

Corporate Commissioning and Procurement Strategy

2016/17 - 2020/21

IN UNITY, PROGRESS



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Further information

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Foreword

This new Corporate Commissioning and Procurement Strategy sets out Gateshead’s approach to using our resources within the borough in the most effective way to deliver the best outcomes to the people of Gateshead in order to achieve our strategic ambition as set out in Vision 2030 and the Council Plan.



Our approach to strategic commissioning helps us to understand what needs to be done to improve the life of the communities that we serve and plan how our resources can be used to maximum effect. We recognise the need to be inclusive, and work more closely with all of our partners to achieve maximum value for money and make the “Gateshead Pound” go further. We will encourage our partners to play a bigger role in the delivery of improved outcomes and explore innovative ways of supporting them to do so.

When commissioning for service delivery we consider a range of issues which are underpinned by the drive to create a better quality of life for all. Our Strategy ensures that we take into account some key principles; to strengthen our local economy, reduce our environmental impact and tackle inequality and disadvantage. Our focus will be on buying locally when we can, and encouraging others to support Gateshead's economy in order to build wealth in our communities which will help to reduce demand of some of our services.

We have a good track record in effective commissioning as evidenced by the development of our Housing Regeneration Partnership, South Tyne and Wear Waste Management Partnership and the development of our District Energy Scheme.

Our Corporate Commissioning and Procurement Strategy will help us to work more innovatively to continue to improve Gateshead the place and provide the best opportunities for those who live, work and visit here.



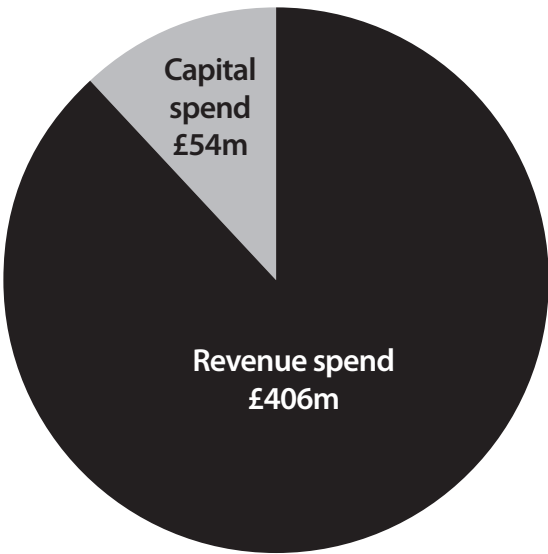
Councillor M Gannon
Leader of the Council

Introduction

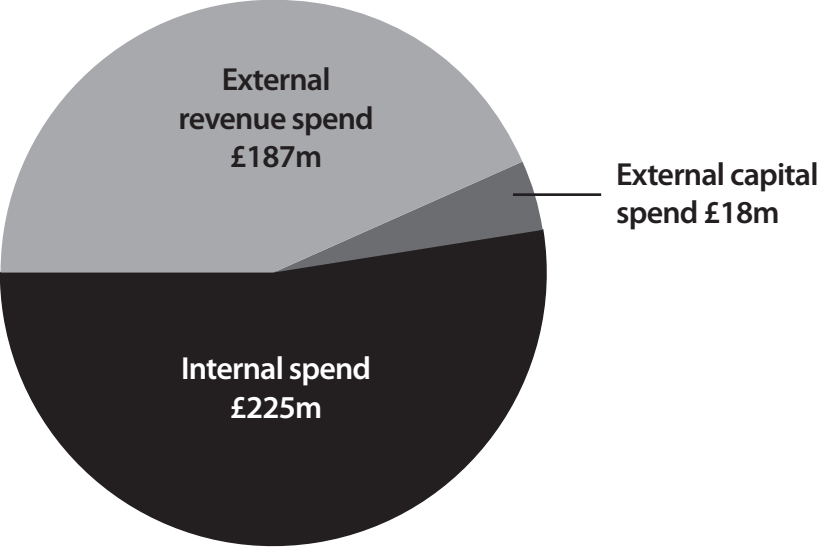
Gateshead is facing significant financial and demand pressures arising from reductions in public spending along with increasing expectations, an ageing population and inequalities across the borough. Commissioning has a key role to play in the transformation necessary to determine what services are provided in the future, how they will be delivered, and by whom.

Gateshead had a gross expenditure budget of £460m in 2015/16. In the region of £205m per annum was spent on external provision of works, goods and services as illustrated in the diagram below. It is our responsibility to use this money in a way that achieves the best possible outcomes for local people and generates maximum value for the “Gateshead Pound”. We will consider how to maximise the money spent in Gateshead and retained through our supply chain.

