

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**REPORT TO CABINET**

**25<sup>th</sup> March 2015**

**Title:** Newcastle Partnership – Accountable Body

**Submitted by:** Sarah Moore – Partnerships Manager

**Portfolio:** Communications, Policy and Partnerships

**Ward(s) affected:** All

**Purpose of the Report**

Following the report to Cabinet in February 2015, this report presents recommendations for approval to formalise the Borough Council's role as accountable body for the Newcastle Partnership.

This approval will enable the Partnership to progress locality commissioning activity on behalf of public sector partners in the Borough for the period 2015/16 and beyond.

**Recommendations**

Cabinet is asked to endorse the proposed 'Newcastle Partnership – Locality Commissioning - Roles and Responsibilities' document and accompanying letters of commitment from the County Council to therefore approve the formal appointment of the Borough Council as the accountable body for the Newcastle Partnership for the purposes of locality commissioning and as currently exercised under the Local Government Act (2000) relating to leading the co-ordination of Local Strategic Partnerships activity.

Cabinet is also requested to authorise the Chief Executive, on behalf of the Borough Council, to sign the letter dated 27<sup>th</sup> February 2015 from Staffordshire County Council (SCC) (found at Appendix C), thereby authorising the transfer of up to £141,000 from SCC to the Borough Council for the purposes of locality commissioning and sign the 'Roles and Responsibilities' document at Appendix D.

**Reason**

To enable the locality commissioning to progress and for awards of contracts to be made by the Borough Council on behalf of the Newcastle Partnership, using public sector pooled funds that have been dedicated by partners to address shared priorities and identified areas of need.

**1. Background**

- 1.1 Members will recall that a report was presented to Cabinet in October 2014, setting out the results of a review of the Newcastle Partnership and the reasons for the changes proposed as a result of that review.
- 1.2 Members will also recall that a further report was presented to Cabinet in February 2015, seeking approval in principle for the Borough Council to become the accountable body for the Newcastle Partnership, pending the development of a Risk Assessment and Memorandum of Understanding (MOU).

- 1.3 Officers explored the creation of an MOU to set out the roles and responsibilities, detailing the relationship between the partners which are pooling resources, namely the Borough Council and County Council. After further enquiries it was concluded that an alternative solution would be more appropriate to support the locality commissioning process, which would be consistent with the approach adopted by other Districts in the County who had entered into a similar local commissioning arrangements with the County Council.
- 1.4 Officers have therefore produced a Risk Assessment for the local commissioning process which can be seen at Appendix A. This document alongside the accompanying letters of commitment from the County Council (Appendices B & C) and the 'Roles and Responsibilities' document (Appendix D), formalises the relationships between partners and enables the Borough Council to become accountable for administering the use of the pooled funds on behalf of the Partnership for the first phase of the commissioning process.
- 1.5 After the first phase this solution may need to be reinforced and/or revisited, as the locality commissioning arrangements mature over the next 12 months, to ensure that any additional contributing partners to the process are included and further roles and responsibilities are clarified.

## **2. Issues**

- 2.1 Changes have been made previously to the governance of the Newcastle Partnership which focused on expanding the scope of the then Partnership Delivery Group (PDG) to include the commissioning role and being re-named as the Partnership Delivery and Commissioning Group (PDCG) following agreement by the Newcastle Partnership Strategic Board in September (chaired by the Leader of the Borough Council) and endorsed by Cabinet in October 2014.
- 2.2 Cabinet are asked to formally approve the Borough Council as the accountable body for the Partnership in terms of Locality Commissioning as set out in this report. This means that the Borough Council will use powers under the Local Government Act 2000 and the Localism Act 2011 to manage finances on behalf of the Partnership, as well as lead on aspects of performance management. This role has previously been undertaken by the Borough Council, so Cabinet are being asked to specifically extend the role to include the locality commissioning function.

## **3. Options for Cabinet**

- 3.1 Cabinet is asked to endorse the proposed 'Roles and Responsibilities document' (Appendix D) and accompanying letters of commitment from the County Council (Appendices B & C) and thereby approve the formal appointment of the Borough Council as the accountable body for the Newcastle Partnership for the purposes of locality commissioning and as currently exercised under the Local Government Act 2000 relating to leading the co-ordination of Local Strategic Partnerships activity.
- 3.2 Cabinet is also requested to authorise the Chief Executive, on behalf of the Borough Council, to sign the letter dated 27<sup>th</sup> February 2015 from Staffordshire County Council (SCC) (found at Appendix C), thereby authorising the transfer of up to £141,000 from SCC to the Borough Council for the purposes of locality commissioning and sign the 'Roles and Responsibilities' document at Appendix D.
- 3.3 Cabinet can decide not to approve this recommendation, but this would risk not completing the implementation of this locality commissioning work and could therefore endanger future funding streams and future co-operation with partners.

#### **4. Outcomes Linked to Corporate Priorities**

- 4.1 The recommendations set out in this report support all of the Borough Council's corporate priorities.
- 4.2 The recommendations set out in this report contribute to the delivery of the Newcastle Partnership's priorities which are tackling vulnerability and economic growth.

