

**Open report on behalf of Pete Moore, Executive Director of
Finance and Public Protection**

Report to:	Executive
Date:	03 July 2018
Subject:	Commercialisation and Commissioning Strategies
Decision Reference:	I015755
Key decision?	Yes

Summary:

This report identifies progress made by the Council on commissioning commercialisation. It asks the Executive to approve the content of the Commissioning Strategies in the form attached at Appendix B and to approve the Commercialisation Strategy at Appendix D.

Recommendation(s):

That the Executive:

1. Approve the content of the Commissioning Strategies which have been considered by the relevant Scrutiny Committee set out in the form of the Highlight Reports attached at Appendix B;
2. Receive a further report before approving the Commissioning Strategies which are yet to be considered by the relevant Scrutiny Committee and which are itemised at Appendix C once they have been to scrutiny;
3. Approves the Commercialisation Strategy at Appendix D;
4. Delegates to the Executive Director of Finance and Public Protection the setting of a target for the generation of income collection in consultation with the Leader, the Executive Councillor for Commercial and Environmental Management and the Chief Executive as part of the budget setting process.

Alternatives Considered:

Not to approve either the Commissioning Strategies' content as set out in Appendix B or the Commercialisation Strategy set out in Appendix D.

Reasons for Recommendation:

Increasingly the Council sees itself as a commissioner of services whether that be from in-house providers, external contractors, shared services or other similar arrangements. The view is that Commissioning Strategies will ensure ;

- the better matching of need and improved services
- the better development of services in accordance with priorities
- better balance between tiers of services e.g. an increase in preventative services
- increased causal connectivity between services and desired outcomes
- better engagement with service users, the market and commissioning partners

In order to balance future budgets the Council needs to embrace commercialisation and the opportunities that presents for both income generation and improved service.

Amendments can be made to the strategies if required.

1. Background

Commissioning

1. Lincolnshire County Council is a commissioning council. Within the Business Plan we define our purpose to include commissioning for outcomes based on our communities' needs. The commissioning principles we work to are;

- Councillors are at the heart of shaping and making strategic decisions;
- Securing high quality evidence of needs in the context of political priorities and a consistent approach;
- We focus on the outcomes we are seeking to achieve;
- We commission with others where that would improve results;
- High quality support operates across the Council;
- Commissioners are ultimately accountable and in turn hold Service Providers to account.

2. We created a definition of what we mean by commissioning...

"Commissioning is the cycle of assessing the needs of people in an area, designing and then achieving appropriate outcomes. The service may be delivered by the public, private or civil society (a.k.a. third sector) sectors."

3. Outcomes are the direct results or benefits for individuals, families, groups, communities, organisations, or systems and cover the issues that matter to people. National outcomes have been developed for Public Health and Adult Care. The Council reports its performance against these, and outcomes it has chosen in the Business Plan. Examples include, people have a positive experience of care; reduce the risk of flooding and children are safe and healthy.

4. The Council's functional areas were covered in seventeen groupings which were each to be governed by a single commissioning strategy. The 2015-16 budgets were re-structured to enable reporting to reflect the seventeen strategies and performance reporting was also changed to reflect the chosen outcomes.
5. In 2017 further work was undertaken to simplify commissioning and to review Member involvement so that senior members had early sight of proposed outcomes, services and how they might best be delivered. This resulted in a "Minimum requirements for Commissioning Strategies and Plans" which commissioners follow. It is attached at Appendix A.
6. For ease and consistency a Commissioning Highlight Report template was set out enabling each Commissioning Strategy to be summarised in a way which included the minimum requirements. Additionally the 17 Commissioning Strategies were reduced to 14. This was because the areas set out in Table 1 below do not fit well within a commissioning approach as much of it is regulatory and policy activity. Instead these activities provide a corporate framework for the Council's business supporting the other commissioning strategies.

Table 1

Chief Officer	Draft Commissioning Strategy Title & Description	Activities in scope
Executive Director of Finance and Public Protection	<p>Enablers and support to the Council's outcomes</p> <p>This commissioning strategy will include the enablers required to support the delivery of the Councils agreed outcomes.</p>	<ul style="list-style-type: none"> • ICT Strategy & support • Property Strategy & support • People Strategy & support • Commissioning / procurement / contract strategy & support • Specialist programme management & support • Strategic communication • Lincolnshire Research Observatory (LRO)
Executive Director of Finance and Public Protection	<p>How we do our business</p> <p>This commissioning strategy will include the overarching governance and standards for the Council, including decision making through the democratic process.</p>	<ul style="list-style-type: none"> • Budget & Policy Framework • Finance & Audit • Corporate Standards & culture • Decision making, including democratic processes

Chief Officer	Draft Commissioning Strategy Title & Description	Activities in scope
Chief Executive	<p>Enablers and support to key relationships</p> <p>This commissioning strategy encompasses the Council's corporate strategies and the support to our relationships with the public, service users, partners and outside bodies.</p>	<ul style="list-style-type: none"> Partnership engagement & support

7. With regard to Executive member engagement the approach has been to make the most of informal consultation through a Commissioning Board allowing fuller and earlier engagement without imposing a significant additional resources burden. This is in addition to and not instead of the formal decision making required for example to go out on a procurement or to let a major contract. A member led Commissioning and Commercial Board was established in 2017 to monitor the progress and implementation of the Council's Commissioning Strategies.
8. The Commissioning and Commercial Board has now been consulted on all of the Highlight Reports for the 14 Commissioning Strategies. Further many of those Strategies have also been through their relevant Scrutiny Committee e.g. Children and Young People Scrutiny Committee. These are those Strategies summarised in Appendix B. Those Commissioning Strategies which are yet to go through Scrutiny are summarised in Appendix C.