Total Gross Expenditure 2015/16

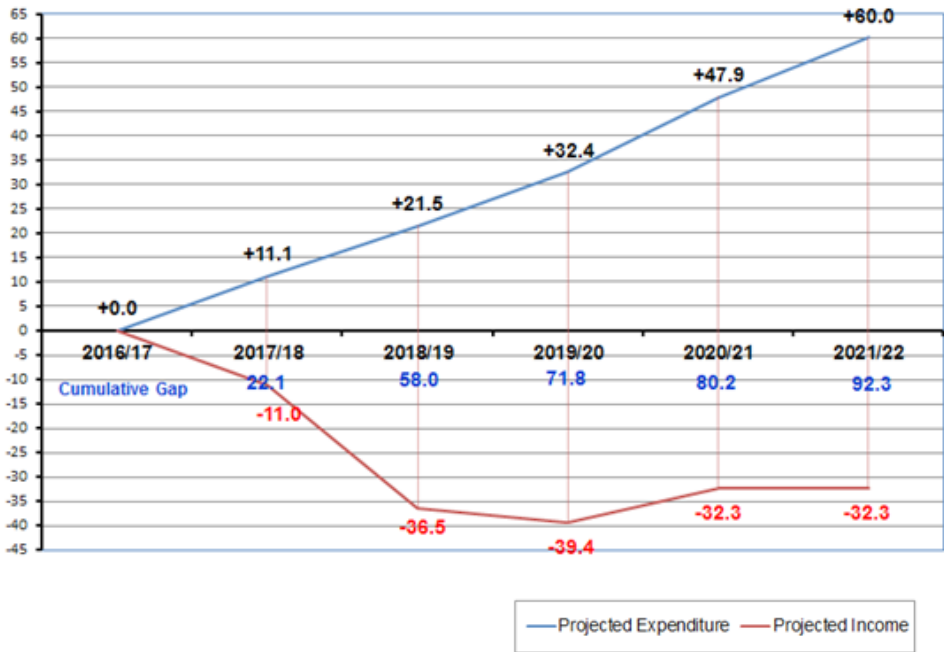


Gateshead Spend on internal/external goods works and services 2015/16

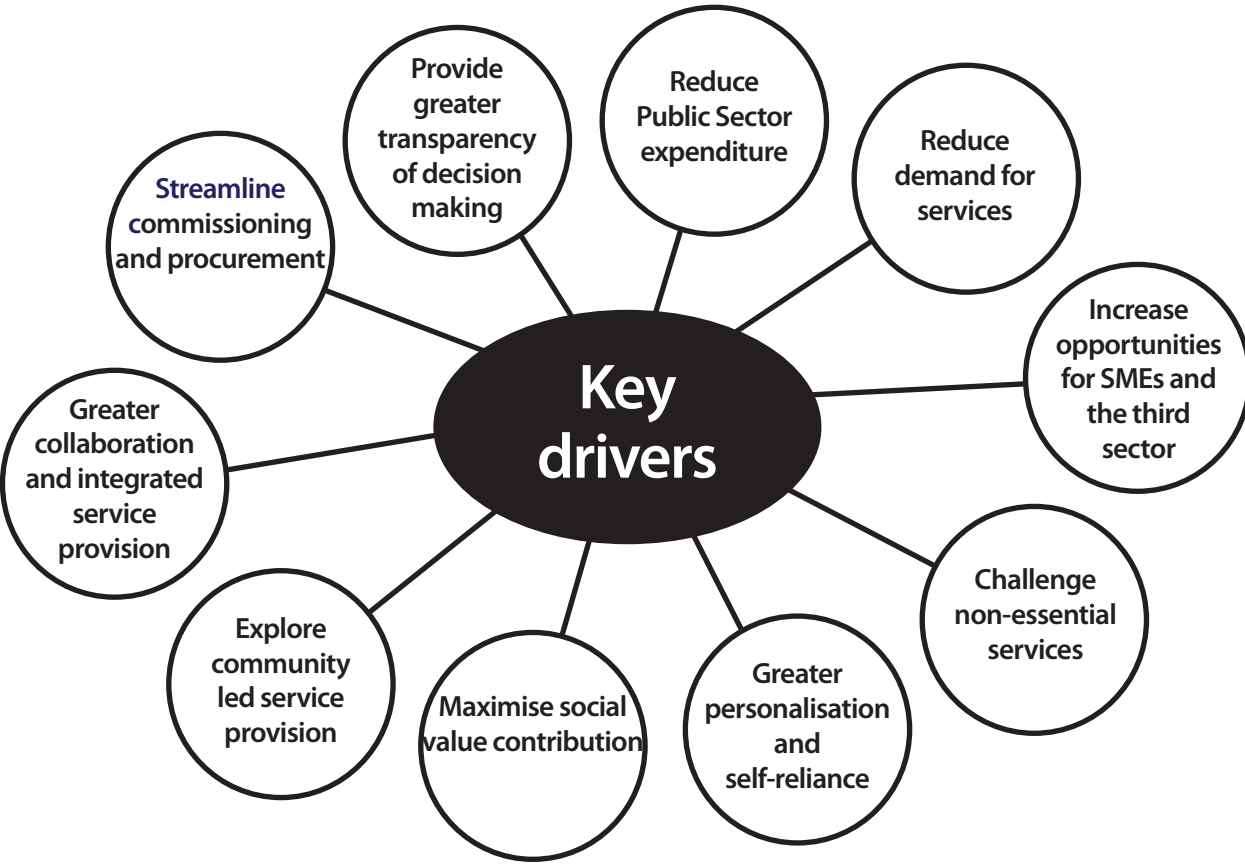


The council has reduced its overall budget by £130m since 2010 and there are anticipated further reductions of around £92m to be achieved by 2022 as illustrated in the table below. This will drive us to reduce costs through better management of demand and increases in efficiency; focussing on maximising growth through creating more and better paid jobs; increasing income generation; and increasing collective responsibility by encouraging everyone to play a more active role.

Cumulative Funding Gap 2017/18 –2021/22



There are a range of key drivers, some from Central Government that are influencing our transformation as set out below:



We have traditionally delivered many council services through in-house service teams and it is anticipated that a more mixed economy will develop in the future with volunteers, the community, external providers, and other partners playing a bigger role in delivering outcomes. As part of our Transformation Programme, a lot of work has been done to develop a commissioning approach across all activities of the Council in order to prioritise budget allocation.

The purpose of this strategy is to set out how we undertake commissioning and procurement activity, with an outcomes focused approach, increasingly managing our resources in conjunction with partners. This will enable us to deliver the sustained transformation necessary to achieve faster, fitter, more flexible arrangements that are designed around local communities and to move from alignment to integrated work with our partners, thus enhancing our place shaping role.

We have set out our strategy in three categories:

Strategic Commissioning
(e.g. more people living at home)

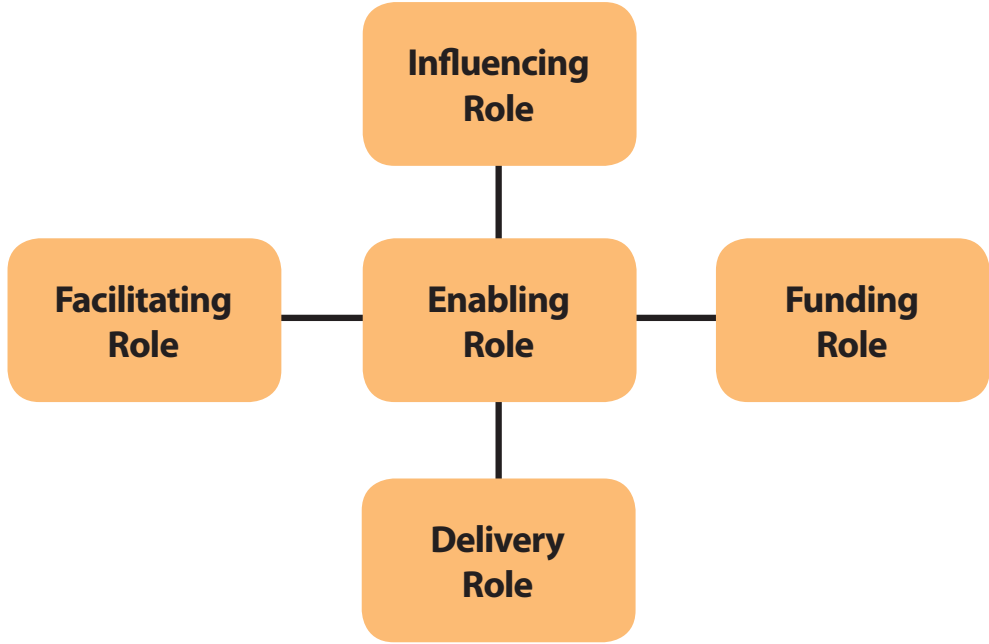
Commissioning Services
(e.g. commissioning domiciliary care services)

Commissioning For individuals
(e.g. organising care worker to visit customer)

Strategic Commissioning

Strategic Commissioning describes a cycle of activity that begins by considering what evidence is telling us about our community, and then leads us to determine the needs of our local population and analyse what must be done to achieve the best possible outcomes within our available resources.

