

Item No. 19.	Classification: Open	Date: 13 December 2016	Meeting Name: Cabinet
Report title:		Strategic Coordination of Council Commissioning	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Communities and Safety	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR COMMUNITIES AND SAFETY

The council, together with our partners, is committed to commissioning that delivers high quality services that have a positive impact for our residents. Improving co-ordination with a council-wide approach is much needed during this period of a reducing council budget and as part of what the council is doing to deliver our Fairer Future promises. This approach is timely and closely linked to the vision contained in the new Southwark voluntary and community sector strategy 'Common Purpose Common Cause'.

The new arrangements for co-ordination will be implemented taking account of a number of important principles. These include encouraging local sourcing and employment, being open, honest and accountable in how we commission and working with our partners to make the most of opportunities for getting social value from the services. Spending the money as if it were coming from our own pockets is the council's promise to making public money deliver better outcomes. Improved co-ordination will build a better understanding of what the outcomes are and how effective they are in creating a safer and fairer Southwark.

RECOMMENDATIONS

That Cabinet:

1. Approves the council-wide approach to improve co-ordination of commissioning across the council and with key partners, consisting of:
 - A council-wide senior officer commissioning board to oversee the planning and co-ordination of commissioning intentions and activity and strengthen the governance arrangements around voluntary sector commissioning
 - Commissioning principles that align with the Fairer Future Procurement Strategy and deliver high quality services, encourage local sourcing and employment, being open, honest and accountable, spending money as if it were coming from our own pockets, contribute to reducing inequality through added social value and are focused on delivering outcomes
 - The implementation of a more consistent and efficient approach to how the council works across departments, bringing commissioners together in the council and with our partners to improve co-ordination, remove duplication and build commissioning expertise
 - The emerging council and NHS Southwark Clinical Commissioning Group

(CCG) partnership commissioning team, leading on mental health, children and young people, older adults and complex needs mainly through contracts

- In line with our new Voluntary and Community Sector (VCS) Strategy 2017-2022, the adoption of an outcome-based commissioning model centered on a “common outcomes framework” – a set of benefits for the whole community against which council, CCG and VCS plans will be aligned and measured;
- In line with our new VCS Strategy 2017-2022, changing the way that the council uses contracts and grants with a proportionate balance between longer funding cycles and shorter term innovation projects.

2. Instructs officers to implement the changes set out in this report.

BACKGROUND INFORMATION

3. This report reviews the internal co-ordination of arrangements through which the council commissions activity and services from the voluntary and community sector. It also looks to how we will work to strengthen the integration of council commissioning for social care with health commissioning undertaken by NHS Southwark CCG, using a partnership approach, to drive greater efficiency and a local, population-based focus. The new strategy, which was approved at November cabinet, provides an important opportunity focus attention on agreed key outcomes that speak to council, voluntary and community sector and health partner priorities, at a time of severe financial reductions across each sector.
4. The government’s austerity policies and funding reductions have fallen heavily on local authorities, including Southwark. The council has prioritised delivering services more efficiently than making cuts to services, and has achieved this through a mix of approaches including bringing services in-house and outsourcing to private and voluntary and community sector organisations.
5. The Local Government Association predicts that by 2020 councils will confront a funding gap of £16.5bn.
6. Southwark Council is facing reductions of at least £30m per annum for the period 2016-19.
7. The Health and Social Care Act 2012 introduced Clinical Commissioning Groups (CCG) which now hold more than 60 per cent of NHS budgets. The same Act created Health and Wellbeing Boards as local partnerships for strategic collaboration among health bodies, local authorities and voluntary organisations.
8. Since 2013 public health budgets have been held by local authorities with priorities being set locally and with a focus on supporting people to make informed choices to promote health.
9. In July 2014 the Southwark Health and Wellbeing Board approved the creation of an independent early action commission. The resulting Southwark and Lambeth Early Action Commission (EAC) responded to the Council Plan commitment to establish a commission to enhance the vital work of the voluntary and community sector.

