

# Oldham Partnership's commissioning framework

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# 1 Background

Area based grant, (ABG), was negotiated as part of the local area agreement (LAA), feasibility testing process with Government and it is intended that it will provide a simpler and more flexible system of managing and allocating resources locally. Previously, LAA funding regimes enabled resources to be pooled within LAA blocks but a change in approach is now possible through ABG to move towards a single pot LAA and a cross-cutting programme to deliver strategic priorities.

A clear hierarchy of indicators and targets within Oldham's LAA will enable the Oldham Partnership (OP), and partner organisations to more effectively allocate resources against a single set of priorities, which collectively place shape Oldham. It is also vital that the partnership endeavours to align other funding streams and resources that come into the borough, plus mainstream resources, to achieve this.

Oldham Partnership will not be a provider of services and activity but will be responsible for undertaking the commissioning and performance management of activity, either through the blocks or directly through the partnership support team, to achieve the strategic objectives for Oldham. It is therefore essential that the Oldham Partnership has in place a process that ensures the most appropriate activity, which is increasingly cross-cutting in nature, is being commissioned and therefore supports the priorities for Oldham. From 2008, the partnership will increasingly commission services, which have a cross-cutting impact on LAA indicators and the sustainable community strategy (SCS), by moving to a more strategic methodology of commissioning activity against LAA outcomes, which it is anticipated will lead to service delivery through various consortia of delivery agents.

This commissioning framework outlines the process for effectively commissioning activity with available resources to support the priorities for Oldham that are contained with the sustainable community strategy (SCS) and local area agreement (LAA) and related policy documents.

## 2 Oldham Partnership's vision and priorities

### 2.1 Vision

The vision for significantly improving the borough for all its residents is set out in the SCS and LAA. This vision should be an integral part of the commissioning process and needs to be taken into account in relation to all work undertaken under the auspices of the Oldham Partnership.

The overarching vision for Oldham as set out in the SCS and LAA is:

Creating better life opportunities and a place where everyone is proud to belong

The overarching priorities for Oldham Partnership are:

- Responding to economic restructuring by improving the employability of Oldham’s residents, creating new and better quality employment opportunities and improving access to the Greater Manchester jobs market
- Developing a cohesive and integrated society by addressing inequalities between individuals, neighbourhoods and communities, (especially the most vulnerable and deprived), and by encouraging interaction between people in the borough’s diverse communities.
- Providing a strategic framework to support the physical regeneration of the borough through the implementation of ‘Oldham Beyond’.
- Improving the condition and mix of Oldham’s housing stock as a strategic priority.
- Developing Oldham’s profile and improving its image within the Greater Manchester sub-region, the North West and nationally.
- Engaging and empowering our communities so that they can both understand and contribute to our sustainable community strategy and local area agreement.
- Taking a pre-emptive, responsive, cross-cutting and preventative approach to dealing with our priority issues such as crime, worklessness and health.
- Commissioning multi-agency services and activities to deliver against the SCS and LAA by focusing resources on clear outcomes and delivering change, where it really matters.
- Streamlining the bureaucracy which supports the Oldham Partnership, to create more transparent and delivery-focused processes of financial management, commissioning and programme and performance management.

## **2.2 Definition of commissioning**

This needs to be agreed and approved by all partners involved in the commissioning process for the Oldham Partnership and will form the overarching framework within which resources are allocated and activity commissioned. The proposed definition is:

“The process of specifying, securing and monitoring services in order to meet identified and prioritised needs – both now and in the future at a strategic, operational or individual level.”

The purpose of commissioning is to deliver transformational change through the strategic allocation of resources to commissioned multi-agency programmes of activity, which deliver strategic outcomes, with the overarching aim of improving life opportunities for Oldham residents and orientating resources and services around local priorities. This should be undertaken with regard to the following principles:

- Three-year programmes of delivery that only require minimal change during that period to take account of performance issues or changing circumstances
- Strategic priorities, based on evidence of need and on community intelligence
- Greater emphasis upon combining needs assessments to enable a greater degree of cross-block commissioning
- Greater emphasis upon fewer, larger value commissions, where consortia of delivery agents operate together
- Driving out inefficiencies that have been created via multiple funding streams. In particular, identifying the essential elements required to provide an effective management infrastructure and manage those elements as a single programme
- Taking account of the cross-cutting opportunities involved in the design and commissioning of services
- Taking account of legal and statutory requirements
- Encouraging creativity and innovation and also considering long-term sustainability with clear outcomes
- Continued focus on streamlining and strengthening governance
- Ensuring that programmes of activity are designed and delivered in a transparent and accountable way, involving services users and partnership working
- Providing scrutiny and critical challenge and considering value for money and risk
- Considering, incorporating and disseminating best practice
- Ensuring effective performance through rigorous evaluation and review

- Focusing to a greater extent on building the capacity of the third sector, so that organisations within the sector can either submit robust expressions of interest in their own right in response to commissioning specifications or can play a clearly defined role in delivery within a consortium
- Focusing to a greater extent on building the capacity of local small and medium enterprises (SMEs) and social enterprises, so that they can play a greater role in the provision of appropriate services

### 3 Needs and aspirations

Oldham is a place of great contrasts and there is a need to be able to provide flexible services, based on individualised activity for both people and place, through qualitative transformation. Oldham Partnership is predicting a modest rise in the population accompanied by changes in demography. Oldham Partnership's vision is a thriving borough, to which people are attracted to live, where they can influence decisions affecting the future of Oldham to enable it to become a place where people enjoy long, healthy, active and fulfilling lives.