This may not immediately lead to determining service delivery as we must first consider the Council’s statutory obligations and then what role the Council will play in terms of delivering those outcomes.



This is a fundamental change in our planning processes; however our strong and effective leadership will enable us to fully exploit new and emerging commissioning techniques and to challenge existing arrangements against best practice by perhaps doing better things differently.

Our stakeholders and partners will play an increasingly key role in helping us to achieve outcomes. We will work with them, in addition to our own workforce, to ensure that skills continue to be developed so we can successfully make the changes needed to meet future outcomes. We will keep focussed on the residents of Gateshead with our partners to implement joint planning cycles and effective joint strategic commissioning arrangements.

Our Ambition

Our ambition is to make Gateshead the best place to live, work and visit. Vision 2030 is the Gateshead Strategic Partnership’s ambitious Sustainable Community Strategy which brings together all of our public, private, voluntary and community sector partners to achieve a step change improvement in the borough. Our approach to commissioning and place shaping will help us to achieve our long term vision.

Our Council Plan

The Council Plan outlines our goals for the next 5 years in delivering against the priorities set out in Vision 2030. It includes a focus on developing a shared responsibility to meeting the needs of the people of Gateshead and a focus on maximising community assets. Case Study 1 explains how we have used our commissioning approach to deliver a number of priorities set out in Vision 2030 and the Council Plan.

Working in Collaboration

We recognise that working with others can more successfully help us to achieve our aims and we seek to jointly commission or procure through a variety of arrangements. Working with other organisations can deliver best value in terms of:

- Working on shared priorities to achieve maximum benefit for residents and local business
- Accessing resource that otherwise would not be available to us
- Streamlining processes and sharing capacity
- Aggregation of spend to maximise economies of scale
- Sharing and effectively using data across a wider range of organisations
- Use of wider experience and greater expertise
- Developing and influencing providers and supply markets
- Fewer approaches to the market
- Attracting external investment/Case Study 7 describes a co-commissioning approach to delivering supported housing
- We will also collaborate with Trade Union Representatives to develop a Trade Union Agreement for Commissioning and Procurement

Locality/Place Based Commissioning

Locality or place based commissioning describes commissioning at a regional or sub-regional level affecting broader issues of economic regeneration and broader strategic planning. This may involve partnership working at the North East Combined Authority (NECA) Level or working within specific wards within the Borough. Case Study 2 provides good evidence of working in collaboration and locality/people based commissioning.

People Based Commissioning

People based commissioning addresses broader social issues or complex interlocking problems requiring engagement with partners and the public. Key partnerships include our Health and Wellbeing Boards and Community Safety Partnership.

Achieving More Together

Our “Achieving More Together” approach that incorporates our “One Public Sector” ethos will drive further collaboration, integrated working and service delivery across the whole public sector; key examples of working in collaboration are listed below.

Gateshead Strategic Partnership

Brings together representatives from the public sector, business community, voluntary and community sectors, and government agencies to take a strategic overview and co-ordinate activities and improve outcomes for local people.

North East Combined Authority (NECA)

This is a forum for collectively driving change forward, commissioning and delivering efficiencies across the region.

Health and Social Care Commission

The North East Combined Authority (NECA) and the NHS have established a joint Commission for Health and Social Care Integration in the North East. The Commission has proposed a vision for transforming the health and wellbeing of North East residents which will also help to improve the economy.

Gateshead Joint Strategic Needs Assessment

The Gateshead Joint Strategic Needs Assessment sets out the needs of our communities and will be used to develop the outcomes that we want to achieve and plan effectively across a range of partners.

Clinical Governance Framework for Commissioned Public Health Services

The commissioning of public health arrangements will be carried out in accordance with the Clinical Governance Framework for Commissioned Public Health Service in Gateshead. This document describes the appropriate governance arrangements that must be in place in order to deliver effective public health services.

Case Study 1

Gateshead Regeneration Partnership

Gateshead benefited from being designated a Housing Market Renewal Pathfinder area in 2003. This initiative provided funding that enabled the Council to take a comprehensive approach to the regeneration of some of our long-established communities.

Following an appraisal of different options, a model where viable sites cross-subsidised unviable ones was considered to be the most deliverable. Taken as a whole, packaging up sites in this way, overcame the viability gap.

But to make the opportunity commercially attractive to the market, it was recognised that a long-term commitment would need to be made to a prospective partner, including a willingness to take a share of the risk and commit other sites to the venture.

In return the Council could have direct influence over the development programme – in terms of quality of design, phasing of sites and pace of development - and could take a share of profit, over and above the value of its land.

Critically, the Council could also ensure its wider regeneration ambitions – for example local jobs and training, supply-chain opportunities for local businesses – are secured.

The Council undertook a competitive tendering process to seek partners who shared the vision and ambition we had set out. The outcome was the creation of the Gateshead Regeneration Partnership, a joint venture established in 2012 between the Council, the developer Galliford Try and housing provider Home Group. The partnership is run through a Board structure where the Council and private partners each have a 50% stake in decision-making.

The Council is putting forward its own land assets for our partners to use to raise the finance to build the homes. This model will be used for delivery of 2,400 new family homes for sale and rent over a 15-year programme. The investment in the project could be up to £347 million, with the bonus of associated community facilities and economic benefits, made deliverable due to the strategic and long-term nature of the arrangement.

Case Study 2

South Tyne and Wear Waste Management Partnership

Gateshead Council is a Waste Disposal Authority and as such has the responsibility to facilitate the disposal of municipal waste. We must manage the waste collected and are responsible for developing and implementing plans to deal with municipal waste.

The EU Landfill Directive set targets for the reduction of biodegradable waste being sent to landfill:

- By 2010 reduce it to 75% of that produced in 1995
- By 2013 reduce it to 50% of that produced in 1995
- By 2020 reduce it to 35% of that produced in 1995

The landfill tax per tonne 'active waste' started 1 October 1996 at £7/tonne and has risen steadily expecting to exceed £80/tonne in 2016.

As our primary route for the disposal of municipal waste was landfill we had to look a new solution to meet the above targets.

So, with our partners we:

- investigated all treatment technologies available that would achieve and exceed the required legal obligations
- ensured that all compliant technologies were considered with equal challenge and non were preferred from the outset (cost not taken into consideration until all technologies deemed to meet requirements had been assessed. (Technology neutral project)
- identified and published an affordability envelope
- undertook a thorough and complex procurement process

The project was delivered in partnership with South Tyneside and Sunderland Councils as South Tyne and Wear Waste Management Partnership.