10. The broad aim of the EAC was to make a series of recommendations about how organisations such as the local council, NHS, police and voluntary sector can work together to prevent problems that damage people's lives and trigger future demand for services.
11. The council also supports preventative activity through its procurement activities, with the new procurement strategy including a focus on ensuring social value and community benefits through our commissioning, taking into account the Public Services (Social Value) Act 2012.
12. This report responds to the commitment made by the council in its response to the EAC report to review its commissioning arrangements.
13. To ensure a co-ordinated and more strategic council wide and CCG approach to the VCS, officers have been working towards bringing together commissioning from across the council and to include a significant part of services currently commissioned by the CCG.
14. The intention is that it will result in improved co-ordination, reducing duplication and transactional costs and give a better understanding of the totality of services that are provided, both statutory and discretionary. This will inform the 2017-2018 budget round and beyond.
15. An overview of commissioning spend in 2015-16 shows expenditure totals £32m on grants and contracts with the VCS alone.
16. Whilst there are a number of services commissioned by the council from private providers, such as those in the social care sector, this report primarily addresses the arrangements for commissioning services provided by the VCS.
17. The recommendations in this report have been informed by key messages from:
 - The overview and scrutiny committee's examination of commissioning
 - The Local Early Action Report and responses from the council, the CCG and VCS
 - The new tri-partite strategy 'Common Purpose: Common Cause Southwark Voluntary and Community Sector Strategy 2017-2022'
 - The Public Services (Social Value) Act 2012.
18. The internal audit of grants to voluntary organisations that took place in 2015 also sets out a framework of required standards and practices to ensure transparency, fairness and consistency in grants commissioning across departments. These requirements underpin the council's approach to commissioning the VCS. Where specific audit recommendations touch upon any of the key issues for consideration these are directly referenced.
19. The National Audit Office recommends 1-3% investment of overall contract value in contract monitoring and management. Further work will be needed to establish the level of investment in contract monitoring and management and grant monitoring required as reductions in staffing in commissioning teams takes place

and take account of proposed further changes.

20. Commissioning is the whole process through which Southwark and other public bodies identify and deliver services when these are not to be delivered directly in-house. It involves assessing need, borough wide, neighbourhood or estate based level as well as for particular population segments and commissioning services to meet those needs, or inviting proposals for the provision of services identified as required by the local community.
21. The new VCS strategy has been developed in line with the council's refreshing of its Council Plan 2014 to 2018. The council has worked jointly with NHS Southwark CCG to set out a fresh Five Year Forward View of health and social care to 2021. The strategy identifies key areas of alignment with Council Plan and Clinical Commissioning Group (CCG) Five Year Forward View Priorities.
22. It sets out a new deal between the VCS and its public and private sector partners, where impact is measured by the contribution made to establishing and sustaining strong and flourishing communities.
23. The vision for this strategy is to create a sustainable, confident and resilient VCS that works in collaboration with public and private partners to create a safer and fairer Southwark.
24. Within the strategy are actions which will add value to the Council Plan and CCG Five Year Forward View priorities. These include:
 - Agreeing a set of core outcomes for the benefit of the whole community against which impact is measured and aligned against council and CCG plans
 - More responsive and joined up ways of working using existing structures to harness the power of and knowledge of local communities to help reduce the impact of reductions in local authority and NHS resource
 - Changes to the council and CCG commissioning approach.
25. The strategy is described as a new deal with duties and obligations on both sides. There is an expectation from the VCS of improved collaboration and co-production on the part of the council and CCG. The council and CCG expectation is that in return for funding the VCS will be accountable for the delivery of agreed outcomes and will be able to demonstrate impact. The joint development of the core outcomes for the benefit of the whole community will provide more clarity about what is to be delivered
26. Services are increasingly awarded, whether through grants or contracts, on the basis of desired outcomes. Agreeing the core outcomes will be one of the first strategy work streams to be implemented and the new co-ordinated commissioning approach will enable alignment of commissioning intentions and a clearer shared understanding of what is being delivered.
27. One theme that has been strongly re-affirmed is how commissioning can enable innovation to thrive as a way of identifying and responding to people's needs. The focus on innovation and collaboration as a key policy driver is not new. What has changed is an increasing cross-sector consensus that a target driven

and quantitative approach to delivering outcomes may not deliver the best results for residents.