Oldham is home to people from many different cultural and social backgrounds and has a rich heritage. The partnership needs to be able to respond to this diversity to achieve its priorities. The Indices of Deprivation provides a consistent, nationally recognised, system for assessing how deprived different parts of England are in comparison with each other. The latest results are a matter of concern for the borough as Oldham is the only district in Greater Manchester to have experienced deterioration in its relative position between 2004 and 2007 (on the average of scores measure).

The Indices of Deprivation (ID) 2007 results suggest that at a borough-wide level, relative deprivation has increased in Oldham since 2004.

- Oldham is now ranked as the 42<sup>nd</sup> most deprived local authority area overall (average of area scores, ID 2007), one position worse than its ranking of 43<sup>rd</sup> in 2004;
- Oldham now has the 23<sup>rd</sup> highest local concentrations of deprivation, three positions worse than in 2004, when it had the 26<sup>th</sup> highest local concentration of deprivation;
- Oldham now has the 39<sup>th</sup> highest number of residents who are income deprived, nine positions worse than in 2004, when Oldham was reported to have the 48<sup>th</sup> highest number of income-deprived residents;

- Employment deprivation has improved five positions from 44<sup>th</sup> in 2004 to 49<sup>th</sup> in 2007. It is noteworthy, however, that this relative reduction in employment deprivation has not been accompanied by improved rankings with respect to income deprivation, local concentration of deprivation or overall deprivation (average of area scores) – but rather the opposite.

What the Indices of Deprivation have highlighted in the past in Oldham is the severity of deprivation in particular parts of the borough. Oldham's worst ranking has consistently been on the "local concentration" measure, indicating the severity of deprivation in the worst "hot spots" and this continues to be the case.

On the overall Index of Multiple Deprivation (IMD):

- The borough now has two Super Output Areas (SOA), compared with one SOA in 2004, that are among the 1% most deprived SOAs in England.
- The number of SOAs in Oldham within the 5% most deprived SOAs nationally has increased to 21 of the 144 SOAs in Oldham (or 15%) in ID 2007, from 19 (or 13%) in ID 2004.
- 37 SOAs – just over one-quarter (26%) of the 144 SOAs in Oldham – are now within the most deprived 10% SOAs in England. This represents three additional SOAs since ID 2004, when thirty-four SOAs (24%) were among the most deprived 10%.
- The number of SOAs in Oldham among the 20% most deprived SOAs in England has decreased to 58 (40%) in ID2007. This is an improvement on ID 2004, when 62 (43%) of Oldham's 144 SOAs were among the 20% most deprived in England.

The biggest deterioration in relative position between the Indices of Deprivation 2004 and 2007 has been on the income scale. To an extent this may reflect the changing composition of the borough's population, with an increase in the number and proportion of people from our Pakistani and Bangladeshi communities in particular. These communities are disproportionately more likely to be living in low income households. With a few exceptions this is reflected in the changes between 2004 and 2007 on the Index of Multiple Deprivation. The relative position of those areas, where our Pakistani and Bangladeshi heritage communities are living and moving to, has deteriorated. Deprivation has spread, reflecting the over-representation of low income households within these communities. The number of income deprived SOAs has increased within the 1%, 5%, 10% and 20% most deprived bands.

These findings highlight the importance of further improving the targeting of resources to meet need, using the detailed results available from the ID 2007 for small areas within Oldham.

Another key priority for the Oldham Partnership is to draw together the individual strategic needs assessments undertaken within each theme into one overarching document. It is hoped this will become one process by December 2009, with a priority document identifying the cross-cutting and integrated themes with thematic and strategic direction. Further consultation with regard to the process for doing this, needs to be developed more in order that there can be a clear assessment in place to support the next generation LAA for Oldham from 2011.

It is also vital that this document links clearly to the SCS to ensure that key challenges and future needs are both identified and focused upon by the partnership. A major contributor to driving these changes forward will be the public service board for Oldham, which will make sure that transformational change takes place. The board's key focus will be on applying an outcome based approach to commissioning and re-engineering processes and bureaucracy to ensure that change happens, with a focus on prioritising collective needs.

At the same time, the partnership needs to develop further its partnership working. This will result in better coordinated and shared processes, with clear roles and responsibilities, which facilitate and provide the capacity for shared functions and delivery, whilst, simultaneously, supporting closer integration of priority setting, internal process rationalisation and a reduction in duplication and bureaucratic procedures, but still ensuring clear accountability and governance structures.

