A councillor’s workbook on the commissioning of services
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This Local Government Association (LGA) workbook has been designed as a distance learning aid for local councillors. It is intended to provide councillors with insight and assistance with the key skills which will help you to be most effective in your role. Some of the content may be of most use to more newly elected councillors, but nonetheless if you have been a councillor for some time, the workbook should serve as a useful reminder of some of the key skills, approaches and tactics that make for an effective ward councillor. It may even challenge you to reconsider how you have approached aspects of the role to date.

Those councillors who are new to local government will recognise that there are many aspects to being an effective ward or division councillor. The workbook will help you to get up to speed on the main areas that require focus and attention. In effect, it should provide you with some pointers on how to develop a style and approach that you are comfortable with, and that enables you to be most effective in your day to day duties.

The workbook can be used as a standalone learning aid or alongside other material you may cover such as e learning modules or sessions within your own council. It is recognised that each individual must decide how best to use and develop their chairing skills, based on individual preference and confidence. As such, the workbook should serve more as a direction marker rather than a road map.

This workbook is based on the learning and experiences derived from its Commissioning Academy programme which brings together senior commissioners from across the public sector to learn from the example of the most successful commissioning organisations, developing a cadre of professionals that are progressive in their outlook on how the public sector delivers outcomes to local communities. This workbook pulls together resources from the academy which you can use to inform and guide your own commissioning challenges.

You do not need to complete this workbook in one session and may prefer to work through the material at your own pace. The key requirement is to think about your own approach to commissioning – how the material relates to your local situation, the people you serve and the council you represent.

In working through the material contained in this workbook you will encounter a number of features designed to help you think about the councillor role. These features are represented by the symbols shown below:

- **Guidance** – this is used to indicate guidance, research, quotations, explanations and definitions that you may find helpful.
- **Challenges** – these are questions or queries raised in the text which ask you to reflect on your role or approach – in essence, they are designed to be thought-provokers.
- **Case studies** – these are ‘pen pictures’ of approaches used by councils elsewhere.
- **Hints and tips** – a selection of good practices that you may find useful.
- **Useful links** – these are signposts to sources of further information that may help with principles, processes, methods and approaches.
Councils are under continuous pressure to deliver public services with limited budgets and resources. Combined with shifting economies and rising expectations from service users, this means councils have to find new ways to meet increasing demand, whilst delivering public services effectively at the same time.

These pressures require councils to look at their business processes to identify where improvements and efficiencies can be made, including the way in which services are commissioned. This workbook will show you how a shift in focus from service delivery to meeting outcomes can help to achieve this.

Your role as a community and public sector leader enables you to act as a facilitator, negotiator and driver of change, so it is important that you have the right skills and knowledge of commissioning to be able to:

- lead teams in the design, or re-design, of services
- influence the internal and external parties involved
- shape markets to achieve the best outcomes for your community
- provide ward-level insight into the outcomes that local residents want from their public services.

This workbook will provide you with an understanding of:

- new ways to approach commissioning from an outcome-based perspective
- tools to help you implement outcome-based commissioning
- the skills required to facilitate change effectively in the commissioning process.

The councillor’s role in shaping change

As a councillor, you have a good understanding of the needs of the people you represent. In a business transformation process, your role is to challenge current practices and seek to effect changes that will meet the needs of your community more effectively and efficiently.

The shift to outcome-based commissioning needs to involve a broad range of people in the commissioning process: the local community, local businesses, councillors, officers, frontline workers, voluntary organisations, charities and traditional service providers. All councillors are crucial to the commissioning process, regardless of what portfolio they hold or whether they operate at a strategic or ward level: from the cabinet leader to the ward councillor, all have a role to play in the commissioning function of the council.
Challenge 1 – what do you know about commissioning?

Here are some questions to get you thinking about your current perception of commissioning. You will find the answers at the end of the workbook.

**Are the following statements true or false?**

1. Commissioning will help you to make savings.
2. Commissioning and procurement are the same thing.
3. Commissioners look to outsource services.
4. The ‘Best Value’ and ‘Social Value’ requirements can help commissioning strategies.
5. Outsourcing and privatisation are the same thing.
6. Commissioning is the latest central government initiative.
7. Going through a commissioning cycle leads to procurement.
8. Councillors can make decisions on commissioning.
What is commissioning?