28. It is vital with the current severe pressure on budgets that commissioning practice delivers best value, social value and innovation. Competitive practices that are beneficial when there is an established market of potential suppliers, do not deliver any tangible benefits when no competition exists and are likely to be more onerous and resource intensive for all involved.

KEY ISSUES FOR CONSIDERATION

29. The purpose of this report is to review the internal arrangements by which the council funds VCS organisations. It recognises that while the council and our partners need to adjust to a world where public funding is reducing dramatically we need to develop a stronger working relationship with the VCS to meet the significant challenges that we face.

The drivers for change

30. There are three key drivers for changing the way the council commissions the VCS. These are :
- The scale of the financial challenges that the council faces means that we need to reduce the transactional costs for the council and the sector and bring even greater focus on efficiency, value for money, clear and measurable outcomes and partnership working.
 - In the past the council had a highly decentralised system of commissioning. This led to duplication, multiple processes, numerous commissioning plans with insufficient connection to the Council Plan or other joint strategic priorities, no overall picture of the spend or the totality of the relationship with the VCS. The result among other issues was high transactional costs for both the council and the VCS. Over the past five years much work has taken place to streamline and gain an understanding of the overall picture and level of expenditure. However, there are still examples of duplication and inconsistency. The more co-ordinated partnership approach set out in this report is the next step in addressing this.
 - The agreement of the tripartite Voluntary and Community Sector Strategy by the council, the CCG and the VCS is the first step in a new relationship with the VCS with for example a common outcomes framework and clearer links to council and CCG plans. This demands a clearer and more consistent oversight of activity across the council and with our partners in the voluntary sector.
31. As funding reductions have taken place at the council staffing resources have reduced as have the financial resources available for commissioning external services. Some reorganisation of commissioning areas has already taken place and the Partnership Commissioning team is currently being established with NHS Southwark CCG.
32. As a result of these changes a number of commissioning programmes have moved from discreet departmental areas e.g. Community Safety grants moving

to Children's and Adults Services. In other areas e.g. Youth Services, major service redesign linked to budget reductions have meant that a new approach is needed for future commissioning.

33. A less beneficial result of decentralisation is that it is more difficult to apply a standard approach to how commissioning is carried out, which can limit council-wide strategic planning and the provision of holistic services.
34. The proposal to move to the new arrangement under the strategic direction of a commissioning board is expected to deliver a clearer framework for understanding what is being commissioned and how.

Current departmental funding programmes

35. Table 1 below sets out an overview of departmental funding programmes in 2015-16. This information shows how commissioning is organised by area of need or theme and the total number of these.
36. The information provides a number of headlines. Firstly the total number of contract and grants programmes is broadly similar. Commissioning through contracts is concentrated in the council's Children's and Adults' Services department and commissioning and administration of grants programmes concentrated in the council's Housing and Modernisation department.
37. The table does not include Cleaner Green Safer Capital Grants or Neighbourhoods Fund grants as these are more difficult to categorise by beneficiary and are for works or environmental improvements. These grants fall within the broad area of grant activity that is responsive to community identified needs. They have a very local focus and decision making through the community councils.

Table 1 - Departmental funding programmes 2015/16

Department	Programme	No. grants / contracts	No. grants programmes	No. contract procured programmes
Chief Executive's	<ul style="list-style-type: none"> • Southwark Works Framework contracts 	16	0	1
Children's and Adults' Services	<ul style="list-style-type: none"> • Adult learning contracts 	8	3	6 1
	<ul style="list-style-type: none"> • Community safety grants and contracts 	19		
	<ul style="list-style-type: none"> • Children's social care contracts 	30		
	<ul style="list-style-type: none"> • Community support grants 	14		
	<ul style="list-style-type: none"> • Early Help grants 	7		
	<ul style="list-style-type: none"> • Supporting people 	32		

