

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Strategic Director (Transformation)

To

Cabinet

On

12<sup>th</sup> March 2019

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## Southend on Sea Commissioning Framework

Policy & Resources Scrutiny Committee

Cabinet Member: Councillor John Lamb

Part 1 (Public Agenda Item)

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### 1. Purpose of Report

- 1.1 To seek agreement from Cabinet to devise and implement a commissioning framework that supports the Council's ability to become an Outcome Based Commissioning Organisation.

### 2. Recommendations

- 2.1 **That the definition of commissioning for Southend-on-Sea Borough Council to be as follows :-**

*“the process by which we understand the collective approach needed in order to deliver the Southend 2050 outcomes; and what we need to do with others to make them happen. In practice, this is not in-sourcing or out-sourcing but clearly ‘right-sourcing’.”*

- 2.2 **The overarching principles of the Southend-on-Sea Commissioning Framework are agreed.**

- 2.3 **The Thematic Annual Procurement Plan 2019/20 is agreed as part of a transitional period to an outcome based investment model.**

- 2.4 **That Council be recommended to make the amendments to the Constitution set out in paragraph 5.6 and Appendix 3.**

- 2.5 **The Market Position Statement be agreed for publication as set out in paragraph 5.7 and Appendix 4.**

### **3. Background**

- 3.1 Effective outcomes driven commissioning is the backbone of everything that we do and the means by which we will achieve the Southend 2050 ambition and outcomes.
- 3.2 Strong commissioning is essential for the direct delivery, contracting and grant making elements of our business. It is therefore essential that the organisation has a clear and concise understanding of how to do this consistently well.
- 3.3 The strategic commissioning role of Councillors is fundamental to driving forward an outcome-based commissioning approach for the Council and its partners. Having a robust, clear commissioning approach supports Councillors' roles in directing priorities, in providing strategic direction and in the policy development that enables them to most effectively deploy the Council's resources across the breadth of the Council's portfolio.
- 3.4 The borough faces major challenges. As our population increases, gets older, and birth rates rise, there will be greater demand for school places, homes, health and other public services. Our changing climate provides challenges to our valued coast. Our economy is also changing and we need a better skilled workforce to meet the needs of the future. This includes developments in robotics, artificial intelligence and technology. These have huge potential to enhance our lives by enabling independent living, ending the drudgery of many jobs and providing more leisure time. We also have significant and unacceptable inequalities across the borough, particularly relating to residents' health.
- 3.5 The loss of Government grant funding for the Council will continue to put pressure on budgets and by 2020 the Council will receive no grant at all. However, with expenditure of around £228m, and more financial independence, the ability to shape our future and meet local needs is in our hands. This will mean, increasingly, the Council will move towards enabling others to do more for themselves, rather than being a universal and direct provider of services for all. To do this effectively, we will need to adopt a robust commissioning approach to help us achieve the outcomes needed for the borough.
- 3.6 To this end we have developed 10 key principles to be incorporated into all commissioning activity:
- Focussed on outcomes for our residents
  - A consistent commissioning approach
  - The right people at the right stage of commissioning
  - Driving innovation
  - High quality robust evidence informing decisions
  - Collective accountability
  - People at the heart of what we do
  - A commitment to building capacity
  - Optimising social value
  - Sustainability

3.7 The next phase is to draft the framework and develop a set of commissioning competencies which can be embedded into the organisation to coach and guide the commissioning process, clarifying the relationship with components of the process, i.e. procurement, the Market Position Statement and Contract Procedure Rules.

#### 4. Other Options

4.1 The alternative to the introduction of a commissioning framework for Southend-on-Sea Borough Council would be to carry on deploying a range of approaches to the commissioning, procurement and contracting activity to which this would relate. It is felt that this would not best support the delivery of the Southend 2050 ambition and outcomes.

#### 5. Reasons for Recommendations

5.1 There are currently many different definitions of the term Commissioning used across the organisation and its partners; to provide clarity and for the purpose of the Southend-on-Sea Commissioning Framework it has been defined as :-

*“the process by which we understand the collective approach needed in order to deliver the Southend 2050 outcomes; and what we need to do with others to make them happen. In practice, this is not in-sourcing or out-sourcing but clearly ‘right-sourcing’.* “

5.2 The adoption of this definition and an outcome based commissioning approach ensures that Councillors are best placed to maximise the return on the Southend pound by providing the organisation, our partners, stakeholders and communities with a clearly defined understanding and transparent approach.

5.3 The proposed commissioning approach ensures that Councillors are at the heart of all strategic decision making and through its strong outcomes focus supports the optimal allocation of the Council’s resources.

5.4 Our goal is to drive a robust and balanced framework for commissioning into the fabric of the organisation. This will include full alignment of the annual procurement plan, contract procedure rules and market position statements going forwards, work towards which will be actively pursued during 2019/20 with expectations that all commissioning work, including procurement and contract management operates in line with the above principles and the forthcoming framework within six months. Designed alongside the ‘creating the conditions’ work, this framework will embed the values and behaviours required in everything we do as an authority through a set of core principles.

