

## Minimum requirements for Commissioning Strategies and Plans

### 1. Introduction

In 2013, Lincolnshire County Council declared that it was going to become a commissioning council. Within our Business Plan we define the County Council's purpose as...

- Making the best use of all of our resources
- Investing in infrastructure and the provision of services
- Commissioning for outcomes based on our communities' needs
- Promoting community wellbeing and resilience
- Influencing, co-ordinating and supporting other organisations that contribute to the life of Lincolnshire

We identified 17 strategies that incorporate all of our functions.

A new approach was proposed with a number of principles to be used across the Council in developing and delivering the Commissioning Strategies;

- Councillors at the heart of shaping and making strategic decisions
- Emphasis on high quality evidence of needs in the context of political priorities
- Focus on outcomes we are seeking to achieve and organising around them
- Commissioning with others where that would improve results
- Consistent approaches
- Right skills in the right place and time
- High quality support operating across the Council
- Commissioners ultimately accountable
- Members and commissioners hold all service providers rigorously to account

#### 1.1 What is Commissioning?

We created a definition of what we mean by commissioning...

*"Commissioning is the cycle of assessing the needs of people in an area, designing and then achieving appropriate outcomes. The service may be delivered by the public, private or civil society (a.k.a. third sector) sectors."*

Effective commissioning is evidence based and focussed on the needs and desired outcomes for citizens and service users.

## 1.2 What is an outcome?

Outcomes are the direct results or benefits for individuals, families, groups, communities, organisations, or systems and cover the issues that matter to people. Examples include changes in knowledge, skill development, changes in behaviour and wellbeing. National outcomes have been developed for Public Health and Adult Care. The Council reports its performance against both these national outcomes and the outcomes it has chosen to adopt in its Business Plan.

Examples of outcomes in the Council's Business Plan include, ensure that people have a positive experience of care and support; reduce the risk of flooding and children are safe and healthy.

## 1.3 What is the commissioning cycle?

It is based on a standard Analyse, Plan, Do, Review approach.



We developed a toolkit around this to support Commissioners which can be found at

<http://george/section.asp?docid=106776&ovt=1>

There is no requirement to use the toolkit.

## 1.4 When to use Commissioning

Generally commissioning should be used whenever one of the following triggers occurs;

- Market change
- New or changed service requirement
- Changing Council priorities
- Contract renewal
- Current delivery not fit for purpose
- Budget pressures
- Time since last review

## 1.5 Councillor Engagement

We committed to taking political priorities into account and putting our Councillors, the elected representatives of our communities, at the heart of shaping and making strategic decisions.

Consequently, Councillors must be engaged in the approval and scrutiny of the following;

- Approval and scrutiny of Commissioning Strategies including the specified **Outcomes**
- Approval and scrutiny of Commissioning Plans including the **Services and Delivery Analyses and Commercial Model**

## 2 The Commissioning Strategy and Commissioning Plan

A Commissioning Strategy is a high level plan of action designed to achieve the prioritised needs and securing the Council's desired outcomes for the local population and the economy and place of Lincolnshire. It is the expression of long term wide ranging commissioning intentions indicating the needs to be met and outcomes to be secured and in general terms how this will be done for the future.

The level of resource expended and the amount of the development activity carried out should be proportionate to the scale of the Commissioning Strategy.

In some cases the Council will work with partner organisations to develop a joint Commissioning Strategy where the partner takes the lead using its agreed process rather than this Minimum Requirements document. Such an approach would meet the Council's requirements so long as it includes a needs assessment and is evidence based.

The development of a Commissioning Strategy should result in;

- the better matching of need and services
- the better development of services in accordance with priorities
- better balance between tiers of services e.g. an increase in preventative services
- increased causal connectivity between services and desired outcomes
- better engagement with service users, the market and commissioning partners

A Commissioning Plan details how we will deliver the Strategy, along with rationales and budget requirements for the recommended services and delivery channels.

Commissioners are responsible for the range of services in place and for ensuring that the money is well spent. Where there is a shortfall in the range of services available then that is the responsibility of the commissioner to address budget permitting for example by creating new delivery mechanisms (e.g. the transport Teckal).

### **3 Minimum Requirements-Commissioning Strategy –[ A ] Analyse Phase**

#### **3.1 Strategic Needs Assessment**

The first step is to carry out a Strategic Needs Assessment of each of the local population; service users; economy and place as relevant. This will require the collation and analysis of the available relevant data and engagement with the local population and communities. The Joint Strategic Needs Assessment (JSNA), available on the [LRO](#), highlights health and wellbeing needs, other broader data sets are also available on the [LRO](#). The Council's [Open Data](#) Portal is another location where data relating to Lincolnshire is published which may be of use in developing the needs assessment.

The Customer Service Centre can be commissioned to collect customer feedback across the range of Council activity through bespoke one off or regular surveys. The Community Engagement Team can also help by identifying focus groups and independent representative groups who may be able to help in the gathering of relevant information. The team also holds asset management information.

Early engagement with relevant providers and the market more generally may also provide useful information whilst building relationships and signalling opportunities.

The evidence collected must be analysed and presented to provide an objective **Summary of Findings** document in plain English where acronyms are defined.

