Northamptonshire County Council

CABINET

6 SEPTEMBER 2016

CHIEF EXECUTIVE: DR PAUL BLANTERN
DIRECTOR OF PEOPLE COMMISSIONING: DR AKEEM ALI

LEADER OF THE COUNCIL: COUNCILLOR HEATHER SMITH

Subject:	Developing a prioritisation process for Northamptonshire County Council
Recommendations:	The Cabinet is asked to further refine the approach to priority setting by the County Council and: 1. Approve the development and implementation of a prioritisation framework and process for use across the Council. 2. Approve the proposed, mixed methods approach to prioritisation, which includes the use of: • An ethical framework that outlines the key guiding principles and values for resource prioritisation; • An appropriate combination of evidence, strategic needs assessment, community expectations and business intelligence, to inform prioritisation decisions; • Recommended decision-making tools with built-in criteria for service assessment and impact analysis; and • A rigorous and methodical stakeholder and public engagement process to ensure that the fairness and equity of the impact of prioritisation decisions are fully considered. 3. Agree that delegated authority be given to the Chief Executive and the Corporate Director of People Commissioning to complete the development of an explicit statement of Council principles and values (the ethical framework). 4. Agree that delegated authority be given to the Chief Executive, in consultation with the Leader of the Council and Cabinet and supported by the Corporate Director of People Commissioning, to complete the technical appraisal of available tools and recommend a specific tool appropriate to Local Government and Northamptonshire for use in the final framework. 5. To seek approval from Cabinet and Council later this year for full implementation of the final prioritisation framework based upon the ethical framework and recommended tools.

1. Purpose of Report

1.1 The role of the council is to achieve the best possible wellbeing and safeguarding outcomes within available resources whilst delivering the council's vision and political mandate.

1.2 The purpose of this paper is to gain approval from Cabinet to proceed further with the development and implementation of a refined prioritisation framework and process, described below, which aims to ensure that the Council when making prioritisation decisions to deploy and allocate available resources between possible outcomes, between competing needs and between obligations, is able to do so in a transparent, defensible, fair and equitable manner.

Elected members have many factors to consider when making decisions about resource allocation and prioritisation. The proposed framework can be used by the Council to create a '**Consideration Checklist**', incorporating the most important and relevant factors, to ensure that all strategic prioritisation decisions are fully considered in a similar way.

1.3 The Council is compelled to prioritise, in order to manage the budget/finances, at a time of austerity and decreasing resources and increasing demand, whilst, at the same time, ensuring that needs are met using the most efficient, effective and high quality services. Therefore, there needs to be a strong framework that provides democratic accountability for the prioritisation decisions.

1.4 Northamptonshire County Council (NCC) continues to innovate to provide better outcomes for the people of Northamptonshire and, consequently, has always lived within its means. This is despite the tight budgetary allocation, which has not kept pace with population growth; expanding demands and needs; ever-widening public service obligations; or new service approaches and technology, which require additional investment. This financial situation is likely to continue for the foreseeable future, given national (and international) economic conditions. As a result, difficult decisions may have to be made about which services should be continued, reduced or stopped – in all cases ensuring that impacts are minimised. The medium term financial strategy and directorate business plans have already been developed to identify the most critical outcomes to fund and address the service re-design needed, to ensure efficient and effective delivery. However, despite the significant progress that has already been made with savings plans, these plans will continue to evolve, as available funding is outstripped by demand, needs, expectations and need to invest in new approaches.

1.5 This paper proposes that NCC adopts a prioritisation (decision-making) framework based on its principles and values:

- fairness,
- equity,
- self-care and responsibility,
- helping you to help yourself,
- achieving the most outcomes for the most within available resources,

as well as on clear, objective criteria.

The process to implement the framework will be transparent, intelligence-led, evidence-informed and involve relevant stakeholders. Using the process should make it less difficult to make tough decisions and also make it more likely that partners and other stakeholders, including service users and the public, will understand and sign up to the decisions.

1.6 Responsibility for decision-making will continue to be in line with the constitution of the Council.

1.7 The framework and process are intended to help make decision-making more consistent, systematic and transparent across the Council's various areas of business, by guiding decision-makers through their thought processes. Putting this into practice will involve a degree of culture change towards decision-making. Over time, as the Council revisits its values and/or the context changes, the framework and criteria can be easily revised to reflect the situation. This means that there is always a firm footing, a good starting point for making decisions about the Council's public law obligations.

1.8 Cabinet is being asked to approve and adopt the draft prioritisation framework and proposed process to finalise the framework. Cabinet is also asked to adopt the draft ethical framework and decision-making criteria that underpin the process and agree to the proposal to refine this further by:

- Holding workshops with elected members across the Council, to further develop the key principles and values, plus design and test the proposed framework, which has been developed using examples from other public service organisations and experts; and by
- Creating a 'consideration checklist' that can be road-tested in simulation of allocation decisions.

2. How this decision contributes to the Council Plan

2.1 The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:
• Resources are utilised effectively and efficiently, in coordination with partners and providers.