There are also several major initiatives and capital investment schemes underway in Oldham that the LAA and ABG need to build links with and support. These include Housing Market Renewal (HMR), Local Improvement Finance Trust (LIFT), Building Schools for the Future (BSF), New Deal for Communities (NDC), Regional Science Centre, Private Finance Initiatives (PFI) and other capital activity, especially as there is no capital funding available through the ABG.

This will enable a coordinated people and place approach. It is vital that we ensure the greatest impact, that we deliver activity that is individually tailored support to the most disadvantaged people with minimal complexity. We also need to ensure that they also reflect local needs and priorities and are shaped by active engagement with stakeholders, end users and beneficiaries. We need to treat people in the round at strategic level and at a local level and to target and tailor service design and delivery based on identified needs.

It is important that the resources available through the ABG provide social underpinning and joined-up services to support their success. The Oldham Partnership also needs to take account of 'Oldham Beyond', the strategic regeneration vision for Oldham and the place shaping board agenda, as they are important elements to consider, when looking at commissioning support services, particularly because ABG is a revenue funding stream.

Another key focus will be to ensure that the management and deployment of public finances are more joined-up, transparent and outcome-focused. The objective is that public finances can be managed as a single pot to achieve strategic outcomes and to deliver the partnership's

statutory obligations. It is therefore essential that Oldham Partnership maximises the resources available through the Area Based Grant as a single pot and that rigorous performance management processes are in place to bring this about.

Department of Communities and Local Government, (DCLG), and Government Office North West, (GONW) have made it clear that previous ring-fenced allocations attached to pooled funding streams no longer apply and that new ways of working are now required. Although this involves increased challenge as to how services are delivered and funded, the partnership should be looking to make changes without being frightened of taking managed risks.

A workshop was held on 14<sup>th</sup> July 2008, involving the block leads and coordinators and members of the partnership's executive, with the purpose of starting this process and helping to develop proposals that will provide a high level context for the next 3-5 years. The workshop also examined the key issues arising from the blocks' strategic needs assessments and started to identify crosscutting issues that the partnership needs to focus on as key priorities for future investment.

The main issues and agreed way forward from the workshop were:

- A need to understand why there are issues, not just when and where they occur, with a focus on the causal and prevention agenda, as well as how to deal with the symptoms – proactive rather than reactive. Early intervention is vital but Oldham Partnership also needs to be able to justify and evidence the cost benefit of activity.
- The justification for a case management approach and a focus on individuals/families rather than a broad brush approach to delivery. Equity would need to be maintained and the Partnership would need to ensure that this approach is communicated jointly and effectively. However, there would still need to be an element of place focus where this was justifiable.
- A need for more joined-up resourcing. Oldham Partnership needs to be able to identify the freedoms and flexibilities within the mainstream budgets of partner organisations and to be able to challenge their use. Partners should be able to influence and input into each others' resource prioritisation exercises to do this. It was accepted that this would need to be a gradual process and that there was a need to look at how systems could be implemented to do this initially with the ABG resources available.
- The partnership should be holistic from the outset with a need for a more joined-up and integrated delivery of services and interventions. It needs to determine how to do this while joining up resources and also being responsive to locality and individual needs.

- More mapping and gapping and evaluation of activity to be undertaken. The partnership needs to identify existing provision, including mainstream, and what may need to be done differently. ABG should be the mechanism for change rather than the vehicle to deliver priority services.
- The Partnership should look at best practice and audit and evaluate effectively what has already been done. In particular, this exercise should be undertaken in cases where the desired end result has not been achieved to ensure that the same mistakes are not made again. In addition, there needs to be a process that identifies how the partnership can incorporate and take forward what has worked well, so that it is not lost when funding ends.
- There is currently consultation and engagement overload and a danger of duplication. The end result is a risk that the partnership may alienate those with whom it is trying to engage. The potential for a coordinated, one- point- of- access approach needs to be considered.
- Communication is vital and essential in all that the partnership endeavours to do. It is vital that we work as Oldham Partnership and not just as individual organisations. To date, we have been successful at co-operative partnership working but need to drive collaborative, partnership working.

Elements of the above are already underway but it is important that the partnership looks at how it can develop ways of ensuring and embedding best practice, evaluating the work that is undertaken and learning lessons from what doesn't work across all thematic areas and blocks. Driving these approaches forward from a cross-cutting perspective will enable the partnership to move closer to achieving this. The commissioning unit will be proactive in supporting this approach with block leads. It is proposed that the partnership starts to look beyond available funding streams and looks at how all available resources, including mainstream provision, are linked to its stated priorities. The public service board will take a lead on this and a protocol for engaging and consulting with public sector finance officers has been initiated to take this forward. An effective mechanism for considering mainstream contributions should be in place for the next generation LAA in 2011.

## 4 Current service, current position

The Delivering Excellence report of the Chief Executive of Oldham Council in 2005/06, recommended the strengthening of the Oldham Partnership support team and the transfer of a number of partnership and policy officers to create a commissioning unit. The intention was to integrate the financial and performance management of the LAA in order to achieve greater efficiencies.

