

CABINET DECISION

Health and Adult Social Care - Lead Cabinet Member - Cllr Pauline Beall

Strategic Commissioning Board – Corporate Approach

Summary

1. In Summer 2025, Powering Our Future Board (POF Board) approved a review of strategic commissioning across key directorates of the Council. The Project initiation Document (PID) set out the scope and focus for this review, identifying key outcomes including ensuring strategic approach to commissioning are aligned to priorities and medium-term financial plan, a focus on early intervention and prevention, and longer-term reduction of high-cost packages of care, reduced duplication across services, stronger partnerships and collaboration across services where there are mutual agreements, trust and transparency and increased value for money.
2. A cross directorate working group (colleagues across Children's, Adults, Public Health, Housing & A Fairer Stockton-on-Tees, Procurement and Finance) was stood up in the Summer of 2025 and has completed a baseline assessment of governance, leadership, finance, capacity, capability and maturity against the current strategic commissioning cycle at both a macro and micro level.
3. This baseline identified areas of good practice and opportunities to strengthen corporate oversight and steer across key areas of the commissioning cycle, including assessment of need, designing outcomes, strategic planning, value for money, service transformation, and monitoring/improvement.
4. The proposed approach to achieving this is the introduction of a new approach to commissioning, working towards and implementing a new Target Operating Model (TOM). This will be underpinned by a new Strategic Commissioning Board, comprising of senior officers with appropriate decision making authority, that will work within the current schemes of delegation and provide the Council with greater management and oversight and commissioning of the local services. Key decisions will remain the decision of cabinet and regular reports from the Commissioning Board will be presented to Cabinet.

Reasons for Decision

The Council's Powering our Futures' programme is a long-term, mission-led programme which will review how we work, deliver services and support communities over the coming years. The Strategic Commissioning review will focus on meeting these objectives, with an ambition to improve the commissioning process, ensure we are delivering services in the most efficient and effective way, and as a result deliver significant financial benefits to contribute towards the Council's Medium Term Financial Plan.

Decision

- The content of this report is noted by Cabinet and the direction of travel approved including:
 - The Strategic Commissioning Board will be stood up and begin work on identifying priority areas of work. In addition, work will begin on working towards a more integrated model of commissioning for health and care.
 - The annual commissioning report will be drafted and produced for April 2027.
 - A quarterly report will be presented to the Corporate Management Team for assurance and oversight.