#### **5. Legal and Statutory Implications**

- 5.1 This report requests that Cabinet formally approve the request for the Borough Council to act as the accountable body for the Newcastle Partnership in relation to locality commissioning. It should be noted that the Borough Council has effectively acted as the accountable body for the Local Strategic Partnership since its inception, under powers granted to it under the Local Government Act 2000, and as part of its own constitution.
- 5.2 A Commissioning Prospectus has been produced by the Newcastle Partnership, setting out a number of 'lots' and service outlines for service providers to submit proposals for delivery. The deadline for submission of applications was 4<sup>th</sup> February 2015 and since then panels have evaluated the submissions to determine which prospective contracts will be awarded. A further round of commissioning is planned for the summer, using any underspend from (this) the first round.
- 5.3 There are no current TUPE and employment related issues (e.g. redundancy) that have been identified and which will need to be managed from the initial round of commissioning activity but this is something that may need to be considered in future commissioning rounds and has been identified in the accompanying Risk Assessment at Appendix A. Partner support and advice will be sought to manage any HR or related issues that may arise.

#### **6. Equality Impact Assessment**

- 6.1 An Equality Impact Assessment is being developed for this area of work.

#### **7. Financial and Resource Implications**

- 7.1 This report confirms the request for the Borough Council to assume the role of the accountable body for locality commissioning. A key part of this role will be in relation to the managing of the Partnership's finances relating to commissioning.
- 7.2 The principles underpinning the locality commissioning approach is to enable public sector partners to better co-ordinate decisions on commissioning priorities and how to collectively use their resources to achieve them.
- 7.3 The approximate funding identified to meet the two priorities of the Newcastle Partnership for 2015/16 is as follows:

Police & Crime Commissioner funding	£68,000
Building Resilient Families and Communities (BRFC - SCC)	£141,000
Public Health funding	£226,789
NULBC Third Sector Commissioning funding	£64,000
<b>Total</b>	<b>£499,789</b>

- 7.4 The Borough Council already receives the Police and Crime Commissioner funding and already holds the budget for the former Third Sector Commissioning funding. The

## Classification: NULBC UNCLASSIFIED

Borough Council has invoiced the County Council for the BRFC and Public Health funding highlighted above, following the decision by Cabinet of 5th February 2015, authorising officers to do so and a new cost centre has been established by the Borough Council to host this partnership funding.

- 7.5 It should also be noted that additional Borough Council officer time in Business Improvement, Partnerships, Housing & Regeneration Services and Finance will be required to support the commissioning process and to support contract and performance management requirements. This requirement will be met using existing officer time, but these commitments are difficult to evaluate at this time as this is the first such exercise.
- 7.6 Following resource contributions to the initial round of commissioning from the County Council, partners need to negotiate and agree further resource contributions for future rounds of commissioning activity.
- 7.7 As stated in this report, for any future single commissioning exercise managed by the Borough Council, this will be undertaken in accordance with the Council's Financial Regulations/Standing Orders (Contract Procedural Rules). At this point in time it is expected that the value of the pooled budget will be around £500,000 over the first year of the contracts, with the option to extend for a further year based on satisfactory performance and subject to additional budget availability.

## 8. **Major Risks**

- 8.1 Significant risks include the following:
- Availability of funding to meet commissioning contracts could be a significant risk but has been mitigated by ensuring that the transfer of funds is made from the County Council to the Borough Council prior to contracts being awarded.
  - Availability of future funding to meet commissioning commitments could be a significant risk to the Council as all contracts will effectively be between the provider and NULBC. However, in order to mitigate this risk and subject to the procurement process, break clauses have been included within the contracts/tenders.
  - In relation to the previous point, partners will be expected to engage fully in the process and inform the Borough Council of any funding changes in sufficient time (6-12 months prior) to enable the Borough Council to notify contractors accordingly and action the appropriate break clauses/decommissioning.
  - There are no current TUPE and employment related issues (e.g. redundancy) that have been identified and which will need to be managed from the initial round of commissioning activity but this is something that may need to be considered in future commissioning rounds. Partner support and advice will be sought to manage any HR or related issues that may arise.
- 8.2 A risk register has been created and will be monitored and managed by the Business Improvement Team at the Borough Council for the Partnership's locality commissioning activity in order to seek to mitigate risks and limit liabilities for the Borough Council.
- 8.3 Each service commissioned and awarded will also support an individual risk assessment.

## 9. **Key Decision Information**

- 9.1 This report can be considered a key decision in the following ways: -
- It requires the Borough Council to commit existing and additional resources for the function to which the decision relates and;

- It impacts on communities living or working in an area comprising two or more electoral wards in the Borough.

**10. Earlier Cabinet/Committee Resolutions**

- 10.1 Cabinet Report - Newcastle Partnership Review – 24<sup>th</sup> October 2014.
- 10.2 Cabinet Report - Development of Locality Commissioning – 5<sup>th</sup> February 2015.

**11. List of Appendices**

- 11.1 Appendix A – Newcastle Partnership Risk Assessment 2015-17.
- 11.2 Appendix B – Letter from Staffordshire County Council, Public Health confirming financial contribution and support for the joint commissioning process.
- 11.3 Appendix C – Letter from Staffordshire County Council, District Commissioning Lead confirming financial contribution and support for the joint commissioning process.
- 11.4 Appendix D – Newcastle Partnership Locality Commissioning ‘Roles and Responsibilities’ document.

**12. Background Papers**

- 12.1 None.