The process of commissioning Area Based Grant is facilitated by the commissioning unit, which is part of the Oldham Partnership support team. The unit operates on behalf of the Oldham Partnership in order to ensure the integrity and robustness of the commissioning process.

Commissioning itself is undertaken by the Oldham Partnership executive or, on its behalf, by eight local thematic or 'block' partnerships and cross-cutting partnerships:

- Safer and stronger communities
- Healthier communities and older people
- Economic development and enterprise
- Housing
- Children and young people
- Strategic research and information
- Community engagement and cohesion
- Marketing and communications

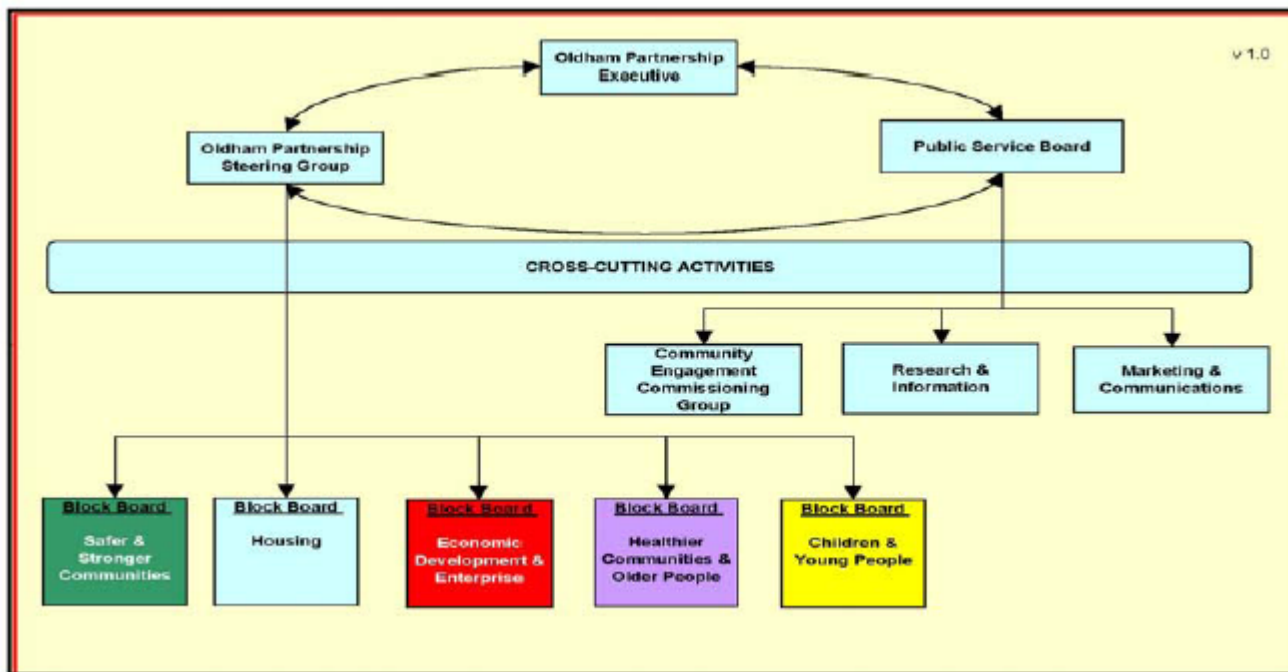
Activity is commissioned under the auspices of the three LAA themes:

- Economic prosperity
- Safe and strong communities
- Health and wellbeing

Thematic blocks are given an allocation of ABG based on the historical allocations of the pooled funding streams. They have delegated responsibility to commission activity that relates to their block priorities. Blocks are responsible for commissioning their own activity in line with their own aims and objectives, while also taking into account the overarching priorities of the SCS and LAA.

Oldham Partnership introduced a new commissioning framework, undertaken by Deloitte in June 2005, to provide a commissioning framework and process. As a result, the recommendations have been incorporated into a commissioning process across the blocks. This needs to be developed further, strengthened to take account of the strategic challenges outlined in this document and clearly communicated and implemented to ensure a consistent approach.

The current structure for commissioning activity is stated below and should be retained at present. However, there is a need for it to be reviewed to ensure it remains relevant and fit for purpose. In the long term, we may need to rationalise this approach and unify the structure to ensure that it is strategic and cross-cutting in nature and that it reduces overlap and duplication. A formal evaluation and impact assessment of proposed and commissioned activity needs to be taken at a strategic and cross-cutting level to support joint approaches to delivery and this also needs to be considered. It is proposed that this appraisal is undertaken during the period of the current LAA and that any revised approach, (if required), should be phased in to deliver the next LAA.



## 5 Who needs to be involved?

To drive forward the delivery of the SCS and LAA and the allocation of resources, clear roles need to be defined. These are outlined below.