Commercialisation

9. The Council is conscious of the need for greater commercialisation to help with ongoing financial challenges and to maintain and improve service. A draft Commercialisation Strategy has been developed and is attached at Appendix D. The work has been led by the Executive Director for Finance and Public Protection with engagement from the Executive Councillor for Commercial and Environmental Management. The draft strategy takes a broad view of commercialisation covering a wide scope of activity. It has benefited from work done by other authorities in this area.
10. What is particular to Lincolnshire's Strategy is the identification of 2 main commercial principles (i) the customer service ethos is at the heart of everything we do and (ii) the need to manage risk so that we do not put the public service offer at risk. As a result we are unlikely to invest in opportunities outside of Greater Lincolnshire and any risk taken must be well managed and proportionate to the reward. In general terms there is little

point in taking significant risk that could result in material losses if the reward on success is small.

11. The draft Commercialisation Strategy sets out different categories of commercialisation some of which are business as usual within existing resource and the others which are project and business case based. Arranged on a continuum depending on the degree of risk the activities are as follows;

- Adopting a commercial mindset and displaying commercial acumen and discipline;
- Being productive in everything we do for ourselves;
- Increased focus on how we buy goods and services including procurement, contract management, shared service arrangements;
- Maximising the return on our assets;
- Covering our costs through charging;
- Trading our services;
- Investing.

12. Existing governance arrangements will be used to oversee commercialisation so that CMB and the Commissioning and Commercial Board will provide early feedback prior to the Council's formal decision making being invoked. A project scoring tool to help with prioritising commercial projects is included at the back of the draft strategy at Appendix D. This will be developed over time with experience.

13. So that budgets can be managed the Council needs to understand what income it can reasonably expect to generate over the short and medium term and what the resourcing implications of that are. With this in mind an income generation target would be helpful whilst accepting that returns in the very short term are unlikely.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

It is not considered that the approval of the content of the Commissioning Strategies or the adoption of the Commercialisation Strategy have any direct Equality Act implications. There may be differential impacts on groups with a protected characteristic arising out of specific projects and initiatives and these impacts will be reported to the Executive through the usual formal decision-making arrangements for those projects and initiatives.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

The JSNA and the JHWS as well as national outcomes frameworks have been taken into account in the development of the Commissioning Strategies. As an overarching strategy, the Commercialisation Strategy has no direct impact on the JSNA or the JHWS. Regard will be had to the JSNA and JHWS in developing individual initiatives arising out of either the Commissioning Strategies or the Commercialisation Strategy.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Certain of the Commissioning Strategies especially those in the area of Public Protection but also Children's Services and other areas have direct impacts and are designed to have direct impacts on the section 17 issues. While the Commercialisation Strategy has no direct implications for section 17 issues these will be taken into account in reaching future formal decisions on individual initiatives and projects.

3. Conclusion

The Executive is invited to approve the recommendations.

4. Legal Comments:

The Council has the power to adopt the contents of the Commissioning Strategies and the Commercialisation Strategy.

The decision is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments::

There are no additional budget implications arising from this report.

6. Consultation

a) Has Local Member Been Consulted?

N/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decisions set out in this Report will be the subject of pre-decision scrutiny by the Overview and Scrutiny Management Board on 28 June 2018 and the comments of the Board will be reported to the Executive at its meeting.

The strategies contained in Appendix B of this report were considered at the following Scrutiny committee meetings:

- 'Children are Safe and Healthy', 'Learn and Achieve', 'Readiness for Adult Life' and 'Readiness for School' at the Children and Young People Scrutiny Committee meeting on the 8th September 2017.
- 'Sustaining and Growing Business and the Economy' at Economic Scrutiny Committee on 21st July 2015.
- 'Protecting and Sustaining the Environment' at Economic Scrutiny Committee on 8th September 2015.
- 'Sustaining and developing prosperity through infrastructure' at Economic Scrutiny Committee on the 20th October 2015.
- 'Community Resilience and Assets' at Public Protection and Communities Scrutiny Committee on 13th June 2017.

d) Have Risks and Impact Analysis been carried out??

Yes

e) Risks and Impact Analysis

See the body of the Report.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Minimum Requirements for Commissioning Strategies and Plans
Appendix B	Commissioning Strategy Highlight Reports where the Commissioning Strategy has been to Scrutiny Committee
Appendix C	Commissioning Strategy Highlight Reports where the Commissioning Strategy has not been to Scrutiny Committee
Appendix D	Draft Commercialisation Strategy

Background Papers

No Background Papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of the Report.

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