

ABERDEEN CITY COUNCIL

COMMITTEE	Strategic Commissioning Committee
DATE	20 th November 2018
REPORT TITLE	Outcomes-based Commissioning
REPORT NUMBER	SCC/COM 18/292
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TERMS OF REFERENCE	Purpose 6 and Remit 2.2

1. PURPOSE OF REPORT

- 1.1 The report outlines the steps we will be taking over the next 18 months to embed commissioning across the Council. It is built upon considerable work since April considering the stages in developing the Council's commissioning approach.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Approve the proposed approach to commissioning within the Council.

3. BACKGROUND

- 3.1 The Committee considered a report by the Director of Commissioning in April 2018 which explained commissioning as a planned commissioning cycle. This report further explains the stages that will take place to embed commissioning in the Council.

4. SECTION 1 – THE STRATEGIC PLANNING FRAMEWORK

- 4.1 The Community Empowerment (Scotland) Act 2015 placed a duty on Community Planning Partners (CPP) to produce a Local Outcome Improvement Plan (LOIP) to cover a 10-year period. The Aberdeen Community Planning Partnership (CPP) approved its first version of the LOIP on the 22nd August 2016 and it had already been endorsed by the Council a few days earlier on 17th August.
- 4.2 This first version of the LOIP was underpinned by a strategic assessment. In addition to the requirement to produce a LOIP, the 2016 Act also placed a duty on CPP to identify localities based on levels of deprivation and to devise locality plans for these areas. Aberdeen CPP duly defined 3 localities and devised 3 locality plans. These localities were underpinned by further strategic assessments.
- 4.3 Alongside the requirements of the Community Empowerment (Scotland) Act 2016, legislation also places some further duties on CPP's to produce multi agency plans. For example, The Children and Young Peoples (Scotland) Act 2014, requires the production of a Children's Services Plan, locally referred to

as the Aberdeen City Integrated Children's Services Plan; informed by the National Alcohol and Drugs Strategy for Scotland 2008 (the Road to Recovery) an Alcohol and Drug Partnership Delivery Plan (ADP) was produced in 2011 and following the abolition of Community Justice authorities and the introduction of the Community Justice (Scotland) Act 2016, there is now a requirement to produce a Community Justice Outcome Plan.

- 4.4 Since the completion of the LOIP, the Aberdeen City IJB has been established in April 2016, and of course is meeting its requirement to produce a strategic plan. In addition, the Public Bodies (Joint Working) Act (2014) placed a requirement on IJB's to create their own localities.
- 4.5 Place planning is a theme contained within the LOIP and the 3 locality plans, there is a statutory requirement for a regional spatial plan the Aberdeen City and Shire Strategic Development plan (2017) and the city spatial plan (the Local Development plan). The current Planning Bill proposes that the local spatial plan in future is community led. If approved by parliament, the CPP will need to consider the relationship between the LOIP, LDP and the locality plans.
- 4.6 Whilst progress has been made against the initial LOIP and within the other multi agency plans, including the IJB Strategic Plan, the CPP Board agreed that it should undertake a refresh of the LOIP, every 2 years given the changing landscape including the new legislation noted above.
- 4.7 The current refresh of the LOIP was timely in terms of the Council's move to introduce commissioning. Therefore, the Director of Commissioning was instructed to complete a Population Needs Assessment (PNA) at this committee in April 2018. The PNA will be used to underpin the refresh of the LOIP.

5. SECTION 2 - THE STAGES OF THE COMMISSIONING CYCLE

- 5.1 This section demonstrates some of the ways commissioning is already developing in the organisation and will outline the stages as to how the commissioning approach will develop over the next 18 months.

STAGE 1 OF THE COMMISSIONING CYCLE: (May to November 2018)
Develop a Population Needs Assessment (PNA) and continually revised.

Where are we: The Population Needs Assessment (PNA) is on the agenda for the Strategic Commissioning Committee (SCC) for approval and will be formally submitted to the CPP Board as a background paper to the proposed refresh LOIP.

- 5.2 In commissioning cycle terms, it is critical that the PNA underpins a refresh of the LOIP and all the other plans to ensure we are focused on the right things.

STAGE 2 OF THE COMMISSIONING CYCLE: (June 2018 to January 2019)
Refresh the LOIP, and various multi agency plans considering the findings of the Population Needs Assessment.

Where we Are: Following the CPP development day in September, a lot of work is underway to refresh the LOIP. This refresh is also enabling the ADP delivery plan, Integrated Children's Plan (ICS), Community Justice Plan and IJB

strategic plans to be better aligned to the LOIP. It is anticipated that the final version of the refreshed LOIP will be submitted to the CPP Board meeting in December 2018 for approval and then subsequently submitted to the Strategic Commissioning Committee at its meeting in January 2019.