### 5.1 Oldham Partnership – steering group, executive and public service board

They will

- Have over-arching responsibility for negotiating and setting the SCS and LAA targets and outcomes.
- Have the vision and commitment to improve services
- Meet local needs and have a clear understanding of what these are
- Encourage and facilitate effective partnership working

- Encourage and support input from ALL sectors
- Focus on finding ways of improving service delivery and standards for all communities within Oldham
- Make the best use of all available resources
- Understand demand and supply and ensure that the commissioning framework is able to take account of and consider the changing needs and levels of services by users, balanced with the constraints and availability of various funding streams
- Link financial planning and service planning and decide how best to deploy resources strategically, tactically and flexibly.
- Strengthen relationships and partnership working by ensuring that structures are in place to support the process of commissioning and that there is relevant representation

## **5.2 LAA blocks and commissioning boards**

They will

- Be responsible for the production and annual review of LAA delivery plans
- Be accountable for the risk management of LAA delivery plans and commissioned activity, as informed by the commissioning unit, through an auditable risk register
- Be responsible for the development of strategy for LAA policy areas
- Be responsible and accountable for commissioning, decommissioning and re-commissioning services, as appropriate, based on programme and performance management information
- Be accountable for activity designed to contribute to the achievement of LAA indicators and targets
- Assess and approve, (as appropriate), business cases to meet delivery plan objectives
- Be responsible for the identification and negotiation of their thematic priorities and outcomes within the SCS and LAA

## **5.3 Oldham Partnership support team and commissioning unit**

They will

- Improve communication between strategic leadership and service delivery across the Oldham Partnership.
- Advise on emerging cross-cutting, strategic activity, and help develop and facilitate links across blocks and current activity, where appropriate opportunities arise.
- Advise on the development and composition of LAA delivery consortia.

- Identify funding and resource opportunities beyond the Area Based Grant.
- Provide support to target leads in developing business cases, commissioning specifications, appraisals and funding agreements.
- Provide support to target leads in monitoring performance and progress of commissioned activity and in reporting through to blocks and Oldham Partnership.
- Develop risk management processes at both commissioned activity level and programme level.
- Support proposed changes to enable the integration of financial and programme management of the LAA in order to achieve greater efficiencies.
- Undertake performance and programme management of Area Based Grant related activity and other resources, as specified by Oldham Partnership.
- Undertake the accountable body role, ensuring that clear governance and audit processes are in place.
- Provide a critical challenge to proposals, business cases and delivery plans emanating from blocks.
- Report to the Oldham Partnership on programme performance on a quarterly basis.
- Support the cross-cutting commissioning of multi-agency service delivery and provide support, advice and guidance on the Oldham Partnership commissioning process to both council directorates and the partnership blocks.
- Be the main point of contact for overview and scrutiny and audit of the LAA through the comprehensive area assessment, for Government Office North West, Department of Communities and Local Government, Audit Commission and Oldham Council.

## 5.4 Target Leads

They will

- be accountable for activity and achievements related to specific LAA indicators
- Accountable to the Oldham Partnership and relevant block for delivery against specific LAA targets
- Responsible for reporting to the relevant blocks on the current position in relation to, and the progress towards, LAA targets each quarter.

## 6 Financial position

Oldham has recently received an allocation of funding from government in the form of an Area Based Grant for 2008-11. This is a single pot of funding that has been created from a combination of over 35 funding streams that all involved their own reporting and administration mechanisms. The introduction of the single pot will result in a significant reduction in bureaucracy and greater flexibility around the funds allocation. The Oldham Partnership is also likely, in the future, to pool and align additional resources with the Area Based Grant.

The Oldham Partnership executive undertakes the strategic allocation of Area Based Grant. Allocations are made to the five local thematic or block partnerships and to three major cross-cutting activities designed to 'people and place shape' Oldham.

There needs to be a move away from the perceived bidding and funding-fed processes to a clear outcome-led commissioning approach that is open and transparent. Similarly, there is a need to avoid allocating indicative sums of money to specific commissioning intentions and, wherever possible, to look more at what is required at the commissioning specification stage.

It is proposed that, to move closer towards outcome-based allocations, a process is initiated to do this incrementally, taking into account the need to properly evaluate activity that is currently in place and being funded. Where under-spends are identified within each commissioned activity or block allocation, the funds involved should be returned to the partnership support team, unless there is a clear and identifiable need for it to remain within the block to deliver gaps in other priorities. This should also be the case when activity is decommissioned, following the proposed evaluation process during 2009/10. Resources made available through this process should then be allocated to priority outcomes or to meet identified gaps in the delivery of the LAA.

In addition, Oldham Partnership are currently delivering against 12 stretch targets negotiated with Government. Stretch targets demonstrate an increase of performance and reward grant is eligible on a pro rata basis on achievement of 60% of the stretched performance. At the time that the round two LAA was signed off by the Oldham Partnership it was verbally agreed that reward grant would be used strategically to assist delivery of the SCS and LAA. However, it was decided to formalise a position on reward grant later in the life of the LAA to better reflect emerging strategic issues and policy direction. A set of principles is being suggested to the partnership executive to guide the allocation of this resource and ensure additional benefits to Oldham.

The public service board will be tasked with progressing an approach to ensure that all available resources are captured to deliver outcomes and to ensure that a process to identify opportunities and to influence partner organisations' budget-setting processes is instituted. The commissioning unit will also support the identification of other funding opportunities that can be aligned with the ABG to deliver against priorities.