Private Finance Initiative assessed as best route to funding - £73.5m of PFI credits secured (£135.5m over life of project).

Throughout the project monitoring was undertaken to assess performance against requirements and outcomes, and this is continuing. Future efficiencies were identified and built into the arrangement and a 25yr Contract (End 2039) was entered into. It was also important to incorporate an appropriate exit strategy.

More information: Contact Tony Alder, Service Director, Commissioning & Business Support on 0191 433 3880 email anthonyalder@gateshead.gov.uk

Commissioning Services

We have a good track record in commissioning jointly with others as evidenced by the many lead roles we have undertaken, joint arrangements we have or participated in, as the three examples below evidence.

North East Procurement Organisation (NEPO)

The council continues to support and fully engage with the North East Procurement Organisation. As a member of the consortium we benefit from NEPO's capacity, co-ordination role, improved governance structure and new operational model designed to harness the expertise and experience of procurement officers from across the region and this is set out in a Regional Procurement Strategy.

Collaboration on services for children and adults

The council participates in a number of arrangements for the joint commissioning and procurement of services for children and adults. Some of the work is around developing joint strategies for service provision and other work has led to joint procurement of services such as children's residential services, advocacy services and arrangements for independent fostering organisations.

Integrated Commissioning with Health

Discussions are taking place with colleagues from the Health Sector to develop an integrated commissioning model for health and social care. The general principal has been agreed to explore this further and this work will impact on how we commission services for adults and children in the future.

Where our Strategic Commissioning approach has determined that services are required, we will ensure that they are delivered in the most efficient and effective way by selecting the most appropriate delivery model.

Commissioning services incorporates an inclusive approach to the design, prioritisation, management, delivery and monitoring of services and is an ongoing, cycle which should focus on outcomes. It is not to be confused with outsourcing, as we recognise the benefits of in-house delivery. However, if service provision is potentially to be satisfied via a source external to the Council, it is often procured.

The diagram below outlines the commissioning and procurement cycles and how they complement each other.



Procurement

Procurement is the process by which we acquire goods, works, services and assets from external providers, spanning the whole life cycle from the identification of need (usually via a commissioning process), to the end of the useful life of an asset or contract or of the need for an activity. Procurement activity is dependent on good commissioning activity in order to use resources in the best possible way to meet needs and deliver strategic outcomes.

Best Value

Delivering Best Value remains a legal duty of the Council and requires us to consider all service delivery options on their merit. This could include for example, joint working with other public sector partners, partnerships, collaboration, delivering with our own workforce, or outsourcing. Early engagement with all stakeholders including existing service providers, market engagement is essential, and we will continue to make decisions on the basis of a fair and robust assessment of which option is likely to deliver the best outcomes.

Value for money

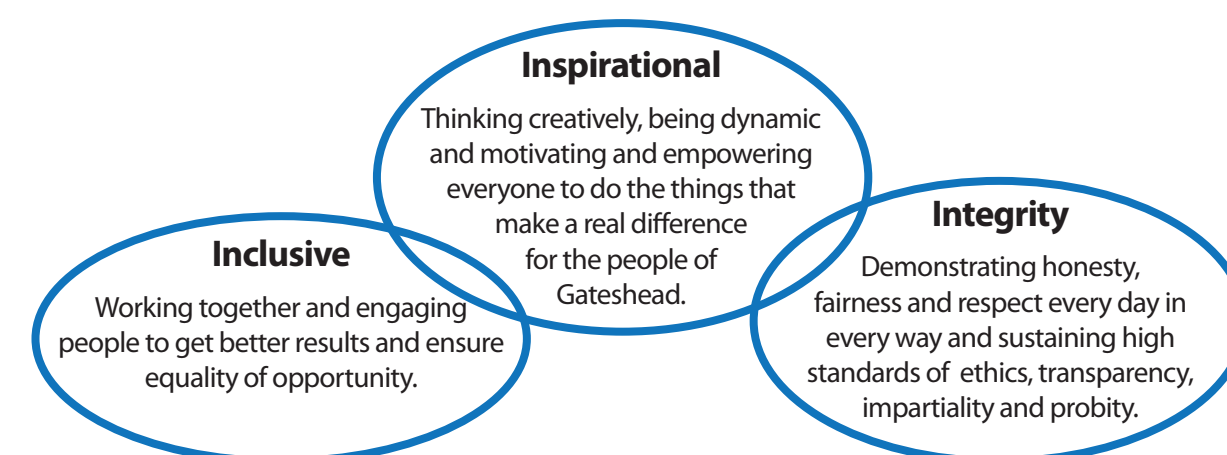
Value for money is defined as “the optimum combination of whole life costs and quality to meet the end user requirement and it is usually demonstrated in the form of outcomes”. It does not mean adopting the lowest cost solution. Our commissioning and procurement approach will ensure that our activity delivers services of the right quality, aligned to the Council’s ambitions whilst at the same time achieving value for money.

Assessing our options

When we are considering a range of delivery options, account may be taken of performance, best practice flexibility, impact on workforce, market assessment, potential to deliver within existing or lower levels of resource, risk, impact on legal duties and changing policy, perceived views of stakeholders, sustainability, future proofing cost of implementation and overall value for money.

Our values

The values that we expect our partners and supply chain to share with us and to demonstrate when carrying out work on our behalf include:



Our behaviours

Our behaviours will be evident in how we approach our work, how we treat others and how we expect to be treated. We expect our behaviours to be reflected in all of our relationships and demonstrated by our workforce and by others working with us, or on our behalf. Our behaviours include:

- Always be positive, helpful and supportive in our approach
- Be professional and lead by example
- Work as a team and take personal responsibility for our actions
- Learn from our mistakes and celebrate our successes
- Embrace and promote equality
- Be flexible and adaptable to change
- Working within the spirit of the Trade Union Agreement for Commissioning and Procurement that is currently being developed

Our principles

We will focus on commissioning:

✓ the right outcomes

✓ at the right quality

✓ at the right price

✓ through the right provider

✓ at the right time

✓ using the right evidence

To do this we will:

- Consider how to maximise benefits to the local community
- Base our resource allocation on those set out in The Council Plan, Vision 2030 and Joint Strategic Needs Assessment
- Place an emphasis on prevention and early intervention
- Consider the various dimensions of quality, and fully understand how they impact upon outcomes and value for money
- Increase self-service and make it easier for needs of customers to be satisfied
- Promote self-reliance, devolved services, and build stronger communities
- Increasingly become a smaller, strategic and modern organisation which is networked and agile, empowers employees and is focused on reducing costs and place shaping
- Use open, fair and transparent processes that build confidence and create a level playing field for all
- Base all of our commissioning decisions on evidence, best practice and consideration of the full range of delivery options including direct provision where appropriate
- Take a whole organisation, or whole public sector approach
- Apply appropriate challenge to all commissioning decisions
- Develop an integrated or collaborative approach to commissioning and develop pooled or aligned budgets where appropriate, in order to maximise the value of the “Gateshead Pound”
- Consider the role our assets can play in delivering outcomes
- Incorporate the principle of doing better things differently rather than just doing better things
- Decommission services which are inefficient, ineffective, inequitable or unsustainable
- Ensure the workforce is consulted and treated in a way consistent with our values