- 5.3 Once the LOIP is refreshed, it will be necessary for each of the agencies to determine their contribution to the outcomes contained in the LOIP. For example, The Police and Fire Reform (Scotland) Act (2012) requires Police Scotland and Scottish Fire and Rescue to respectively produce a Local Policing and Fire Plan. Both Police and Fire Commanders have ensured that their local plans are fully aligned to the LOIP. Within the Council, we are also aligning our plans to the LOIP. The true value of partnership comes when we are fully exploring the contribution of all partners to the various outcomes rather than simply identifying the contribution to the obvious outcomes.

STAGE 3 OF THE COMMISSIONING CYCLE: Defining the contribution to the LOIP by the Council and partners. (November 2018 to March 2019)

For the Council, we will achieve this through the development of a set of commissioning intentions. These commissioning intentions will frame the ask of our in-house services, the services delivered by our ALEO's as well as those services we commission from external providers. We will support Community Planning Partners in their own approaches to defining their contribution to the LOIP.

The Council's Target Operating Model is trying to achieve a shift towards more empowered communities able to help themselves and each other. As a result, part of this stage will be a consideration of what could be done to empower communities more. Of course, this stage will also result in some contributions of Council, ALEOs or Council's supply chain not being commissioned as the services are not viewed as making a significant contribution to the outcomes. Careful consideration will be required to ensure that these decommissioning options have due regard to the full range of Council statutory duties. We would anticipate decommissioning options will be presented for elected member decision making.

Where are we: Once the LOIP refresh is complete, commissioning intentions will be developed and presented to Council for approval. Given the LOIP will be presented to the SCC in January 2019, the commissioning intentions will be presented as part of the budget report to the special Council meeting in March 2019.

- 5.4 Once commissioning intentions are in place the Council will be able to move towards the production of service specifications. These specifications will link the LOIP into a more detailed explanation of our services and will be outcome-based. This will enable debate and co-designing of the services we need as opposed to the services we have.

STAGE 4 OF THE COMMISSIONING CYCLE: (April 2019 to March 2020)

This stage will include expressing the commissioning intentions by the Council into a series of service specifications based on available resource. Clear service specifications based on funding envelopes will be produced for the ALEOs and third-party organisations. This framework is less developed for our

in-house services. A clear service specification for in-house services will be developed and will enable the Chief Operating Officer and the Director of Customer Services to be clear, with both staff and customer, about the level of service the Council can provide based on the funding envelope it is operating within. Within this stage, we will have to consider how we redesign what we offer and the service available.

Where are we: These specifications can only follow the budget setting timetable as the available resource for in-house services will be clear. In future years, beyond 2019/20 budget, the aim will be that the commissioning intentions and service specifications could be presented alongside the budget proposals. It is important however, that we manage this shift towards an outcome led budget in a careful way. Historically, our budgets have been aligned to the organisational structure of the Council. The 2018/19 budget was aligned to the new interim structure. A final organisational structure will need to be presented to Council in due course, reflecting the intended focus on outcomes and at that point it would be sensible to align the budget.

- 5.5 With the LOIP, commissioning intentions, specifications and aligned budgets in place it will be possible to move towards reviewing and analysing performance against outcomes. It will be important that we devise a performance management framework reflecting the outcomes of the LOIP and the service specifications contained in the commissioning intentions.

STAGE 5 OF THE COMMISSIONING CYCLE: Moving to Outcomes based performance management (January to July 2019)

This stage is concerned with the performance monitoring of ACC, ALEO's and ACC's supply chain services against agreed outcome measures and ultimately in terms of contribution to LOIP outcomes. This contribution will have to be aggregated along with partners so the whole Community Planning Partnership's progress to be reviewed. The new performance management framework will include a system of reporting to Council Committee's against the service specifications at the same time as reporting into the CPP structures.

Where are we: work is underway on this stage and it is anticipated that an outcome framework for the LOIP will be devised by April 2019 and the Council outcome-based performance framework is already being devised.

6. SECTION 3: SERVICE REDESIGN AND DATA

- 6.1 Critical to enabling the stages of commissioning cycle set out above, to be implemented will be the in-house commissioning function and the in-house capability being built around service redesign.
- 6.2 Our service design will be a customer centric approach. That means that we will put the customer at the heart of how we shape and tailor the support and services we deliver to ensure we improve outcomes for all we serve. Our evolving Business Intelligence Unit is making better use of our data to better inform our services and to intelligently identify areas where we can prevent harm or intervene earlier where we identify customers need for support. This will be supported by current evidence of best practice.