## 7 Commissioning process

There is a clear opportunity for the Oldham Partnership to improve the commissioning framework currently in place and to develop a fit for purpose commissioning model that will help achieve strategic objectives. Commissioning arrangements need to be strengthened to ensure that crosscutting issues are identified and addressed and to ensure that the wide range of activity financed provides the maximum possible benefit to Oldham. There should be a clear focus on outcomes and these need to be 'owned' by the Oldham Partnership and not just by

individual blocks. Blocks should be given the lead, where outcomes relate to their priorities, but not the overarching responsibility for the achievement of those outcomes. This responsibility remains with the Oldham Partnership and it is therefore important to include scrutiny and challenge of delivery during the development of any business cases, delivery plans, Commissioning Specifications and performance reports. It is also vital that links to Oldham Council's overview and scrutiny function.

The partnership needs to be able to harness the contribution of ALL key organisations and partners to ensure shared objectives and clear outcomes. To this end, ALL available funds should be utilised, while, at the same time, steps should be taken to ensure that value for money is delivered. There also needs to be a reduction in bureaucracy and administration and this can be achieved by centralising functions and improving co-ordination and communication.

The establishment of the commissioning unit within the partnership support team will facilitate progress in this area, leaving blocks to identify and deliver priorities, based on the roles previously outlined. There are two main approaches to commissioning that will be taken by Oldham Partnership: full commissioning and selective commissioning.

Selective commissioning bypasses the stage of the commissioning specification being put out to open competition and instead proceeds straight on to developing and formalising an agreed delivery schedule with the pre-selected delivery agent(s). This option should normally only be chosen because the potential negative impact of pre-selection is significantly outweighed by the extra value-added that is achieved. The justification for this option is made by the target lead in the business case and must be approved by either the Oldham Partnership executive or the appropriate LAA block commissioning board.

Where an existing contract or framework agreement is already in place outside of ABG, or an 'in house' service is available to meet the commission requirement, they should be used unless there is a risk to governance, audit requirements and delivery of the activity. The chair of the relevant block will determine suitable organisations and agencies, with guidance from the commissioning unit and block lead. Where there are fewer than three agencies/organisations considered suitable to deliver the required activity, they will be invited to submit a commission specification. If there are more than three, there will be a requirement for a full commissioning process to be undertaken.

Full commissioning will need to be undertaken within the structure outlined in the commissioning guidance that will support this framework. However, the process should be fit for purpose and be reflective of the size of the commission. Full commissions should either be advertised via public notice in a local or regional newspaper, relevant trade journal, via known networks and be placed on Oldham Partnership's website. There needs to be a suitable degree of publicity to ensure sufficient competition to avoid discrimination and to ensure the process remains impartial, open and transparent.

There should be three overarching elements for consideration, when assessing commissioning proposals. Submissions should therefore reflect at least one of the following elements:

1. Invest to change – demonstrate organisational change over a period of time, embed best practice into policy and procedures, support LAA objectives, efficiencies and effectiveness demonstrated
2. Invest to save – long-term efficiencies, able to predict certain outcomes and demonstrate savings/value for money
3. Invest to learn – build capacity with the end result of being better equipped to engage and contribute to objectives. Draw on known best practice and implement it. An element of risk built in with clear assessments

There needs to be a move away from a 'one size fits all' approach to an individualised package that can adapt to different needs and barriers. Alongside this approach, the partnership needs to be focused on common objectives and outcomes that encompass all partners to provide an holistic approach that does not lose sight of individual needs and geographical differences.

Wherever possible, the partnership should draw on a pool of people with expertise in specific areas to provide input on commissions. This involvement should be based on the need for that particular specialist or technical knowledge. Naturally, the individuals in question should have no vested interest in the commission. Similarly, account should be taken of local intelligence, via existing mechanisms such as area committees and the voluntary, community and faith sector networks. Strategic research should also form an integral part of the initial commissioning processes and blocks should look to the strategic research working group (SRWG) for support in identifying need and best practice around the proposal. Joined-up research is essential to prevent duplication and delays and to ensure value for money in the approach taken.

The group needs to communicate to blocks what is currently known, support identifying what already exists locally, regionally, nationally and then provide support and advice as to what approach need to taken and involved in formulating commissioning proposals where appropriate.

There should be a continual assessment of the partnership's performance. Therefore, a rolling programme of evaluation of commissioned activity should be introduced across the LAA. This should again, ensure a critical and professional challenge element in the commissioning of activity.

Creativity and innovation, together with an element of (managed) risk, should be encouraged, when commissioning activity. Otherwise, the desired transformational change or the step changes required will not be achieved.

The partnership must ensure that it is flexible enough to take account of changing priorities and trends and this dimension should be built into the continuing evaluation and performance management of activity to ensure preemptive commissioning of activity as well as reactive.

In addition, a wider range of public and private sector organisations with wider-ranging remits and areas of operation should be included in the partnership’s commissioning activities. The potential of the voluntary, community and faith sectors to become involved in delivery should also be maximised and, to this end, capacity building support should be provided, where required.