Department	Programme	No. grants / contracts	No. grants programmes	No. contract procured programmes
	contracts			
	• Older people residential care	1		
	• Adult social care	2		
	• Dementia services	3		
	• Public health	1		
Environment and Leisure	• Arts and culture grants	10	2	1
	• Environment and ecology contracts	3		
	• Youth Services grants	15		
Housing and Modernisation	• Community capacity grants	31	5	5
	• Advice / advocacy / infrastructure support	7		
	• Housing strategy contracts	3		
	• Two Housing Revenue Account-funded estate grants	91		
	• Neighbourhoods Fund (community council) grants	245		
	• Black History Month grants	21		

38. The two most significant hubs of commissioning activity are currently within Children's and Adults' Services and within the Communities Division of Housing and Modernisation. In Children's and Adults' Services the funding for statutory and preventative social care services shows a greater concentration of funding going into contracts but with a significant number of grants within the community support and community safety areas.
39. In the Communities Division, the Community Support Unit has lead responsibility for the relationship with the VCS and for setting corporate standards and best practise on grant funding processes including the conditions of grant funding. It also commissions VCS infrastructure services, community advice services and administers the Tenant Fund and Tenants and Residents Social Improvement

Grants Fund both of which are Housing Revenue Account (HRA) funds. Within the same division the largest number of grants is administered by the Neighbourhoods Team, again with a strong local focus and decision making through the community councils.

Arrangements for taking an overview of funding across the council

40. There has been an improvement in the council's ability to collect data and take an overview of funding across departments. The need to improve strategic oversight as well as legislative change to comply with open data requirements has driven this improvement. The data is not real time and it is not captured through a central, data system so its accuracy relies on the responsiveness and accuracy of departmental information provided to the Community Support Unit.
41. Under the model proposed in this report, the council will have a senior officer level Commissioning Board, which will take an oversight of all council commissioning and agree a single commissioning plan. This will be supported by an Implementation Group made up of commissioning officers that will be responsible for implementing the changes.
42. The Commissioning Board will include the strategic directors of Housing and Modernisation and Children's and Adults' Services, the Director of Communities, the Children's and Adults' Services Director of Commissioning and the Head of the Chief Executive's Office.

A more co-ordinated approach

43. The current commissioning arrangements and resourcing challenges present an opportunity to bring commissioning programmes together where it is possible and to identify where there is a strong rationale for maintaining a degree of separation from this arrangement.
44. There are three main commissioning areas not currently located within the two main commissioning hubs. These are:
 - Southwark Works Framework contracts
 - Arts and culture grants
 - Youth services grants.
45. The Southwark Works Framework contracts are valid until 2019. They are linked to Council Plan employment targets including the apprenticeship target. There is flexibility to review the framework in 2018 and there are close links with the Department of Work and Pensions for the delivery of agreed targets. There is a rationale for leaving this arrangement in place until its term and then aligning it with the proposed centralised arrangement.
46. Arts and culture and youth services grants are currently located within the council's Environment and Leisure Department and are less tied to specific Council Plan commitments. The provision of Youth Services is currently being reviewed to ensure that the maximum impact can be achieved with reduced resources and changing patterns of service access by young people. There is a clear rationale for locating these commissioning functions within one of the

council-wide commissioning hubs. This will support greater co-ordination, oversight and effective use of these resources.