Engagement with internal providers and markets

Our commissioning activity will also ensure appropriate engagement with potential providers within, and external to, the Council in order to:

- Ensure that there is an understanding of what is required and what can actually be provided
- Ensure that they are able to influence and provide appropriate input, evidence, and challenge to our decision making processes.
- Stimulate markets where necessary
- Identify markets or sectors that may need further support or development
- Deliver through a mixed economy
- Ensure sufficient capacity and quality provision within specific markets or sectors
- Ensure that benefits to the local community are fully explored
- Consider the benefits of in-house delivery including direct management, flexibility, no procurement costs, critical mass and economics of scale

We will develop Market Position Statements for particular service areas where appropriate.

Our Commissioning Focus

We will focus on the following priority areas when undertaking our commissioning approach;

Inequality

The biggest challenge that Gateshead faces is that of inequality and it is a consistent theme which runs through many other challenges. We will target some elements of service provision to those most in need and we will encourage our supply chain to help us to readdress some of the inequality between different areas within our borough, or sectors of our population. We will also encourage our partners and supply chain to target recruitment and training initiatives to those who are disadvantaged in order to provide greater opportunity to parts of our communities to prosper.

Enabling

We will encourage our partnerships and supply chain to enable communities to take control where they want to, and are able to do more for themselves. We will focus more on enabling others to develop solutions, and to build on the creativity, skills, strengths and assets within our community. We will focus on our strengths – our communities, volunteers, our voluntary and community sector, business sector; and we will use our collective physical assets to unlock the potential of our communities.

Influencing

We will use data analysis techniques and evidence to better understand the role our communities can play in delivering outcomes. Our commissioning activity will help us to channel the resources of our communities to best effect in order to gain maximum benefit for all.

Sustainable economic growth

The development of Gateshead as a sustainable thriving borough lies at the heart of what we are trying to achieve. We will encourage a sustainable market place that supports our local economy to thrive, with local organisations that can deliver local services, innovate and provide prosperity to the people of Gateshead.

Buying locally

The more money that is spent locally, the greater the positive impact this will have on our local economy and therefore we will prioritise the use of local organisations for low value purchases. We will also provide support where possible to enable local organisations to compete.

Mechanisms will be further developed to enable comprehensive dialogue with key suppliers in the region. This will enable their views to be heard and will lead to relationships being developed that are mutually productive, flexible, enable goals to be shared, reduce costs whilst at the same time achieving outcomes.

Digital

We, together with our partners and supply chain, will deploy the most appropriate technologies to streamline processes, increase accessibility through a variety of channels, deliver greater efficiency and reduce costs. We will implement a “digital by default” culture to drive transformation. Case Study 3 outlines a digital approach to managing our employees.

Social Value

We will use our place leadership and commissioning activity to stimulate private, public and social investment in Gateshead. We have developed a flexible approach to ensure that maximum social value considerations are built in to all of our commissioning and procurement activity in order to tackle a range of issues. Our approach to Social Value is set out in Appendix 1.

Case Study 3

HR and Payroll system

The core integrated Human Resources (HR) support and Payroll system for storing and processing data on employees was licensed until March 2015 (with an option to extend for 1 year). It also provided enhanced tools for employees and managers to access data through a number of electronic devices and the workflow capability enabled many processes and transactions to be fully automated.

A project was established to enable us to develop a replacement to the existing system in order to manage our workforce and ensure that current and future legislation is adhered to. One of the crucial aspects of the project was to deliver this all by March 2016.

We looked at various delivery models – we could:

- Renew the existing arrangements with the existing provider;
- Develop a shared service with another public body;
- Procure a service (outsourcing); or
- Procure the software and manage the operational aspects by either hosting the application internally, or procuring a hosted application.

We decided the best option was to procure the software and manage the operational aspects, and either host the application internally, or procuring a hosted application.

A procurement process followed that identified that value for money was best achieved by an external provider hosting the software. The Contract was awarded and the system was implemented within the required timeframe. The benefits of this approach included:

- reduction in hosting costs, licenses and maintenance of satellite systems
- potential to increase income through increased trading activities (which has been realised)
- potential to reduce staffing costs further
- self-service available for employees and managers via a range of digital channels
- improved potential for mobile working
- removal of duplication as data entered once and available for use many times
- improved reporting functionality that will lead to improvements in managing the workforce

More information: Contact John Jopling, Service Director, Customer and Financial Services on 0191 433 3530, email johnjopling@gateshead.gov.uk

Commissioning for individuals

When commissioning specific services for individuals or "micro commissioning", we will adopt the 9 standards set out in the "Commissioning for Better Outcomes" publication developed by Local Government Association (LGA), Association of the Directors of Adult Social Services (ADASS), Department of Health, University of Birmingham.

Whilst the original publication focuses on social care we will adapt the standards to apply to all commissioning activity across the Council where possible.

Standards of Commissioning	Good Commissioning:
Person-Centred and focused on outcomes	<ul style="list-style-type: none"> • Is person-centred • Focuses on outcomes that people say matter to them most • Empowers people to have choice and control in their lives, over their care and support, and in the services they receive
Co-produced with people, their carers, customers and the wider community	<ul style="list-style-type: none"> • Starts from an understanding that people using services (and their carers and communities) are experts in their own lives and therefore essential partners in the design and development of services • Creates meaningful opportunities for the leadership and engagement of people (including carers and the wider community) in decisions that impact on the use of resources, and the shape of local services
Well led	<ul style="list-style-type: none"> • Is well led within local authorities through the leadership, values and behaviour of elected members, senior leaders and commissioners of services • Is underpinned by the principles of co-production, personalisation, integration and the promotion of health and wellbeing
Demonstrates a whole system approach	<ul style="list-style-type: none"> • Convenes and leads a whole system approach to ensure the best use of all resources in a local area through joint approaches between the public, voluntary and private sectors
Evidence Based	<ul style="list-style-type: none"> • Uses evidence about what works • Uses a wide range of information to promote quality outcomes for people, their carers and communities • Supports innovation

Standards of Commissioning	Good Commissioning:
Ensures diversity, sustainability and quality of the market	<ul style="list-style-type: none"> Ensures a vibrant diverse and sustainable market to deliver positive outcomes for local people and communities Is concerned with sustainability, including financial sustainability of providers/suppliers
Provides value for money including social value	<ul style="list-style-type: none"> Provides value for money by identifying solutions that ensure a good balance of quality and cost Makes the best use of resources Achieves positive outcomes for people and their communities
Develops the commissioning and provider workforce	<ul style="list-style-type: none"> Requires competent and effective commissioners Facilitates the development of an effective, sufficient, trained and motivated social care workforce through the coordination of health and care workforce planning
Promotes positive engagement with providers/suppliers	<ul style="list-style-type: none"> Promotes positive engagement with all providers Requires market shaping and commissioning to be shared endeavours Has commissioners working alongside providers, people with needs, carers, family members and the public to find shared and agreed solutions

Case Study 4 and 5 evidence best practice in terms of commissioning for individuals.

