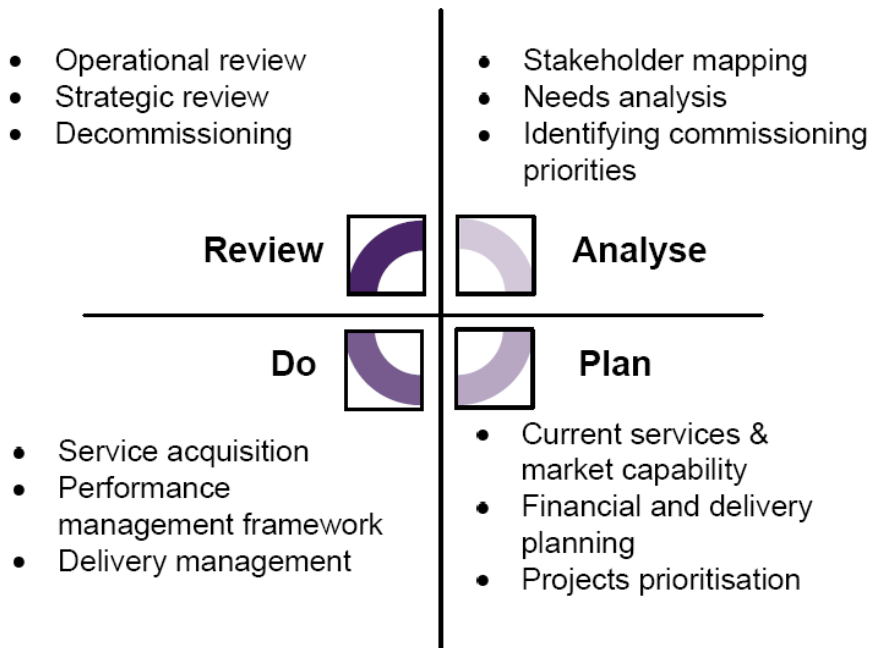
The Commissioning process

a) Leicestershire Together Programme Team

- A. The Leicestershire Together process, including integrated commissioning, is led by the political and officer leadership within the County Council and partner agencies, including District Councils, the Police, NHS, probation and the Voluntary and Community Sector (VCS).
- B. The integrated commissioning process is supported by a small programme team in the Chief Executives Department of the County Council, who in turn are connected to a wider group of officers, including senior lead officers from each of the County Commissioning Boards; support functions including Research and Insight, Performance and Procurement; and officers from District Councils and other local service providers.
- C. The Programme Team have tried to create and manage a process sufficient to oil the wheels of harder partnership working, but light-touch enough to keep bureaucracy to a minimum, as set out in b) below.

b) Developing a consensual process

- A. *Integrated Commissioning Handbook*: Leicestershire Together partners worked with Tribal Consulting in 2009 to develop a handbook to underpin the commissioning process. This sets out the key stages of effective commissioning, as shown in Figure 1 below:



- B. *Leicestershire Together Road map*: In October 2011 the programme team published a 'Road Map' for integrated commissioning on the Leicestershire Together website, following an inclusive development process involving individuals from across the Leicestershire Together structure¹.
- C. The road map reiterated the objectives of the Integrated Commissioning approach, and requested that the various Boards in the structure (the five Theme Commissioning Boards plus as many cross-cutting partnerships as possible) publish draft commissioning plans by the end of 2011 setting out their objectives, the core activity required to achieve their aims, and areas where they envisaged collective commissioning of services.
- D. Boards were also asked to consider links *between* (rather than *within*) Boards, a process supported by two Challenge Sessions in February, which included external partners, such as 6 representatives from the new Voluntary Sector Strategy Group. The themes chosen for the Challenge Sessions remain two of the most significant challenges we face – a session on 'growth' in response to the economic downturn, and a session on 'demand management' as a response to our reduced budgets. The sessions were well attended, with senior representation from the County Council, District Councils, Police, NHS, Probation, and the Voluntary Sector. Final commissioning plans are due to be produced by each Board by the start of the new Financial Year in April 2012.
- E. *Leicestershire Together Website*: Information about the commissioning process is published on the Leicestershire Together website². When commissioning plans are at an appropriate stage, they will also be made available. The website acts as a point of access for organisations involved in the process, and for others interested in maintaining an overview of Leicestershire Together activities.

¹ http://www.leicestershiretogether.org/integrated_commissioning_-_a_road_map-2.pdf