5.5 These principles and what they mean in practice will be outlined in the Southend-on-Sea Commissioning Framework, the purpose of which will be to ensure that:

- We are consistently commissioning to high standards, making best use of the tools and resources available;

- We utilise best practice, Statutory Guidance and legislation (e.g. The Social Value Act) to best effect in order to achieve our ambition;
- We are all accountable for ensuring that these principles are embedded within the organisation;
- We each recognise and respect the important roles we play in ensuring that these principles are reflected through our commissioning activities;
- Our assurance processes for commissioning are robust and agile to best support achievement of our ambition and outcomes.

5.5 In previous years the Annual Procurement Plan has been aligned to departments as this generally categorised expenditure and also aligned with the departmental budget setting process. As the Council is now focussed on the delivery of the Southend 2050 outcomes and outcome based budgeting, this year's Annual Procurement Plan has been re-developed and is now aligned to the 5 Themes within Southend 2050:

- Pride and Joy
- Safe and Well
- Active and Involved
- Opportunity and Prosperity
- Connected and Smart

This new approach to setting the Annual Procurement Plan will:

- Challenge the current commissioning approach and align to Southend's new Commissioning Framework
- Highlight opportunities for contracts to contribute to similar outcomes
- Increase the level of working across service areas and departments
- Increase the delivery of Social Value through contracts by a wider consideration of how services can assist in delivering the Southend 2050 outcomes

Appendix 1 provides a copy of the Thematic Annual Procurement Plan for 2019/20 and Appendix 2 provides a list of those Procurements with a value above £1m due in 2019/20.

5.6 The proposed changes outlined above and our intention to move to an Outcome Based Commissioning Organisation impacts directly on the way we currently award grants and three year community commissioning funding. The adoption of a clear and concise commissioning framework will set out how we will work in the future, so a Grants Strategy Working Party is no longer required. It is therefore recommended that the Grants Strategy Working Party is removed from the Constitution and that minor amendments are made to the Delegations in Paragraph 3, Schedule 3 as per Appendix 3 of this report.

5.7 Local Authorities are encouraged under the Care Act 2014, to publish information which will assist the wider provider market to understand the direction in which services are developing in relation to Adult Social Care.

Feedback from providers has informed the decision to offer a short form, infographic version of our Market Position Statement, containing links to other

information and data sources. Providers said the traditional lengthy versions are difficult to navigate and don't provide easy access to the most current information.

The proposed short version will be easier to navigate and keep up to date as there are embedded web links rather than static tables and references. Providers will also be encouraged to give feedback on the new format and what other information would enable them to develop service delivery to meet the outcomes of our 2050 ambitions.

## 6. Corporate Implications

6.1 Key contributor to the delivery of the Southend 2050 Ambition and Five Year Road Map.

6.1.1 The adoption of an outcome based commissioning framework is a key delivery arm of the council's ability to realise the full potential of achieving the Southend 2050 ambition and associated outcomes.

### *Transforming Together*

6.1.2 The Council will need to change fundamentally to be able to take advantage of the opportunities and challenges ahead. This will mean a Council that is more agile, more efficient, more entrepreneurial and more engaged with residents and customers.

6.1.3 Work is underway to put in place the conditions staff have identified as being necessary to make us 'match fit' for the future. These conditions now form an overarching transformation programme for the organisation and includes the need for:

- A clear vision & delivery strategy
- Digital enablement to support the vision
- A trusted, empowered and engaged workforce
- An appetite to invest in people and outcomes and to accept risk
- Closer collaboration with staff, members, residents and partners
- Simple and effective governance
- An open mind-set that will drive forward transformation and change

6.1.4 With a renewed Mission Statement - ***Southend-on-Sea Borough Council – "working to make lives better"***; these conditions are supported and underpinned by refreshed Values that will drive the outcomes based investment approach going forward.

**INCLUSIVE** – we put people at the heart of what we do

**COLLABORATIVE** – we work together

**HONEST** – we are honest, fair and accountable

**PROUD** – we are proud to make lives better

The Southend 2050 Ambition and Five Year Road Map allow us to re-focus the allocation of our resources where they will have most impact and effect. Our outcome based Investment model will align our planning approach with commissioning and procurement to ensure we match priorities to spend.

- 6.2 Financial Implications – Initial investment for a comprehensive training package to be scoped and implemented. The commissioning framework will be applied to all procurements from this year onwards and will look to continuously align existing contracts to this framework as the year goes through, as part of a transition period to an outcome based investment model.
- 6.3 Legal Implications – this commissioning framework will support delivery of robust procurement in line with legislative requirements.
- 6.4 People Implications - all new and existing staff will be expected to adhere to the principles of the Commissioning Framework and its core principles and competencies.
- 6.5 Property Implications - none
- 6.6 Consultation - none
- 6.7 Equalities and Diversity Implications – the principles of the Competency Framework provide a robust approach to equality and diversity at key decision making points; with particular emphasis on the requirement of commissioning activity to ensure an equality analysis is conducted appropriately.
- 6.8 Risk Assessment - none
- 6.9 Value for Money – the principles of the competency framework provide a robust assessment of value for money. The new thematic approach to the Annual Procurement Plan should assist the council in securing best value in terms of outcomes and also increase opportunities for efficiencies and stronger commissioning across services.
- 6.10 Community Safety Implications - none
- 6.11 Environmental Impact - none

## **7. Background Papers**

## **8. Appendices**

Appendix 1- Thematic Annual Procurement Plan 2019/20  
Appendix 2- Top 25 Value Based Procurements in 2019/20  
Appendix 3 – Extract from the Constitution  
Appendix 4 – Market Position Statement