The following overarching process for commissioning is recommended:



HM Government, *Creating Strong, Safe and Prosperous Communities Statutory Guidance: Draft for Consultation*.

## 8 Issues and opportunities

Open communication and collaboration is vital and the outcomes of commissioned activity need to inform the SCS and LAA. Increased knowledge and a clear understanding of Oldham’s requirements need to be emphasised to enable blocks to be better able to work towards achieving the partnership’s vision. A clear governance structure for accountability and audit purposes will enable the Partnership to work within required parameters and a dedicated, central and combined programme and performance management function will contribute to this being achieved in a more efficient way. Alongside these elements, there is a need to ensure that cross-cutting issues such as cohesion,

equalities and culture are taken account of, and inbuilt into activity undertaken. There needs to be an increased involvement of the third sector and the ability to evidence that public money is being spent correctly and creating change and opportunities and improvements for Oldham in a democratic way. This can be achieved by increasing the involvement of elected members in commissioning processes and by improving the capacity of the voluntary, community and faith sectors to deliver commissioned activity.

The Partnership needs to link to regional activity to ensure an overarching approach and to establish clear linkages for joint commissioning, where appropriate. Future, anticipated reductions in funding available to Oldham Partnership's LAA blocks will generate a need to look more towards this kind of approach and to mainstream provision. Identifying freedoms and flexibilities within current mainstream provision will help prevent the potential for overlap and duplication of activity and instead ensure added value to existing support and activity. Therefore, it will be vital to share a consistent approach to commissioning and delivering priorities collaboratively with the funds available.

ABG and commissioned activity will need to be used as a mechanism for drawing in additional resources to underpin and support priorities and this will require increased collaboration between blocks and partners. A joined-up approach will prove more effective and demonstrate a more efficient approach within Oldham. Clarity over respective roles and responsibilities in relation to the commissioning framework will need to be established with responsibilities throughout each stage of the commissioning cycle clearly communicated. Increased trust is vital between blocks and partners. Having shared objectives and outcomes should lead to a reduction in competition for the resources available. The partnership needs to be open about identified risks and issues across the LAA and should generate and build on an increasingly supportive structure

## 9 Timescales

There is a need for a gradual process for changing the way the Partnership undertakes commissioning. This will ensure that the desired end result is achieved. Some complex and time-consuming pieces of work will need to be undertaken to ensure this:

- A comprehensive and overarching needs assessment
- A detailed evaluation of key areas and priorities within the SCS and LAA and the impact of currently commissioned activity against these
- An awareness of the emerging national agenda and influences such as Comprehensive Area Assessments (CAA), outcome of the Comprehensive Performance Assessment (CPA) and those of partner organisations
- Research to reach an understanding of the most effective and cost effective interventions for different types of need
- The development of mechanisms to bring about clear and meaningful engagement within the Oldham Partnership in terms of partners, delivery agents and the community in order to ensure a joined-up approach
- The collection and collation of good quality, accessible data on activity and expenditure across the programme
- The introduction of a culture change in the way that the partnership works to ensure transformational change

This will take time and realistically these elements may not all be put into place to deliver this LAA. Therefore, the aim is to 'get it right' for the next LAA from 2011 and to ensure incremental change over the next two years to achieve this. This framework should be reviewed and updated on an annual basis to ensure that it keeps in line with developments in the partnership's approach but the basic aspirations of the document should remain the same.

Initially, the partnership should look at identifying a number of key, crosscutting issues and those recognised as national targets, and undertake an exercise to identify the causal issues of key priorities and the preventative actions needed to address them. This should involve the following elements:

- Looking at the wider agenda – what's already in place, what interventions have been tried and what can be learned from them – good and bad, but still taking account of the local agenda
- Determining what needs to be taken forward by undertaking a mapping/gapping exercise and evaluation of current provision and then looking at the resources required to deliver the service – particularly the mainstream.
- Establishing an effective challenge process in relation to proposals for activity emanating from the mapping/gapping exercise
- Ensuring that the appropriate stakeholders from outside the partnership are involved when carrying out the challenge process – need for those involved to have decision-making powers
- Examining the role that the public service board will have in the challenge process

## 10 Performance management and governance

Central government intends ABG to be able to provide a simpler and more flexible system of managing and allocating resources locally. 2008/09 is a transitional year with regards to ABG for Oldham and a considerable amount of work is being undertaken to further develop and improve the existing frameworks that are in place with regard to programme management, financial accountability, governance and delivery of priority outcomes for Oldham. The Oldham Partnership support team (OPST) will be working with blocks to ensure that ABG supports increased performance against priority outcomes within the LAA and community strategy.