Case Study 4

Children’s Regional Commissioning

NE6 - Children’s Residential Homes

Local Authorities are required to meet the “Sufficiency Duty” to secure, where is reasonably practicable, sufficient accommodation within our area to meet the needs of our looked after children. To fulfil our duty, at times we procure placements for looked after children with external residential providers (sometimes called ‘out of authority’ placements), and residential schools including High Care Needs placements. However it was recognised in 2010 that spot purchasing does not always ensure the best value for money on placements. In January 2011 a consortium of local authorities in the North East, called NE6, was established to better manage the residential placements process. The members of the NE6 Consortium currently are:

- Newcastle City Council
- Northumberland County Council
- Sunderland City Council
- Gateshead Council
- South Tyneside Council
- North Tyneside Council
- Durham Council (joined the consortium in 2016)
- Stockton Council (joined the consortium in 2016)

The NE6 approved list went live in February 2013, NE6 aims to increase the residential placements market in order to increase competition, to improve quality and choice, and control cost. The NE6 arrangements has modernised the way placements are procured making it a more open, transparent and robust process. The lists opens at a minimum of 6 month intervals to promote market development and at each opening there have been a number of settings applying to be part of the APL, to date there are 73 homes on the list.

NE12+ Placements for 0-25 years in Department of Education Schools and Colleges

The NE12+ Collaborative consists of the 12 North East local authorities and their Clinical Commissioning Groups (CCGs) through the North East Commissioning Service (NECS). The Framework Agreement commenced on 1 February 2016 with 13 Providers appointed to the solution representing 22 settings. From this date, Participating Organisations have been able to carry out further competitions beneath the Framework Agreement to purchase Pre and Post 16 educational packages through the NEPO portal.

The Framework Agreement was designed as a flexible model to enable Participating Organisations to procure bespoke placements to meet the assessed needs of individual Children and Young People as identified in their Education, Health and Care Plans (EHC).

The Framework Agreement was designed to enable Participating Organisations to meet their statutory obligations in relation to the Public Contract Regulations (2015), statutory education requirements for pre and post-16 learners and the SEND Code of Practice. The Framework Agreement is divided into 64 Lots and Bandings with 32 of these being for Young People aged 16 – 25 years. Gateshead Council and Durham County Council led on the sub group to develop the quality monitoring processes for the NE12+ framework.

NE12+ Phase Two is currently taking place, the scope is:

- Placements in Department for Education registered non-maintained and independent special schools and colleges for Children and Young People 0 – 25 years; day placements weekly boarder placements, termly boarder placements and full residential placements,
- Placements in Ofsted registered, Independent Children’s Residential Homes for Children and Young People 0 – 18 years (currently known as NE6), and
- Residential short-break services

Case Study 5

Integrated Commissioning for Carers across Gateshead: Health & Social Care (Gateshead Council and Newcastle Gateshead CCG)

Carers Review

In response to the implementation of the Care Act 2014 partners within the Integrated Commissioning Business Group made a decision to come together in collaboration to review the provision of carers' services in Gateshead.

The review would encompass all age carers and would apply a whole system approach, creating the opportunity to work closely and develop relationships with colleagues across Public Health, Children's Services, Adult Social Care and Newcastle Gateshead Clinical Commissioning Group and set precedence for future collaborated work.

An initial desktop exercise provided an overview and improved understanding of the picture of carers services across Gateshead, highlighting an approximate spend of £1.8m on services which provide a direct support to carers.

The purpose of the review is to engage with all carers, providers and stakeholders to understand the needs of carers in Gateshead and determine the best model for delivering carers services in the future, to develop integrated commissioning intentions that determine how we will commission and monitor services, establish a streamlined pathway for carers accessing services and prevent duplication of funding and resources across health and social care.

The Council is fully committed to Commissioning for Better Outcomes and will measure its performance and improvement against the following standards:

- Achieve a person-centred and outcome focused result in all commissioning activities
- Will be well led across Early Life, Living Well and Aging Well, using a system wide approach
- Work in collaboration and coproduction with all key partners including health, the police, public health voluntary sector, service users, carers and communities
- Will provide a sustainable and diverse market
- Deliver high quality and low cost, value for money care and support
- The Council works with service users, various partners and the wider community to help shape the market and design services that meet a range of commissioning needs
- Develop the workforce and promotes positive engagement with providers

Next Steps

The strategic review of Carers services is an ongoing project and is expected to be finalised by April 2018.

Structuring our commissioning activity

Our Commissioning activity is currently organised in a variety of different ways. Responsibility for the co-ordination of our commissioning activity sits within our Corporate Services and Governance Group.

Within our Care, Wellbeing and Learning Group we have a centralised commissioning team who manage the commissioning of all age social care and health services. Within Communities & Environment the Commissioning and Business Support Service directs and supports the commissioning across the group with specific commissioning activity being undertaken within a number of services. There are other discrete areas across the Council who undertake commissioning activity on an *ad-hoc* basis.

We will review our structure to determine if we are resourcing it appropriately and if there are other ways of structuring our commissioning activity that would deliver greater benefits. This could include further consolidating our commissioning activity, virtual consolidation, or developing a hub of officers with experience and expertise. This work will influence the future structure of the Council.

We will also further develop the skills of our workforce in this area as set out in the Council's Workforce Plan.

Case Study 6

Insourcing of Housing Repairs and Maintenance

Providing high quality housing in the borough is a key aspiration set out in the Council Plan. It links to the theme of 'Live Well Gateshead' as well as supporting the goals of 'Prosperous Gateshead' as it directly feeds into the economic growth agenda.

But the need to 'work differently' to make sure we not only secure positive outcomes for residents but the best solution for the council financially, has led to a change in our approach when it comes to housing repairs and maintenance.

As a landlord we are required to have a repairs service which meets our legal responsibilities, keeps tenants safe, meets their expectations and fulfils its obligations under the Tenancy Agreement.

A contract had been let to Mears to deliver the Housing Repairs and maintenance contract for a three-year period from April 2012 to March 2015 which was extended until March 2017.