If you ask different organisations how they define commissioning, they will all give you a different definition. Commissioning is the process of ensuring that outcomes identified in the council’s needs analysis are delivered through the right service and with the right models of delivery, whether that be through public, private or other sectors, the voluntary service sector, or through social enterprises.

Procurement is often confused with commissioning. Procurement is the process of acquiring goods, works and services, including acquisition from third parties and in-house providers. The process spans the whole cycle, from identification of needs through to the end of a service contract or the end of a useful life of an asset. It involves early stakeholder engagement; assessing the impact on relationships and linkages with services internally and externally; options appraisal and the critical ‘make or buy’ decision; and determining the appropriate procurement strategy and route to market.

Definitions of commissioning

The means to secure best value and deliver the positive outcomes that meet the needs of citizens, communities and service users.

The Department for Communities and Local Government

The entire cycle of assessing the needs of people in a local area, designing services to address those needs and securing a cost-effective service in order to deliver better outcomes.

Norwich City Council Commissioning Framework

The process of assessing the needs of people or users in an area, designing and specifying the services to meet those needs, and choosing the delivery mechanism to secure an appropriate service while making best use of total available resources.

Department for Work and Pensions Commissioning Strategy 2014
Challenge 2 – how would you describe commissioning in your council?

How does your council define commissioning?

How would you define commissioning?

Outcome based commissioning

Service delivery performance is assessed by whether a specified set of criteria have been met, e.g. whether a complaint is responded to within a set period of time. This approach makes it easy to check whether a service provider is carrying out the tasks and activities they have agreed to undertake. However, it does not give you a ‘big picture’ view of whether the tasks and activities they are carrying out are actually making a positive difference to the local community.

Outcomes, then, are a measure of what matters to the customer – your local community; they are the changes that result in the delivery of a service. By understanding your community’s needs and translating these into desired outcomes, you can ensure that services are designed and delivered in a way that will best meet those outcomes.

By taking an approach to commissioning that focuses on outcomes rather than services, your council will be able to evaluate the effectiveness of its systems and processes, think creatively and identify a more effective range of possible solutions.

Outcomes – what do people want?

Think about your community: what kind of outcomes would your residents want? Here are some examples:

• to be happy and safe
• to be satisfied with the services they receive
• to be warm and housed
• to feel cared for
• to be in employment
• to be out of criminality
• to be in education
• to be living independently
• to be managing at home.

Services vs outcomes

Services:
• teaching hours delivered
• benefits paid
• parks cared for
• waste recycling
• food safety inspections.

Outcomes:
• student learning
• social equity
• improved environment
• environmental responsibility
• community wellbeing.
Think about your local community. What do you think their desired outcomes would be? Consider a local service valued by your community, for example the local parks service: what do you think the desired outcomes would be from different groups in your community?

Residents

Local businesses

Community groups

The community you are responsible for as a whole
The basic commissioning cycle

There are several basic commissioning models, but the essence of any commissioning model is to constantly look for ways to improve and learn from: how things are being done; user and business needs; all potential delivery mechanisms. There is no right answer or 'one size fits all' solution. Different commissioning models suit different purposes and different circumstances, so the approach you adopt should be carefully matched to the nature of your commissioning challenge.

All commissioning cycles are similar, following a four-stage service improvement approach.
Staffordshire County Council’s commissioning cycle

This diagram shows the approach to commissioning implemented by Staffordshire County Council. It helped them to achieve their desired outcomes to:

• improve outcomes for an ageing population
• support children and young people to have the best possible education
• protect the most vulnerable people in the county.

Achieving Commissioning Excellence
Stages of commissioning

strategy (plan)

outcomes and priorities

what will it look like?

how will you get there?

measuring the impact

delivery (review)

customer (analyse)

know your customers

what’s the question?
The benefits of commissioning

Through commissioning you are able to focus on real needs that must be met by the service, by taking a wider approach to understanding user, business and market perspectives. This means you can generate a broader and more innovative range of service delivery options, which will give you more flexibility in achieving value for money.

Legal duties

Best Value and Social Value are legal duties that can help to inform councillors and commissioners in developing a commissioning strategy: the requirements for the legislation will determine specific objectives and priorities for commissioning.

Social Value

The Public Services (Social Value) Act 2012 requires commissioners to have regard to the economic, social and environmental well-being benefits of their residents when commissioning public services. It aims to encourage commissioners to think about how these benefits could be secured through the services they commission, and how they are commissioned.