47. Greater co-ordination across the commissioning hubs will result in a more efficient process by reducing costs and delivering more outcome based services. Vulnerable people often have regular contact with multiple agencies each addressing one aspect of the challenge faced by that individual.
48. Also at issue is the level of transactional costs involved for the council in letting a contract and monitoring performance of contracts and grants. Currently all elements of the commissioning cycle are managed by the responsible commissioning team. There are also costs carried by the service providers in complying with the commissioning and monitoring requirements.
49. In depth analysis of VCS funding data during the period 2012 to 2016 shows that the number of funded organisations has remained broadly stable but amounts awarded to organisations have fallen. One of the impacts of this is that both the commissioning and monitoring transactional costs have not reduced in line with the reduction in funding. Proportionally the transactional costs for both the council and the funding beneficiary have increased as the funding amount has decreased.
50. In response to requests from the VCS and in recognition of the challenging funding environment the council developed a specific policy response to try and address these issues. There were a number of innovation and transition fund initiatives from 2011-12 to 2014-15 designed to support the VCS to adapt to the changing funding environment, social care personal budgets and moving towards online services and sharing premises.
51. These were designed to support VCS sustainability; business and service re-design and facilitate service modernization through sharing back office functions, greater collaboration and merger between organisations.
52. It has been difficult to evaluate the long term overall impact of these funding interventions as organisations faced different challenges and were at different starting points. One of the key challenges facing the council and the VCS is how to ensure the organisation of commissioning continues to support a diverse and sustainable VCS.
53. The council and our partners want to see more joined up ways of working using existing and emerging structures (such as the Local Care Networks). Joining up with the aim of harnessing the power and knowledge of local communities to help mitigate against the impact of reductions in local authority and NHS resources. We will put in place a more agile, skillful and responsive local system that will harness the power of local communities.
54. The council and CCG will work to ensure that the VCS has greater access to data held by the council and NHS Southwark CCG and that an open data approach increases accessibility to information, while taking full account of the safeguarding and confidentiality of personal information.
55. In addition the council will, support and enable more co-located working and join up on the monitoring of the impact of preventative services.

56. The council also wants to enable and foster greater engagement with the business sector. This could lead to more 'placed based giving' and 'crowd funding' initiatives.
57. Traditional forms of funding are reducing. The new strategy sets down a marker for a new way of considering how the council connects business with local communities and residents. Local businesses (both large corporates and SMEs) are as much a part of the community as anybody else, and vital to local economic and social sustainability.
58. The council will therefore support schemes such as Southwark Giving and crowd funding initiatives to work in partnerships with businesses. We want to connect with the private sector so that they can donate their time, talents or resources to make a difference to the lives of Southwark residents.
59. The VCS Strategy includes the overall approach to improved commissioning and grant-giving to focus on outcomes and be more collaborative, and community-led. At the listening events the issues of commissioning and grant giving generated a lot of comments and suggestions. For example, participants wanted to see joint problem-solving at the heart of the commissioning process and to consciously tackle complex issues that we are unable to solve using the traditional funder/provider relationship. There was a strong belief that a mixed economy of grant-giving and commissioning contracts should be maintained and developed.
60. There was also a desire to explore the options to bring services together either through lead contractor arrangements or through alliance contract approaches. The implication being a move away from a system with many separate contracts and towards inclusive contracts for defined segments of the population that cover all of the various physical health, mental health and social care needs of people within that group.
61. Finally, participants in the creation of the new VCS Strategy wanted to see the development of a wider range of funding arrangements that permit innovation alongside greater stability and security for local VCS organisations that can deliver impact.

Improved commissioning with a better focus on outcomes

62. The VCS Strategy commits the council and CCG to a fuller involvement of stakeholders in the commissioning cycle. To achieve this, the council and our partners want to develop collaborative commissioning approaches. This will mean greater focus on outcomes.
63. The local delivery of outcomes needs to be developed and agreed with many stakeholders engaged in the process. This means going beyond the usual organisations and partners, to include local communities and citizens. We will develop a joint commissioning approach based on the following principles:
 - Listening to the voice and experience of people who have used services and bring this into the design and delivery of services to ensure better outcomes
 - Local Area needs analysis as the basis for commissioning decisions, for

example, through Public Health information analysis and the collation of service demand information from VCS monitoring data