But we wanted to know what the outcome and implications would be if we brought this service in-house. So, we asked the Chartered Institute of Housing (CIH) to produce an independent analysis and recommendation of the potential for Construction Services to directly deliver the Housing Repairs and Maintenance service.

While the CIH considered both an external provider option and an in-house option, it was the latter that was agreed by Cabinet. This delivery model would be a strategic partnership using both Construction Services and a commercial organisation with the necessary expertise in repairs and maintenance in order for the Council:

- to meet its current challenges more flexibly and efficiently;
- to realise its value for money objectives; and
- to minimise risks identified by the CIH report.

More Information: Contact Peter Udall, Service Director, Council Housing, Design and Technical Services on 0191 433 2901, email peterudall@gateshead.gov.uk

Anticipated outcomes

Strategic Commissioning is about determining the outcomes to be met and then planning what the Council’s role should be in achieving those outcomes. This may include determining what services are to be provided, how, and by whom. Our role is one of leadership in setting the commissioning strategies for the Council and its partners as appropriate, and managing the commissioning of services and priority outcomes including frontline services, internal services and externalised enabling services.

We are committed to further develop a mixed economy of service provision because we believe that the outcomes should be met by communities taking greater ownership of issues they face. Where services are to be provided they will be delivered by the organisation(s) in the public, private or voluntary sectors that are best able to meet the desired outcomes. Case Study 8 demonstrates an ability to work innovatively with a range of partners to deliver various council outcomes.

As an authority that is good at commissioning we will:

- Develop a more resilient community
- Have a greater understanding of available resources within the borough, and how best to deploy them to satisfy the overall needs and priorities of local people
- Succeed in reducing overall expenditure whilst at the same time enabling an appropriate level of service delivery to be maintained
- Focus on outcomes, delivering with less direct resource, whilst at the same time supporting economic regeneration
- Better engage with all stakeholders including service users, communities partners, markets and our supply chain
- Develop consistency in applying commissioning approaches across all budget areas
- Retain and further develop officers with skills in commissioning, procurement and contract management
- Optimise collaborative activities at various levels - regionally (across the North East), and/or sub-regionally (across Tyne and Wear), and/or the North East Combined Authority region; and/or locally (with partners based in Gateshead)
- Consider and manage expectations of a range of providers including in-house services and external markets
- Stimulate markets and help them to develop by engaging them early in the commissioning process
- Continue to learn from others

- Maximise the value achieved from the “Gateshead Pound”
- Deliver better outcomes by developing our role as place shaper

Case Study 7

Coproduction approach to join up commissioning across housing linking People and Place

Supported Housing: a Co-Production Model for Commissioning

Co-production is: “A relationship where professionals and citizens share power to plan and deliver support together, recognising that both have vital contributions to make in order to improve quality of life for people and communities.”

A new model for the provision of supported housing services in Gateshead has been under development during 2016 with a projected service start date of 30 October 2017.

The Council recognised at an early stage that the most sustainable, effective and cost efficient commissioning approach would be by adopting a co-production partnership with experts by experience in the sector. This co-production approach has also complemented and enhanced the ongoing consultation with existing service providers. The co-production approach has resulted in the following:

- A series of development meetings have taken place with experts by experience;
- The first meeting was held at the Civic Centre but have subsequently been held at various supported housing centres across Gateshead;
- Although there is a set agenda the discussions at the development meetings have been organic and experts by experience have offered ideas and critical appraisal in respect of the new models considered by the Commissioning Officer;
- The development of alternative models of service delivery based on lived experience;
- A provider and experts forum meeting has been arranged and all models for the development of a supported housing service will be tested;
- Meetings and service visits have been completed with all existing providers, including consultation with service users.
- A Community Interest Company has been developed by one of the experts by experience in partnership with others, to provide intensive floating support for vulnerable young people.

The procurement timeline has been shared with the experts and a core group will be involved in writing the specification and assisting with the tendering process, including submission evaluations.

Each of the development meetings have been evaluated using the 4 plus 1 technique and the following learning has been gleaned from the co-production approach:

- Inclusivity is the key to understanding the market;
- Many experts by experience have clear and articulate ideas about how their service, and other services, should function;
- The lived environment and geographical location are important factors in terms of support;
- Skilled and caring support staff can elevate support services and make a difference.

Comments made by the experts by experience involved in the co-production approach include:

- “I feel professionals talk down on people. I think it is good that you are willing to listen to what we have to say about our experiences and our ideas.”
- “Really good. We learn as we go and have to change things along the way to fit the service user. Change the way of working and dealing with the client.”

Reviewing and continuous learning

As part of our approach to commissioning we will implement appropriate management and monitoring arrangements to ensure that our outcomes are being achieved and we will take corrective action where necessary. Case Study 6 demonstrates that we continually review our services to ensure that our outcomes are being met in the most effective way.

We will also learn from other parts of the Council and other organisations within all sectors including our supply chain. This learning will feed into future conversations and, where appropriate, specifications and help us all to become smarter and more effective at delivering outcomes.

Case Study 8 District Energy Scheme

On a strategic level, the proposal to develop a Gateshead Town Centre District Energy Scheme was driven by many objectives within Vision 2030, strategic interventions within the Council Plan, the Council's Climate Change Strategy and other Council strategies and commitments, specifically:

- Supporting business development and regeneration in the Town Centre, Baltic Business Quarter and Gateshead Quays areas
- Reducing Council energy costs, and supporting income generation.
- Helping to alleviate fuel poverty for residents, by providing lower cost heat
- Reducing energy consumption and carbon emissions of homes and employers in the borough

Commissioning options were fully explored in terms of investment, delivery and operation.

Investment: Options considered ranged from wholly Council funded, through private partnership, to 100% privately financed. In order to retain strategic control and the higher finance costs associated with private investment, it was decided that we should invest in the scheme. To achieve this we set up the commercially regulated Gateshead Energy Company which is controlled 100% by the Council.

Delivery: Due to the specialist nature of designing and constructing an Energy Centre and heat/power network, and the lack of previous experience within the Council, it was decided to outsource this element fully.

Operation: Again, reflecting on skills/experience in managing energy schemes, the Council has resources in some areas (energy scheme administration), but is lacking elsewhere (plant control system, specialist energy plant maintenance). This has led to a mixed economy, where the Council uses its own resources (Energy Service, Finance, Legal, and Procurement) to provide back office support to the Energy Company, in return from increase fee income – this has included funding new resource (BMS Engineer), where it was cost effective to consolidate other external support services into this new role. For specialist support (CHP maintenance, High Voltage Network Maintenance), costs, risks and specialisms of these items make outsourcing the most cost effective means of commissioning.