² <http://www.leicestershiretogether.org>

c) Targeted interventions

- A. *Direct support for Integrated Commissioning plans:* The programme team have directly supported a number of Theme and Cross-Cutting Boards in the development of their plans. For instance, the Health and Wellbeing Board is realigning its commissioning process and budgets for 2012/13 to drive real impact and a transformation in service delivery. This includes reduced hospital admissions/readmissions for older people through a shift of resources from acute to community settings, a shift of resource to prevention in targeted health and wellbeing services (including at locality level) and enhanced, integrated community health and social care services.
- B. The Community Safety Strategy Board has identified key priorities and a number of projects to support the delivery of these. Priorities include reducing re-offending through integrated offender management, reducing ASB by supporting a project that provides mentoring for young people involved in ASB, protecting the most vulnerable, and allocating funding to Districts to support their work in increasing public confidence and reducing ASB. The collective funding available to support this is £610,000.
- C. Finally, the Sports and Physical Activity Commissioning Group has developed a plan for Sport and Physical Activity that promotes a new targeted approach working with the least active and focusing on key priorities such as troubled families. Over £1million of funding from both Public Health and LCC is being allocated through this commissioning process
- D. *Focus on Locality Partnerships:* The Leicestershire Together process explicitly aims to avoid the 'top down' approach evident through the Local Area Agreement process. Instead, it recognises the independence of partners operating at a 'locality' level (the areas covered by the District Councils), while aiming to find efficient ways to deliver services across the whole County area.
- E. To help reflect this new approach, the programme team have invested time in building relationships with Locality Partnerships and the District Councils that sit at their heart. This has taken the form of representation from Localities on the Leicestershire Together Boards, an officer focussed on relationships with the Localities, several collective sessions with the District Chief Executives, and officers attending sessions on Integrated Commissioning for some District Members.

d) Successes and Areas for Development

- a) *The commissioning process*
- Leicestershire now has a post-LAA partnership process in place, and we are national leaders in creating a harder-edged partnership approach, encouraging pooled budgets where appropriate.
 - We think we have achieved a balance between encouraging (not forcing) a new approach and providing clarity about what is required of partnership boards by when.

- We have achieved clarity that Leicestershire Together is not a formal decision making body in its own right, but a place where decision makers meet. Both the Commissioning Board and Executive have smaller, more focussed meetings, which enables to the partnerships to manage day to day issues in addition to taking more strategic action.
- There has been scrutiny in its widest sense through the Challenge process, from the community through Leicestershire Working Together and from the VCS through the new VCS Strategy Group.
- Active participation; there has been strong leadership from across public bodies (including District Councils), with no key organisations standing outside the process.

But...

- Each of the Boards has achieved different degrees of progress: not all commissioning plans were provided on time; the Environment Board took time to establish; not all Boards have moved to considering collective planning of their core budgets.
- The process is evolving, and not everything has been right first time: e.g. the first Challenge Session on growth showed that plans from LLEP were still in development and not at a stage that made it easy to consider them in a meaningful way, but the structure of the following “demand management” Challenge Session was changed to allow more voices to be heard.
- The end of the LAA was welcomed, but it is now less clear what national government’s priorities for Leicestershire are.
- There is good participation and buy-in at senior level, but it is not clear how far this has penetrated into organisations (or how far it needs to).
- While the process has gone relatively smoothly so far, the proof of the integrated commissioning approach is rooted in achieving better value for money and outcomes for Leicestershire people, not in a successful process for its own sake.

b) Real world commissioning

- Commissioning plans are emerging; there is a greater understanding of strategic priorities and the areas where cooperation is required within and across boards.
- There are already harder edged plans for Community Safety, Sport and Physical Activity and some areas of Health and Well Being, even though final plans are not expected until the new financial year.
- The areas where we need to support cross-partnership activity in 2012/13 onwards are clear - troubled families, older people, vulnerability (including mental health) and worklessness.

But...

- Partners have requested clarity about what commissioning refers to; is it a) strategic plans setting priorities, key actions and measuring progress or b) joint planning of particular activity with pooled budgets, or both? In future it is proposed that we refer to the former as strategic planning, and make it clear that integrated commissioning is more about detailed planning in a particular area of service with real money on the table.
- While there are increasing examples of harder-edged partnerships planning services collectively, much of the £6 billion of public services in Leicestershire are not jointly planned. We do not want to see partnership working for its own sake, but it seems likely that we are not yet at an optimum level of integrated commissioning.
- The focus so far has been on jointly planning where public money is spent, but in the future the approach may need to shift to also focus on areas where resources may be withdrawn or changed. It is probable that this different focus will be an even tougher test for partnership working.

Consultations

12. Consultations are undertaken in relation to individual strategic and commissioning plans by the respective Commissioning or Cross-Cutting Board in the Leicestershire Together structure.

Resource Implications

13. There are no direct resource implications arising from this report, although integrated commissioning involves fundamentally changing the way in which we plan and fund public services.

Timetable for Decisions

14. This report is an update for information and discussion. Key decisions about different aspects of the commissioning process are taken by the respective theme commissioning board and/or the Leicestershire Together Commissioning Executive and Board at appropriate stages, subject to the decision making process within each member institution.

Conclusion

15. The intention of this report is to provide an overview of progress in relation to our ambition with embed integrated commissioning in Leicestershire. It provides an update on progress in agreeing new priorities and embedding new structures, includes the outcomes of the Challenge Sessions held in February 2012 and provides a perspective on some of the achievements to date and areas of future focus.

Background Papers

None.

Circulation under Local Issues Procedure

None.

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Appendices

Appendix 1: Leicestershire Together Outcome Framework

Relevant Impact Assessments

None – to be undertaken by the relevant Board/organisation.

Equal Opportunities Implications

The Leicestershire Working Together Group provides an equalities challenge to the work of Leicestershire Together. This group meets quarterly and reports into the Leicestershire Together Commissioning Board through the Chair of the Stronger Communities Board.

Crime and Disorder Implications

None.

Environmental Implications

None.

Partnership Working and Associated Issues

This report relates to the work of Leicestershire Together and the key partnership groups operating in Leicestershire.

Risk Assessments

Risk assessments are completed, as relevant, in relation to individual strategic and commissioning plans.