3. Background

3.1 The Council Plan set out an ambitious strategy for NCC and described critical success factors, which were used to prioritise resources and develop the medium term financial plan. In addition, the Council seeks to ensure that

"resources are utilised effectively and efficiently, in coordination with partners and providers"

In order to achieve this and as the Council undergoes a profound organisational change, a further development of the system for resource allocation and prioritisation is proposed, to support the more 'commissioning' nature of the Council.

3.2 The aims of prioritisation are to decide which outcomes the Council most wants to achieve and to choose between competing demands on the Council budget, in order to achieve those outcomes. The Council wants to make rational, fair and equitable, and defensible decisions about where to allocate its resources and what services to commission. In order to do so, a transparent and interactive prioritisation process is being developed, to be used at all levels of decision-making, underpinned by a framework of key principles, values and criteria.

3.3 Initial stakeholder engagement and public consultation will provide important input into the framework, helping to shape the criteria. As always, consultation will also provide the opportunity to explain why this way of prioritising is being introduced, how it will work and what the benefits are.

3.4 Prioritisation involves making choices between competing demands for resources, which is difficult, since not everyone will agree about what is most important or most needs to be done. It is even more difficult, at times, to decide what should be discontinued than what should go ahead, since it could mean withdrawing services from some people. In prioritising outcomes and services, the Council will need to decide which individuals, groups and/or communities will be served with prioritised resource allocation when resources are limited, while keeping all people safe, protecting the vulnerable and working to improve wellbeing for all and maintaining statutory duties.

3.5 Using a systematic approach to priority setting would not only facilitate these difficult choices, but could also help NCC to distinguish between needs that should be met and demands that arise from residents' expectations, while a transparent process will help to manage those expectations.

3.6 Systematic, strategic prioritisation will enable NCC to manage resources better through its commissioning processes, ensuring that spending and savings targets are met. Additional potential benefits of effective strategic prioritisation include helping to avoid unplanned shifting of pressures from one service or budget to another, when resources are reduced in one area, This approach brings greater consistency, higher quality and better value for money to services; obtaining better commitment to decisions from partners, providers and the public.

3.7 In the short term, within a fiscal year, the proposed process could be applied if budgets fall short because of unexpected service demands and additional savings need to be found, by helping to decide between alternatives, i.e. does the Council think it should reduce spending on X in order to maintain spending on Y?

3.8 In the longer term, the proposed prioritisation framework and process can be easily adopted for strategic planning and business case approvals.

3.9 This paper now sets out the rationale for and suggests approaches to implementing a systematic prioritisation process at NCC.

4. Developing the framework

4.1 There are many different approaches to prioritising systematically, many of which have been used in the healthcare, military, government and other public service sectors. Each method has pros and cons and no one method has been shown to be universally successful. Appendix 1 contains a summary of the pros and cons of some of the most common prioritisation methods. A mixed methods approach is proposed to ensure that the Council uses the key elements of the different approaches that are important to successful implementation, these are:

- An ethical framework – clearly setting out our agreed values

    o To ensure decisions are acceptable and adhered to

- An evidence-base – what we commission and provide should work

    o I.e. examples of successful implementation/outcomes from elsewhere and how this could be applied locally
    o Including, where available, evidence of risks and causes, effectiveness, cost effectiveness, etc.
    o For innovations, where there is no established evidence base – a clear logical model, demonstrating how the intervention is expected to deliver the desired outcomes
    o Interventions should be evaluated to ensure they are effective locally

- A transparent process – with accountability

    o Reduces risk of and provides a defence against challenges to decisions

- Public involvement and stakeholder engagement

4.2 An ethical framework, consisting of values and principles to guide and govern prioritisation decisions, is proposed. The ethical framework gives rise to a set of decision-making criteria, against which budget line, service, outcome or proposal will be assessed. Both the ethical framework and criteria may be revised in future, subject to agreement by Cabinet. A draft ethical framework is available at appendix 2. The framework will be finalised, once councillors and senior officers have been fully consulted. Consultation is now underway and is planned to be completed by October. A timetable for various workshops with cabinet, opposition groups, key portfolio holders, shadow portfolio holders, 1:1 meetings, technical briefings for officers, planning sessions and deliberations will be available in September. Scrutiny committees would be offered briefings and have the opportunity to contribute ideas and suggestions to the final framework and 'consideration checklist'.

4.3 A draft prioritisation tool has been developed, consisting of a number of criteria, which are used to assess options. These include:

- Value to society

- Effectiveness
- Costs
- Approach to delivery
- Risk
- Workforce implications

These are posed as questions within the tool, or checklist, for ease of use. The tool has been derived from the proposed principles and values and also builds on similar tools from elsewhere. The tool and the criteria are also being consulted on, and will form the basis of the consultation proposal outlined above to make sure that important concerns are considered, when making prioritisation decisions.