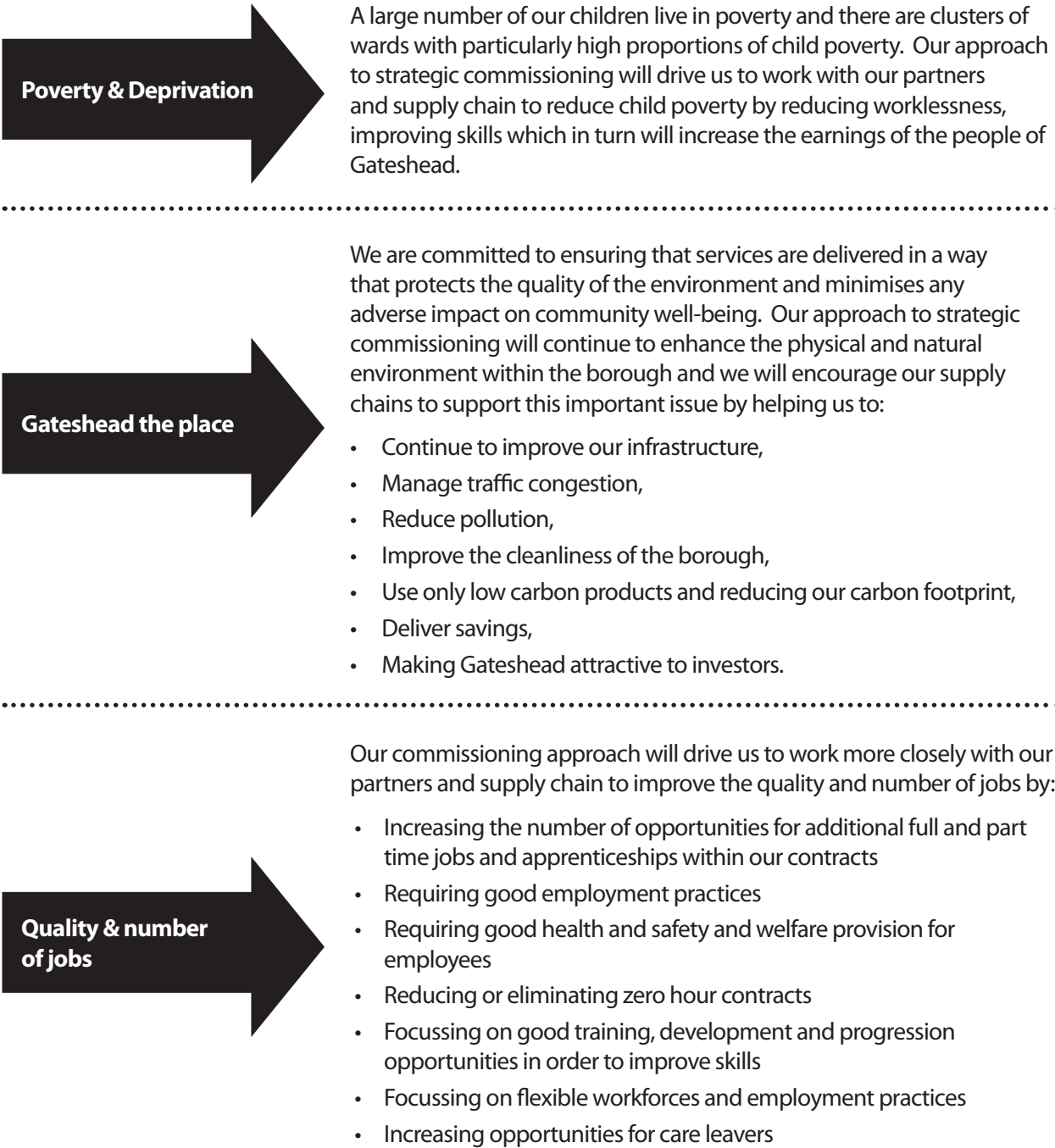
Work is ongoing to see whether or not the scheme can be replicated elsewhere in the borough.

More Information: Contact Peter Udall, Service Director, Council Housing, Design and Technical Services on 0191 433 2901, email peterudall@gateshead.gov.uk

Appendix 1 Social value in commissioning

Within Gateshead we will use our place leadership and commissioning activity to stimulate private, public and social investment in Gateshead.

We have developed an approach to ensure that maximum social value considerations are built in to all of our commissioning and procurement activity in order to tackle a number of issues as outlined below:



Health outcomes

More than a quarter of our population has a long-term ill health condition. Our approach to strategic commissioning will ensure our partners and supply chain help to improve the health outcomes of local people by:

- Encouraging all employees to live a healthy lifestyle
- Identifying ways in which we can reduce hospital admissions due to alcohol misuse, depression, obesity and lifestyle
- Ensuring appropriate working conditions and standards of health and safety.

Levels of ambition/ aspiration

During the course of our commissioning work we will encourage our partners and supply chain to provide a wide range of opportunities for people of all ages to raise their levels of ambition and aspiration including providing work experience, training, skill development, and more healthy and innovative activities.

This activity will focus on Gateshead but will also include raising opportunities for people in other countries by for example driving ethical trading by promoting the use of fair trade products or eliminating the use of child labour. We will fully implement the Gateshead Compact with the voluntary and community sector and ensure that all our procurement activity honours the commitments made within it and we will continue to engage a diverse range of providers from all sectors, to optimise our “mixed economy” model.

Skills development

Our approach to strategic commissioning will ensure that we focus on developing skills both within and outside our organisation. We will continue to develop the skills of our employees who are involved in commissioning and procurement activity.

We will also work with local suppliers to develop their skills in terms of competing for business. Some of this work will be carried out regionally by making best use of the NEPO Business Club.

Toolkits and guidance will be developed further and our website will become a repository of information and signpost to further guidance.

Appendix 2

Timeline and Action Plan

Action	By whom	When
Consult with Councillors on approach to Commissioning	A. Tickner	November 2016
Approval of Corporate Commissioning and Procurement Strategy	Cabinet	January 2017
Implement Corporate Commissioning and Procurement Strategy	Leadership Team	February 2017
Develop competencies for commissioners	A. Tickner	February 2017
Agree Draft Trade Union Agreement for Commissioning and Procurement		March 2017
Develop training for commissioners	A. Tickner	April 2017
Approval and Implementation of Trade Union Agreement for Commissioning and Procurement		May 2017
Organise roll out training for commissioners	A Tickner /Workforce Development Team	May 2017
Review and consider structure for commissioning activity in conjunction with implementation of Target Operating Model (TOM)	A. Tickner/ M. Cockram	TBC
Review and propose amendments to Corporate Commissioning and Procurement Strategy if required	A. Tickner	December 2018
Review and propose amendments to Corporate Commissioning and Procurement Strategy if required	A. Tickner	December 2020



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