The long-term objective is to introduce an outcome focus for allocating available resources to activity and to move away from a fixed block allocation, as currently used. This will be done incrementally over the next three years with a clear process in place for the next LAA. In the interim, allocations will give consideration to what has already been commissioned and determined as a priority but will still take account of the need to address emerging priorities and needs and cross-cutting issues. A block in receipt of an ABG allocation for 2008/09 will be required to provide the Oldham Partnership with an annual delivery plan, providing details of how it intends to use the available resources at their disposal, and the expected outcomes resulting from this. This delivery plan will be subject to appraisal and critical challenge from the commissioning unit to ensure cross-cutting activity is identified and embedded from the outset. A group will be formed to undertake a critical

and cross block challenge of proposals to support further collaborative working and alignment of activity. An over-arching ABG delivery plan will be developed as a result and this will be monitored by the commissioning unit to ensure that its constituent elements are being taken forward as agreed. This will also be used support the resource allocation process for future years, based on evidence of need and delivery of outcomes.

There is also a need to incorporate an Equality Impact Assessment into the process with the purpose of embedding equalities into what is commissioned, to ensure they are accessible to all. It will also enable Oldham Partnership to assess its impact on various groups of people in our community with the aim of promoting equality of opportunity and improvements to service delivery, identify any adverse impacts, identify alternative approaches and manage relationships between different groups of people. This will be undertaken with the support of the community engagement commissioning group and the equalities team, Oldham Council.

Area Based-Grant (ABG) is a non-ring-fenced grant, made up of pooled funding streams previously available within Oldham, paid from central Government to Oldham Council. In terms of reporting, the council will now only be required to provide financial information, (as part of its statutory accounts, statistical returns and whole of Government accounts), in relation to the ABG as a single fund and not in terms of each separate funding stream, as was the case previously.

However, the Audit Commission will still assess whether local authorities and local strategic partnerships, (LSPs), have used the ABG resources effectively. There will be a strong focus on value for money and efficiency as part of the use of resources element of the Comprehensive Area Assessment, (CAA). Oldham Council will also still be subject to internal and external audit controls. Although responsibility for the allocation of ABG remains with the LSP, Oldham Council still retains an 'accountable body' function. This role involves ensuring the following:

- compliance with financial and audit requirements
- proper regulation, financial propriety and value for money
- robust audit trails

The rationalisation of administration and monitoring with regard to the pooled funding streams within ABG has increased the flexibility of how resources are used. However, there is still a need to strengthen governance and accountability and to maintain rigorous management and scrutiny of the resources. This will ensure that ABG is being deployed to support the delivery of priority outcomes, particularly within the LAA.

The role of the 'accountable body' will involve:

- Remaining independent of the delivery of commissioned activity to ensure that accountability and governance arrangements are robust
- Overseeing the ABG programme to ensure compliance with financial regulations in accordance with the Chartered Institute of Public Finance and Accountancy, (CIPFA), Statement Of Recommended Practice (SORP)
- Being responsible for the submission of relevant financial returns to funding bodies and government agencies, where required.
- Ensuring involvement in every stage of the development, implementation, monitoring and scrutiny of governance arrangements and providing critical challenge to decisions and decision-making processes.
- Ensuring that resources are used effectively, (focusing on value for money and efficiency) and that they are used to cover eligible costs in order to ensure that public funds (ABG and aligned funding) are deployed to deliver the LAA and SCS effectively.
- Providing intervention and support to address cases of poor performance and taking responsibility for clawback of funding, should expenditure be deemed ineligible.
- Ensuring compliance with commissioning contract agreements
- Identifying and managing programme risks and maintaining a risk register to support this.
- Supporting the maintenance of clear, transparent and robust systems of financial and process controls. Ensuring that they are reliable, accessible and up to date within a clear and auditable framework.
- Representing the Oldham Partnership on relevant groups with regards to LAA finance regionally and nationally and ensuring that best practice is incorporated into the Partnership's programme management framework
- Providing assistance, advice and guidance for audits, both internally and externally and providing support for the CAA process.

The commissioning unit within the partnership support team will be responsible for the accountable body role alongside the financial services team of Oldham Council. The commissioning guidance, outlining the required processes and protocols, will be reviewed and updated for block leads and co-ordinators. This will take account of the required governance arrangements and accountable body function.

## 11 Summary

The revised SCS and new LAA provide Oldham Partnership with a clear focus as to how the partnership moves forward with regard to making Oldham a place, where everyone is proud to belong. There are also increased opportunities for taking this forward through the changes to the way that ABG is allocated, providing increased freedoms and flexibilities to locally prioritise resources to local needs.

To do this the partnership needs to understand why there are issues, not just when and where they occur. This will involve focusing on the causal and prevention agenda, as well as dealing with the symptoms. The approach should include sharing outcomes, spotlighting issues and areas of concern, and engaging with the communities and agencies working in those areas to understand the real issues not the perceived ones. Oldham Partnership needs to move away from being funding-led to a clear outcome focus. Furthermore, when considering resources, ALL sources, including the mainstream, should be considered from all appropriate partner organisations. Oldham Partnership

needs to be taking a more long-term view for sustainable and transformational change and, in some areas, this may involve taking a step back and slowing down current support until a clear way forward is determined, based on evaluation, best practice and lessons learnt. But the process needs to start now with a clear vision as to how this can be achieved and with the inclusion and involvement of all relevant partners.