
Report To:	Policy and Resources Executive Sub-Committee	Date:	29 th November 2011
Report By:	Corporate Director – Organisational Improvement and Resources	Report No:	P+R/10/11/01/PW/SJ
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Subject:	Commissioning Workstream		

1.0 PURPOSE

1.1 The purpose of this report is to update Members on activity undertaken to date as part of the Commissioning Workstream, previously agreed by the Policy and Resources Committee and in turn the Alliance Board, and to seek authority to tender and award contracts for the provision of services in a number of areas.

2.0 SUMMARY

2.1 In February 2010 the Council agreed that one of the workstreams it would pursue to help address the significant financial challenges it faced over the next few years was the further development and expansion of the commissioning model, developed for the Fairer Scotland Fund, into other mainstream and partnership service areas.

2.2 In August 2010 the Policy and Resources Committee further agreed that the “in-scope” services for the commissioning model, endorsing the previous decisions of July 2009, would initially include the following ten areas:

- Youth Work
- Services to Children
- Neighbourhood Development
- Community Learning and Development
- Financial Inclusion
- Health Inequalities
- Alcohol and Drugs Services
- Employability
- Grants to Voluntary Organisations
- Social Care Grants to Voluntary Organisations.

2.3 The August 2010 Committee also approved the procurement and appointment of appropriate external advice and support to develop the commissioning model. Following a competitive tendering exercise, in September 2010 the Council engaged New Skills Consulting to support the process.

2.4 To date, the development of the commissioning workstream has involved a series of thematic workshops and two follow up consultation exercises. Senior managers from the specified service areas from partners organisations and the Council have been involved in these exercises, ultimately these consultations will yield service specifications suitable for further consultation.

2.5 Due to the termination of current contracts in respect of applicable services known as the former Fairer Scotland Fund it is necessary to complete a procurement exercise for those services by 31st March 2011.

- 2.6 The Commissioning work stream is required to achieve £1.0m across three financial years, in addition Directorates have identified potential savings from the “in scope” services as part of the development of the 2011-13 Budget.
- 2.7 The programme monitoring support unit were formed to monitor the delivery of the Fairer Scotland Fund, it is recommended that the unit continue to implement and monitor the tendering and delivery of the contracts within this model for up to another 24 months.

3.0 RECOMMENDATION

It is recommended that the Sub-Committee:-

- 3.1 Note the progress made to date with the Commissioning Work Stream.
- 3.2 Delegate authority to the Chief Executive to develop specifications through consultation with relevant officers, tender and award contracts for the initial “in scope” services to the value of £4.1m, as well as maximising external funding opportunities.
- 3.3 Agree that ongoing funding for the Programme Monitoring Support Unit is provided from within the £4.1m for up to another 24 months.

Paul Wallace
Corporate Director - Organisational Improvement and Resources

4.0 BACKGROUND

- 4.1 In February 2010 the Council agreed that one of the workstreams it would pursue to help address the significant financial challenges it faced over the next few years was the further development and expansion of the former FSF commissioning model into other mainstream and partnership service areas. The value of the saving associated with this workstream is £1m.
- 4.2 In August 2010 the Policy and Resources Committee further endorsed the July 2009 decision of the Committee and the Inverclyde Alliance Board that the “in-scope” services for the commissioning model would initially include the following 10 areas:
- Youth Work, Services to Children, Neighbourhood Development, Community Learning and Development, Financial Inclusion, Health Inequalities, Alcohol and Drugs Services, Employability, Grants to Voluntary Organisations, Social Care Grants to Voluntary Organisations.
- 4.4 The August 2010 Committee also authorised the procurement and appointment of appropriate consultancy support to develop the commissioning model. Following a competitive tendering exercise, in September 2010 the Council engaged New Skills Consulting to support the process. New Skills had previously been involved in developing the commissioning model and process used for FSF during 2008.
- 4.5 To date, the development of the commissioning work stream has involved a series of thematic workshops and two follow up consultation exercises. Senior managers from the specified service areas from the Council and Partner Organisations have been involved in these exercises.
- 4.6 Three workshops were held over the 18th and 19th October from partners and Council Services to scope and benchmark the range and cost of services currently delivered under the specified service areas. Participants were also asked to provide an initial assessment of the suitability of these services for commissioning in respect of implementation.
- 4.7 There are a significant number of cases where services remain in-scope, but managers have identified the need for a careful review of the service area and the potential benefits and impacts before proceeding to a final decision on commissioning. In addition, for other services it is clear there is a need for a significant amount of further development and clarification before the service can be properly confirmed as suitable for commissioning. This is likely to mean it will not be feasible to commission some services in time for an April 2011, however this is reflected in the programming of the workstream savings proposals.
- 4.8 The programme monitoring support unit were formed to monitor the delivery of the Fairer Scotland Fund. Review of the staffing complement for the PMSU in light of the likely allocation has been undertaken. It is recommended that the team comprise of Senior Monitoring Officer, Monitoring Officer, Assistant Monitoring Officer and Clerical Officer. The role of the unit would be to continue to implement and monitor the tendering and delivery of the contracts within this model.
- 4.9 It is proposed to procure within this report £4.1m worth of services less the costs of operation of the PMSU.

5.0 IMPLICATIONS

5.1 Finance:

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Former FSF Funding	Contract Payments	2011/13	£4.1 million p.a.		

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

- 5.2 Personnel: There are Human Resource implications for Council staff on projects funded by the former Fairer Scotland Fund. Initial discussions have taken place with the Trade Union. Contact will be made with affected staff by Human Resources in due course to discuss the options available for these staff.

6.0 CONSULTATION

- 6.1 Consultation has taken place with legal and administration along with procurement.