#### **3.2 Understanding the Needs and How They Can Be Met**

Once the **Summary of Findings** is available different perspectives and considerations must be taken into account to understand future needs and how best to address them to ensure that the outcomes arrived at are balanced. Each of the following considerations must take place and the methodology used and the analysis undertaken will need to be set out in a **Needs Analysis**: -

- Political priorities / risks
- Demographic and consultation feedback
- Legal framework
- National and local policy and guidance
- Current performance e.g. through a system and service performance analysis
- Stakeholder views
- Partners current commissioning activities and future intentions
- Available resources now and in the foreseeable future
- Market offers (external / internal)

The **Strategic Needs Assessment** will include a summary of the emerging issues and other factors to be taken into account identified from the interpretation of the **Needs Analysis**. This might include areas where there are conflicting drivers or where there may be some gaps in data or information. As a consequence judgements on the desired **Outcomes** identified from the **Strategic Needs Assessment** may need to be made on conflicting or partial information.

### **The Commissioning Strategy –further content**

The Commissioning Strategy will include;

- Statement of scope-the functional areas which are in and out and why;
- A list of key stakeholders engaged with and the nature of the engagement ;
- The contribution of different Council service areas to meeting the specified needs/outcomes;
- A list of any documents which have been influential;
- the performance metrics;
- A starting position statement covering the existing contracts, partnerships, services and how they relate to the outcomes with input

from the current provider, with other key summary data including cost, utilisation, satisfaction etc.

- The inter-dependencies between the Commissioning Strategy in question and the other Commissioning Strategies with any assumptions about contributions from or towards other Commissioning Strategies in relation to the achievement of shared Outcomes being made explicit.

#### 4. Minimum Requirements-Commissioning Plan [ B] Plan Phase

4.1 A Commissioning Plan provides detail on the activities and services which provide the best way forward for the delivery of the identified **Outcomes**. Given the scale of activity in the Council it is only necessary to complete a Commissioning Plan when there is a reasonable likelihood that a change to the way we deliver the Outcomes would bring benefit. Where there is no anticipated benefit and no change proposed which may be for example in circumstances where the service delivers a regulatory function driven by statutory process, a Commissioning Plan is not required. In cases where the intention is not to complete a Commissioning Plan there must be a statement setting out the reasons why.

Where a Commissioning Plan is required the conclusions and recommended way forward will be set out in a **Services Analysis** drawn from the evidence and will set out the proposed activities to be undertaken and the services to be provided or secured to include priority and non-priority areas to be addressed e.g. statutory duties and nice-to-have's. The Commissioning Plan will also identify any significant issues or risks in terms of future delivery and meeting the outcomes and will include a statement detailing the current resources available to deliver the **Outcomes**.

#### 4.2 Delivery Options

Our definition of commissioning clarifies that “The service may be delivered by the public, private or civil society sectors.” Commissioning Plans will identify the best channels for delivering the identified services and activities and will also consider the option of decommissioning as follows: -

- Internal
- External-grant or contract
- Partnership
- Co-production
- Influence
- Decommission

Internal services will need to demonstrate effectiveness and value for money. Consideration must be given as to whether any delivery channel is better than others for protecting the Council including its reputation in the event of service and or delivery failures.

An options appraisal to determine future delivery is needed a **Delivery Analysis**, which is clearly presented and evaluates the relative merits of each available delivery channel to achieve the required services and activities. It is likely that some of the activities and services identified in the **Services Analysis** will suit one delivery channel with other activities and services better suiting another.

Typical content for each option: -

- Description of delivery option
- Description of the governance arrangements to be adopted
- Outcome(s) the delivery option will achieve
- Alignment with policy and political priorities
- Cost/Benefit (or dis-benefit) & ROI (where appropriate)
- Other resources needed
- Risks
- SWOT analysis or equivalent analytical tool

The adopted option will form the basis of a **Delivery Plan**. Commissioners will develop a risk register for each **Delivery Plan** recording the identified risks, their severity, and the actions steps to be taken to mitigate them. The risk register will be maintained through implementation.

Realistic timetables for delivery should be set out with key milestones marked so that progress can be monitored and mitigating action taken if required.

### 4.3 Commercial Model

Where an external delivery or partnership delivery channel is chosen regard must be had to the most appropriate commercial terms to be applied. Key terms which generally will need to be determined are set out below. The ones in bold are the ones that members may want to be engaged on;

- **the duration of the arrangement;**
- **payment terms setting out what the Council will pay and whether payments are indexed and related to performance;**
- **where payment is related to performance the Key Performance Indicators, how they will be measured and the payment deductions to apply where performance fails;**

- how the arrangements can end early in the event of poor performance;
- any limits on the providers liability;
- the contractors right to use sub-contractors and the Council's rights on termination;
- Data Protection responsibilities/liabilities including information sharing agreements;
- where Council staff transfer pension liability;
- **where Council property is involved how occupation is to be dealt with and how the costs of maintenance and repair are to be apportioned;**
- the contingency arrangements which will be available in the event of provider failure which should be proportionate with the risk and scale of failure;
- delivery milestones for transformation activity or other contractual commitments.

The content will vary depending on matters such as the commerciality of the market, the balance of supply and demand, the nature of the services and the supplier's margin and appetite for risk.

Commissioners should provide a rationale for the position reached in each Delivery Plan having regard to the market and other stakeholders. Support can be obtained from the Commercial Team and Legal Services.

Commissioners must ensure that appropriate governance arrangements proportionate to the scale, complexity and urgency of the implementation remain in place until business as usual is achieved.

Commissioners should also make provision for adequate contract management on external arrangements so that the provider can be held to account.