- Collaborative working and supporting the development of consortia and other models of partnership working.
64. Collaborative commissioning is an approach that puts citizens and outcomes at the centre of commissioning and creates stronger relationships between key stakeholders. It looks beyond cost and value for money to put greater emphasis on the social costs and benefits of different ways to run services.
 65. The council and CCG will create a model of 'outcome and population-based commissioning' which will open up new opportunities to working in partnership across sectors. There will continue to be a level of targets and priorities set by central government for local areas to deliver, for example through NHS England in relation to NHS Southwark CCG commissioning performance. This level of outcome will continue to set important elements of the strategies to be implemented locally. However, there is scope to look at how those high level outcomes are translated into action locally.
 66. The council wants to work together to design and deliver better interventions that allow us to work on solving complex and difficult problems that might not be solved through single service interventions. For example, providing support for people living in the community with long-term health conditions which may mean that they remain at risk of losing their tenure in the community, unless there is a co-ordination of effort across several agencies.
 67. Officers involved in commissioning will work closely with procurement colleagues to design the most appropriate way to commissioning services (grants versus contracts) depending on local conditions.
 68. The council will redevelop the VCS approved providers list which will be used across all partners during commissioning processes. The redevelopment must take account of smaller organisations and be proportionate in its approach. The council's e-procurement tool will help this further.
 69. Where necessary the council will invest in supporting local partnerships or consortia to develop capacity and skills in order to deliver outcomes for residents.
 70. The council will pump prime activities and new ways of working in VCS organisations where they can demonstrate an approach that can have an impact. This method of working will be particularly relevant with regard to collective accountability envisaged under Local Care Networks. However, we will commission on the basis of the needs of the local population around health and wellbeing rather than the operational needs of provider organisations.
 71. The council and our partners will change how we use contracts and grants, with a balance between longer funding cycles, and one-off/short term support for innovation. This would help develop different, more efficient and more impactful services for residents. The partners want to agree a set of core outcomes through a common outcomes framework for the benefit of the whole community of Southwark against which impact is measured and aligned against council and CCG plans.

72. Together with our partners the council will implement a common outcome framework. Each VCS organisation receiving longer-term funding from Southwark Council and NHS Southwark CCG agrees to work towards a set of core outcomes for the benefit of the whole community of Southwark and reports on its impact. These would be drawn from a basket of outcomes. In this way we will produce a common strategic approach addressing the needs of Southwark that has greatest impact for our residents.
73. The Common Outcomes Framework could draw on some of the existing outcomes work in public health and adult social care and will connect to the commitments made in the Council Plan. In addition it could include the following areas/minimum standards for commissioned projects:
- Safer communities including safeguarding approaches (making every contact count)
 - Maximising the income of everyone we work with
 - Making sure each person is registered with a Southwark GP
 - Improved understanding of rights and responsibilities
 - Each person has a named contact with the voluntary sector organization
 - Each person receives information on local core strategic priorities (e.g., healthy eating, free gym and swim access, -wellbeing, safeguarding)
 - Each person has the opportunity to be involved in volunteering
 - Each person's experience of being involved with the organisation is captured to help improve its approach.
74. For all organisations to have a stake in delivering against a common, agreed set of outcomes will enable a more cohesive partnership to form all working to the common good of local people. This will mean breaking down high level outcomes into smaller chunks that individual organisations then work towards. The role of commissioners will be to bring organisations together around a specific outcome. The impact of political cycles, both local and national, needs to be recognised.
75. Commissioning cycles need to be better understood so that partners are able to understand strategic priorities, financial outlook, move through changes of policy and circumstances, for example, the reduction in funding to the local authority on work programmes.
76. The council will support the use of social investment models to help lever in additional resources to the borough. The public sector, under the right circumstances, will work in partnership with the VCS to make the most of these opportunities.
77. The council will develop a longer-term outlook in terms of grants and commissioning that includes:

- Longer funding periods for grants and contracts (of between one to four years) are agreed with VCS organisations working in Southwark- with one year grants for innovation and with more risk would mean that outcomes are easier to track and provide evidence for
- Projects have sufficient time to achieve agreed outcomes
- Early action and demonstration that future needs are being reduced will be incentivised in the commissioning process
- Allow sufficient lead-in time for innovative projects and up-front investment to have an impact
- Commissioners to move towards outcome-based commissioning, with less demand for short-term outputs.

78. The council and our partners want services to be built around the needs of the local community. We also want services to be built around recognition of the value and impact of locally delivered services with local provision being the default position. Using digital technology we want to transform how we serve and enhance the lives of people in our community so they receive quality information and access to services.