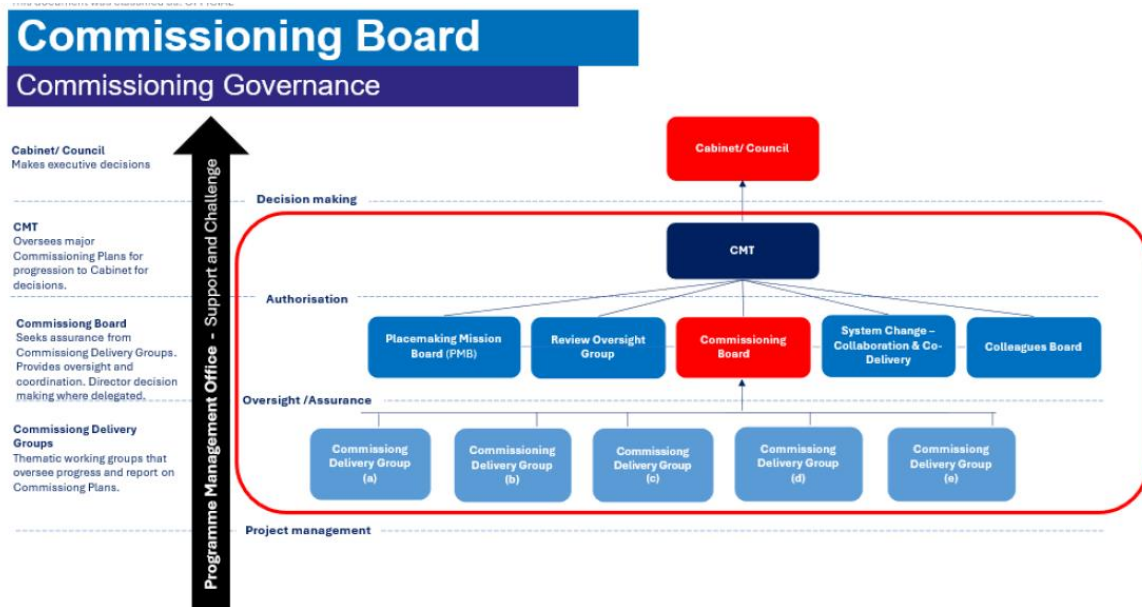
Detail

5. In common with many other Local Authorities, the strategic context is one of increased demand for services coupled with significant financial challenges and expectations of significant transformation and reform of wider services over the next decade. Within Stockton-on-Tees there remain challenges of areas of deprivation, widening health inequalities and poorer outcomes for residents.
6. The cross directorate working group considered several models of commissioning, and based on an assessment of evidence, agreed a Target Operating Model (TOM) for Strategic Commissioning with Corporate Management Team (CMT). This approach will be based on a partly centralised model with key responsibilities for service innovation and transformation embedded within service directorates (see Appendix 1 for details).
7. This model is intended to support the following key strategic shifts:
 - Outcome-based approach to commissioning services
 - Service transformation and new service models
 - Efficient use of resources and MTFP
 - Integration with neighbourhood priorities
8. As part of the TOM a Corporate Strategic Commissioning Board will be implemented from April 2026. Chaired by the Director (Director of Adults, Health and Wellbeing), and the Vice Chair will be the Director of Children's Services, with support from senior key officers across the Corporate Management

team. There will be operational subgroups (Commissioning Delivery Groups) reporting to the Board on relevant commissioning activity. The Board will report into CMT and Cabinet within the existing scheme of delegation. The Board will provide oversight, co-ordination and management across commissioning activities in Children and Young People, Adults, Health and Wellbeing and Communities and Housing (revenue contracts) to:

- Set strategic direction and priorities in line with the council plan, MTFP, priorities and objectives.
- Develop and approve an annual commissioning plan to deliver the strategic priorities, improve outcomes and £3m of savings (in line with MTFP and associated timescales),
- Ensure that the annual commissioning plan will be informed by the Council Plan, design principles, legal frameworks and the Council’s MTFP. It will also be developed alongside the relevant local, regional and national strategies.
- Develop and implement commissioning standards to continuously improve strategic commissioning maturity across the authority. The strategic commissioning framework to inform this work is shown in appendix three.
- Develop commissioning competency to continuously improve strategic commissioning maturity across the authority.
- Ensure that the identified savings are achieved and identified from within existing service budgets.

10. The Strategic Commissioning Board Governance is detailed below. This also details the various different Commissioning Delivery Groups which will sit under the Board to provide strategic oversight and assurance. The details of the membership of this Group is outlined at Appendix 2 along with draft Terms of Reference (ToR) at Appendix 3.



9. Adult’s and Children’s Social care are the two largest directorates within the Council, with the largest budgets. Commissioned services in these areas provide support for

some of our most vulnerable residents and account for the majority of spend within these areas. Commissioned services within Adult's and Children's Social Care, Public Health and Housing services currently equate to approximately £150m per annum.

10. The Council's MTFP has identified an estimated budget gap of £18m by 2028/29 due to growth in demand and complexity in Adult's and Children's Social Care, children with special educational needs and home to school transport. Following the improved approach to commissioned services, we anticipate that financial savings will result contributing to meeting the budget gap. Further updates will be brought to Cabinet with more detail on this as work progresses.

Community Impact and Equality and Poverty Impact Assessment

11. As this project is part of the Powering our Future (PoF) Programme an initial EPIA was undertaken by the Project Team in December 2025. This EPIA is a mandatory part of the Design Phase of the PoF Governance. The outcome of the EPIA highlighted that the proposed new Strategic Commissioning model would bring improved outcomes for residents through more efficient and effective commissioning arrangements. Further EPIAs will be required for individual projects as the work of the Strategic Commissioning Board progresses.

Corporate Parenting Implications

12. There are no specific Corporate Parenting implications as part of this report. All commissioning approaches will take into account the Corporate Parenting responsibilities and these will inform the individual commissioning processes.

Financial Implications

13. There are no direct implications arising from the proposals in the report. As a result of the new approach it is anticipated that changes may arise to current contracts and the associated costs. The financial implications of these will be considered on a case by case basis, and decisions taken in line with the Council's constitution.
14. The Council's MTFP has identified an estimated budget gap of £18m by 2028/29 due to growth in demand and complexity in Adult's and Children's Social Care, children with special educational needs and home to school transport. Following the improved approach to commissioned services, we anticipate that financial savings will result contributing to meeting the budget gap. Further updates will be brought to Cabinet with more detail on this as work progresses.

Legal Implications

15. There are no identified legal risks at present but once individual contracts and procurement arrangements are to be reviewed this will be dealt with on a case by case basis by approved policies and procedures.

Risk Assessment

16. The proposed actions are assessed as low to medium risk. Reputational and service delivery risks will be mitigated through action plans, strengthened oversight, and reporting to both PoF Board, Strategic Commissioning Board and Cabinet.

Wards Affected and Consultation with Ward/Councillors

17. There are no specific Wards identified as affected as part of this recommendation.

Background Papers

18. Appendix One - Options Appraisal – Target Operating Model (TOM)
19. Appendix Two – Strategic Commissioning Board membership
20. Appendix Three – Draft Terms of Reference

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