- 6.3 Building on the wealth of data, and best practice we have access to and by better understanding our customers means that we will be able to make best use of our resources. Service redesign will involve our partners, at times, but will always involve our customers, especially those that may use or use a specific service. This means that we listen to our customers, empathise with our customers by putting ourselves in another person's shoes to experience what they might be thinking or feeling and involve them in any service we are redesigning.

7. SECTION 4 – THE DELIVERY PLAN

- 7.1 In addition to the alignment to the LOIP, the Council must also ensure its alignment to the regional strategies in place. For example, the regional economic strategy, regional spatial plan, regional skills plan, and regional energy plan. And of course, the Council has an ever-developing set of duties because of the legislative framework it operates within which it must prepare for and discharge. The policy document approved by Council in April 2018 is helpfully aligned to the LOIP already, also has to be delivered. Therefore, going forward, we expect the delivery plan of the Council to comprise the following:

- Priorities set out in the policy statement,
- Commissioning intentions to the LOIP,
- Activities arising from regional strategies,
- Statutory duties,
- And our transformation activities designed to enable the Council to do its business in a different way.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no immediate financial implications arising from the recommendations contained within this report, however, the implementation of the proposed commissioning approach will have significant strategic implications for the allocation and deployment of the Council's financial and non-financial resources. The approach, as outlined throughout the report, is in line with the Council's approved Target Operating Model.

9. LEGAL IMPLICATIONS

- 9.1 An EHRIA has been completed and the Committee is asked to have due regard to this as part of its decision making around the proposed approach to commissioning within the Council. The EHRIA can be found at <https://www.aberdeency.gov.uk/services/people-and-communities/equality-and-diversity/equality-and-human-rights-impact-assessments>
- 9.2 An EHRIA and assessment against the Fairer Scotland Duty and will be considered in the context of future reports around the upcoming refresh of the LOIP as well as for future versions thereof. They shall also be available when the relevant report is presented for commissioning intentions as part of the budget.
- 9.3 The committee can be assured that research and data handling around the LOIP and population needs assessments is carried out in compliance with the Data Protection Act 2018 and the General Data Protection Regulation using

anonymised publicly available data sets. Privacy Impact Assessments (PIAs) shall be carried out in relation to this review of the LOIP and the Population Needs Assessment if required to ensure this compliance can be evidenced and demonstrated. PIAs shall be carried out in relation to future iterations of the LOIP and Population Needs Assessment if required.

10. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	The Commissioning approach does not sufficiently support reductions in demand and spend required to respond to budgetary constraints.	M	The design and implementation of the commissioning approach will be fully integrated with the Council's budget process and governance model.
Legal	Failure to maintain statutory duties.	M	Statutory duties are part of the commissioning decision-making process.
Employee	Skills and knowledge are not in place to effectively implement commissioning approach.	M	A skills audit and commissioning development programme will enable staff to develop commissioning skills and knowledge.
Customer	Customer feedback does not sufficiently inform commissioning.	M	Customer engagement is a key process within this commissioning approach.
Environment	None.		
Technology	Failure to use digital opportunities.	L	Digitisation and new technologies will be a key consideration in any commissioning or recommissioning activity.
Reputational	Services do not deliver expected outcomes, customer standards or cost effectiveness.	M	The commissioning approach will be evidence based; be inclusive of customers, partners, providers; be integrated with the budget process; include robust contract management, and outcome-focused.

11. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The commissioning approach will be using the LOIP as a key driver for improvement. Being Prosperous will be included within priority setting processes.
Prosperous People	The commissioning approach will listen to and engage with the People of Aberdeen. This will be via a range of engagement tools and channels.
Prosperous Place	The commissioning will be using the LOIP and will consider the concept of 'place' as it's commissioning approaches going forward.
Enabling Technology	The commissioning approach will be consider enabling technologies and new digital tools.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	This report will further enhance the focus on the Customer in the way we design services.
Organisational Design	It will be important that the Council embeds this approach in the capability of its staff
Governance	There will be close working between the Strategic Commissioning Committee and the key stages outlined in this report.
Workforce	A key aspect of developing this approach will be the development and involvement of key staff within the new commissioning function and across the wider workforce.
Process Design	Co-design of future provision and the development of outcome-based specifications will be an important aspect of this new approach.
Technology	The use of digital technology will be central enabler as this approach develops.
Partnerships and Alliances	This new commissioning approach will seek to build partnerships as improving outcomes will be enhanced by joint effort.

12. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment (EHRIA)	An EHRIA has been completed.

Data Protection Impact Assessment	Not required here but shall be provided to Committees as required along with the LOIP and the Population Needs Assessment
Duty of Due Regard / Fairer Scotland Duty	Covered in the EHRIA.

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