79. The council and our partners will support effective person-centred signposting across the system and explore how we can collectively support and enhance new ways of working across the VCS and public sector, for example into social prescribing, personal budgets and access to VCS services. This will include exploring both digital and non-digital solutions.

Joint commissioning with the NHS Southwark Clinical Commissioning Group

80. One area of focus for a more co-ordinated approach is the partnership commissioning team that will integrate health and social care commissioning in key areas where there are joint strategies agreed between Children's and Adults Commissioning within the council and the NHS Southwark CCG. The partnership commissioning team is currently being established to become operational early in 2017. This is being led by a jointly appointed Assistant Director of Commissioning.

81. The key starting areas for partnership commissioning are:

- Mental health – a new joint strategy will inform this
- Children and young people
- Older people and those with complex needs.

82. For each of three areas a Commissioning Development Group is already in place, bringing together commissioners, clinical leads, social care and education managers. These Commissioning Development Groups report to a joint Commissioning Strategy Committee that is jointly chaired by the Strategic Director of Children and Adults and the Chair of Southwark CCG. Once the first three areas are fully operational, a second phase of implementation will be jointly planned to bring into joint commissioning other key priority areas for health and

social care.

83. There are other commissioning areas where there is no overlap of interest. Where there is no overlap there will be no joint commissioning arrangements and the council and the CCG will retain separate commissioning resources.
84. The partnership commissioning team will primarily commission statutory services. Although the council will not commission acute health services which fall entirely within the CCG domain, the council's ability to commission successful preventative and community services will have an impact on downstream demand for acute hospital services commissioned by the CCG. This has been taken forward through joint work on the Better Care Fund.
85. The effectiveness of locally determined public health strategies falling within the remit of the Health and Well Being Board will also have a significant impact on future demand for downstream services whether these are commissioned through the council or health services.
86. The expectation of partners' aspirations is that a joint approach will increasingly apply to more areas of commissioning over time. This is consistent with government expectations set out in the Five Year Forward View (October 2014).

Community infrastructure funding

87. Within this landscape there is recognition that the council and other public bodies can support local networks, enable community activity and promote cohesion through a range of levers. The most significant of these are community infrastructure resources which are for general impact and are generally provided through grants which are more flexible in responding to community needs.
88. In 2013/14 all estate based grants including Community Council funding awards were captured in the VCS funding data for the first time. This shows that local, neighbourhood based grants continue to play a significant part in the funding landscape of Southwark. These funds are distinct from commissioned services in that they respond primarily to place based needs (events/estates/wards/public spaces) identified by residents rather than being services that are commissioned to meet specific population needs.
89. There is a strong rationale for keeping the commissioning focus for these separate from the health and social care partnership commissioning team. The acute demands of this service area could undermine the role that the community funding makes and the impact made to meeting both general needs in reducing downstream demands and costs.

Regional or sub-regional commissioning

90. Generally the council's approach to commissioning the VCS has taken a local by default route. However there are areas where because of economies of scale improved service provision can be developed by commissioning pan-London services – e.g. NHS Complaints Advocacy which is commissioned in this way because providing services on a borough by borough basis would be more expensive and would not deliver a better service.
91. There are also pan-London services commissioned by regional bodies such as

the London Councils Grants Programmes, Greater London Authority, MOPAC and Ministry of Justice London wide programme for transforming the rehabilitation of offenders.

Policy implications

92. In addition to the policy initiatives set out above, the recommendations of this report support a number of council policies and strategies, including:

- Fairer Future Procurement Strategy
- Health and Wellbeing Strategy
- Approach to Equality
- Economic Wellbeing Strategy
- Families Matter
- Homelessness Action Plan and Homelessness Prevention Protocol
- Southwark Domestic Abuse Strategy.

Community impact statement

93. The initiatives and recommendations of this report have a significant positive impact on the community and are intended to raise standards of community support across the three partners.

94. A full community impact assessment will be carried out on the development of the new commissioning approach which is a key recommendation of this report.

Resource implications

95. The proposed changes to commissioning will be made within the council's budgetary framework.

Consultation

96. Consultation on the commissioning review has taken place with lead commissioning officers across the council. Consultation on the establishment of the partnership commissioning team with the CCG has taken place with commissioning staff in the council and CCG.