4.4 A process is described that will ensure the framework and tool are used effectively and that all the relevant stakeholders are able to contribute. The framework and process will provide decision-makers with the information and tools to make difficult choices about what to prioritise and where to allocate resources. Alongside, there will be an accountability framework to make sure that decisions are taken at the right level, individual staff are neither out of bounds nor exposed, and that decisions are defensible. This system for prioritisation will be in addition to and in accordance with the Council's Code of Corporate Governance and Statements of Required Practice (SORPs).

4.5 When the proposed framework is in full implementation and successful, the Council can expect the following:

- An ethical framework based on the core values and principles of the Council as the basis of decision-making for resource allocation;
- A 'consideration checklist'/tool that can be applied systematically and consistently during scrutiny, cabinet and council deliberations on strategic resource allocation;
- A transparent process for considering resource shift between services and priority outcomes;
- An engagement process for resource allocation involving partners and stakeholders;
- Explicit criteria for choosing priority outcomes and full involvement of professionals, technical experts and democratically elected members in finalising commissioning resource-allocation decisions.

4.6 Areas for further consideration during the consultation process to follow are:

- Appendix 1 sets out various methodologies and a mixed-method approach has been recommended without use of scoring; would there be a preference to attaching relative values to the ethical framework and prioritisation tools set out in Appendices 2 and 3?

- How could the proposed approach in Appendix 4 be adopted into the planning process seamlessly?

5. Consultation and Scrutiny

5.1 A public engagement exercise is planned to run in autumn, in order to help shape the decision-making tool, e.g. by clarifying and/or amending criteria. Members of the public, service users and consumers can be involved in deliberative events, or workshops, at key points, particularly during the strategic budget planning process. Service areas will continue to consult service users, as usual. Otherwise, public engagement and input will be through their elected members.

5.2 Stakeholder and public engagement is built into the prioritisation process and will be important to its success.

6. Equality Screening

6.1 This is being finalised and will be provided prior to Cabinet in September 2016

Reason that no EqIA is required	as appropriate
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (please explain further)	

* where a proposal affects staff, the appropriate HR processes will be followed, which have already been subject to the EqIA process and will be compliant with HR legislation

Public Health & Wellbeing:
http://www.northamptonshire.gov.uk/en/councilservices/Council/equalities/Pages/PublicHealthandWellbeing.aspx

7. Alternative Options Considered

7.1 Alternatives to the proposed prioritisation approach have been considered thoroughly and were rejected for being either less effective than the combined approach described in this document, or because they did not appear to fit with the culture of NCC. The alternatives are described fully, with pros and cons, in appendix 1.

8. Financial Implications

8.1 The financial implications are expected to be minimal, with a small investment in Year 1 to develop and implement the process. It is anticipated that the minimal financial implication can be covered within the budget. In subsequent years, technical support, leadership and facilitation for the process will be provided from within NCC Group . Support for the engagement events will be provided by the EPIT and corporate communications teams.

What benefits will the proposal deliver?	As set out in the prioritisation tool, at appendix 3, the proposed prioritisation framework and process will help to identify and make choices between services, interventions and outcomes, based on their: Value for money Impact on performance indicators Cost effectiveness Efficiency savings (cashable and non cashable) Return on investment Other benefits realised

9. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Public opposition to process – seen as cost cutting	Wide-ranging and effective engagement with public and service users	Amber
Decision-making process could be at odds with those of partners	Wide-ranging and effective consultation with partners and stakeholders	Amber
Members or officers rely on the tool and overlook other considerations when making decisions	Provide training/education on proper use and interpretation of the tool SPH facilitate process	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Council is subject to legal challenge, following decisions to stop services	Red/Amber/Green

10. List of Appendices

- Appendix 1 – Approaches to priority setting
- Appendix 2 – Draft ethical framework/principles and values
- Appendix 3 – Prioritisation tool/consideration checklist
- Appendix 4 – Prioritisation process

Author:	Name: Dr Sandra Husbands Team: Specialist Public Health
Contact details:	Tel: 01604 366625 Fax: 01604 Email: SHusbands@northamptonshire.gov.uk
Background Papers:	
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	NO

Does the report include delegated decisions? If so, please outline the timetable here	YES – delegated to chief executive, Paul Blantern, in consultation with the leader of the Council, Cllr. Heather Smith
Is this report proposing an amendment to the budget and/or policy framework?	YES
Have the financial implications been cleared by the Strategic Finance Manager (SFM)?	YES Name of SFM: Yalini Gunarajah
Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES/NO No capital spend implications
Has the report been cleared by the relevant Director?	YES Name of Directors: Dr Paul Blantern – Chief Executive & Prof. Akeem Ali Corporate Director of People Commissioning
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Heather Smith
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Laurie Gould
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Rachel Sim
Have any property issues been cleared by Property and Asset Management?	No property issues
Are there any community safety implications?	These will be considered and taken into account as each service or proposal is put through the framework
Are there any environmental implications:	These will be considered and taken into account as each service or proposal is put through the framework
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	YES . *Please consult with Legal Services for advice on completing this section.*
Constituency Interest:	*Send report to relevant councillor if affects specific Division(s)*