97. The review is informed by a number of key strategies that have had extensive consultation as part of their production. This includes the new VCS strategy that was developed following four listening events attended by over 200 people. The Strategy was also consulted on through the Health and Wellbeing Board, Children's and Adults Board, the Forum for Equalities and Human Rights, the council's departmental commissioning network and the council/VCS Liaison Group.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

98. Under the council's constitution (Part 3C), the approval of policies and procedures governing the council's relationship with the voluntary sector is reserved to the cabinet for collective decision making. The cabinet is therefore empowered to approve this strategy.
99. The council is a "best value" authority for the purposes of the Local Government Act 1999. It is under a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Secretary of State has issued guidance to assist local authorities to perform this duty and specifically requires that councils should be responsive to the benefits and needs of voluntary and community sector organisations, as well as small businesses.
100. The director of law and democracy considers that the recommendations will help secure best value.
101. The proposed improvement in co-ordination touches upon a number of the council's functions, and cabinet should note in particular:
 - the council-wide senior officer commissioning board to oversee the planning and co-ordination of commissioning intentions and activity and strengthen the governance arrangements around voluntary sector commissioning
 - the recommendations of this report support a number of council policies and strategies.
102. In making its decision, cabinet must have regard the public sector equality duty (section 149 Equality Act 2010), which places a duty on the council, in the exercise of its functions, to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a "protected characteristic" and those who do not, and foster good relations between persons who share a "protected characteristic" and those who do not. cabinet is referred to the community impact statement section of this report.

Strategic Director of Finance and Governance

103. The report sets out a proposal for the improved co-ordination of commissioning across the council and with external bodies such as the CCG. The report highlights our relationship with the VCS and previous initiatives to address declining funding and the multiplicity of contact points with the council. The report notes the current inefficiencies of departmental based commissioning such as the duplication of monitoring and transactional activities.
104. Co-ordinating commissioning approaches across a wider section of the public sector, both within the council and with the CCG, aims to improve value for money,

the outcomes for residents and exploit the benefits of partnership working. The report notes the proposals will be delivered within existing council resources and will be contained within future commissioning budgets which are expected to reduce.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Council Plan	Housing and Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://www.southwark.gov.uk/downloads/download/4181/council_plan_2014-18		
Local early action: how to make it happen – report of the Southwark and Lambeth Early Action Commission	Housing and Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://b.3cdn.net/nefoundation/a5845188d1801a18bc_3nm6bkn3b.pdf		
Common Purpose: Common Cause Southwark Voluntary and Community Sector Strategy 2017-2022	Housing and Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://moderngov.southwark.gov.uk/documents/s64611/Appendix%203%20Common%20Purpose%20Common%20Cause%20VCS%20Strategy%202017%20-%202022%20c.pdf (copy and paste link into browser)		
Southwark Council and Clinical Commissioning Group - Joint Five Year Strategic Plan: Key Messages	Housing and Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://moderngov.southwark.gov.uk/documents/s57269/Report%20Southwark%20Council%20and%20CCG%20-%20Joint%20Five%20Year%20Strategic%20Plan%20Key%20Messages%20covering%20report.pdf (copy and paste link into browser)		
Southwark Council (2015) Together we can deliver a better quality of life in Southwark: Our Vision for Adult Social Care	Housing and Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://www.southwark.gov.uk/downloads/download/2638/vision_for_adult_social_care_services_paper		
Southwark Council Fairer Future	Housing and	Stephen Douglass

Background Papers	Held At	Contact
Procurement Strategy	Modernisation, Communities Division, 160 Tooley Street	020 7525 0886
Link: http://moderngov.southwark.gov.uk/documents/s62026/Appendix%201%20Fairer%20Future%20Procurement%20Strategy.pdf (copy and paste link into browser)		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Communities and Safety	
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation	
Report Author	Stephen Douglass, Director of Communities	
Version	Final	
Dated	1 December 2016	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Children's and Adults Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	1 December 2016	