The Act encourages commissioners to talk to their local provider market and community to design better services and identify new and innovative solutions.

Best Value

The Duty of Best Value was first introduced in England and Wales by the Local Government Act 1999 to improve local services in terms of economy, efficiency and effectiveness. It continues to be important for service provision by making it clear that councils should consider overall value, including social value.

The statutory guidance on Best Value sets out expectations of the way councils should work with local voluntary and community groups, and small businesses, and encourages councils to work with these organisations to deliver cost-effective and innovative public services.

Flexibility for achieving value for money

Commissioning is not just about buying services; it is about finding innovative solutions to deliver better outcomes for the public. Consider the questions:

What can your council…

• make?
• buy?
• borrow?
• share?
• adapt?
• change?
• join?
• decommission?
A modern approach to commissioning

A focus on identifying local needs and defining these as commissioning outcomes, and the duties of Social Value and Best Value, require closer involvement of local voluntary and community groups, and local businesses, with the commissioning process as a whole.

The following video clip looks at modern approach to commissioning of services https://youtu.be/6gV5N-Kcqzc

What services do we provide?

• Top-down provision by state or independent provider
• Input- or output-based contracts
• Focus on cost reduction or producer interest
• Supply-led focus

What outcomes do people need?

• Generic, binary outcomes
• Siloed resources and protected budgets
• Competitive commissioning for cost reduction
• Responsive focus on meeting targets
• Production to commissioner’s priorities
• User value not considered

Commissioning has moved on from thinking only about who is providing the services.

Commissioning 1.0

Commissioning 1.0 was about competitive commissioning – what outcomes have we/have we not achieved? It was about the commissioner’s priorities, not about user value.

Commissioning 2.0

Commissioning 2.0 is about personalised, meaningful outcomes – what matters in people’s lives. This is the level you should be aiming to achieve.
Developments in commissioning

This diagram opposite shows the developments that have taken place in commissioning.

Commissioning has moved on from thinking only about who is providing the services. Commissioning 1.0 was about competitive commissioning – what outcomes have we/have we not achieved? It was about the commissioner’s priorities, not about user value. Commissioning 2.0 is about personalised, meaningful outcomes – what matters in people’s lives. This is the level you should be aiming to achieve.

Many councils are looking at commissioning their adult social care services in a more outcomes focused way. In this video John Bolton explains how to do this and shares good practice examples from councils across the country. [https://youtu.be/6gV5N-Kcqzc](https://youtu.be/6gV5N-Kcqzc)

Sharing a common language

Each organisation in a collaborative working group is likely to have different ways of defining commissioning terms. To avoid confusion, and to ensure everyone is talking about the same thing, it is helpful to define a common language for all partners and stakeholders.

For councils, Social Value and Best Value are familiar concepts and are embedded into policies and procedures. However, as you work more with local groups and businesses it is worth bearing in mind that they may not have such a clear understanding, or be aware of the duties under which councils have to operate.

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Examples of commissioning definitions

Input
Defines the resources needed to deliver the outputs and details how the service provider will provide the service.

Output
The desired level of service activity from the provider.

Outcome
The desired positive result or impact of the commissioned service for the service user or the population as a whole.

Procurement
Procurement is the process of acquiring goods, works and services, including acquisition from third parties and in-house providers.

Outsourcing
Replacing internally provided services and goods with external providers. These could come from the private or voluntary sector.

Privatisation
This specifically means the service being taken on by a private sector organisation.
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The four worlds of public services

No one person can ever have a view of the whole commissioning experience – each person’s understanding, perception, responses and thinking is determined by their place in the process.

The emphasis on co-design and co-production in outcome-based commissioning, potentially with service users and suppliers, makes it important to be able to see problems and options from the perspectives of everyone involved, especially if you want to find a solution that everybody is happy with.
Business consultants RedQuadrant have developed the **Four Worlds service transformation model** for public services. It describes public service delivery from the perspectives of the four key areas involved – the four ‘worlds’. Each world is separated by an invisible divide, and for commissioning to work each world must find ways to cross this divide and link with each other. Commissioning is about how we bring these worlds together. [https://youtu.be/LIzIXEGLH4Q](https://youtu.be/LIzIXEGLH4Q)

**customer world**

This is where everyone lives their lives. It’s where user demand is created and market research takes place – the people in this world tell us what they need.

**Divide: the front line** This is the point of power because if customers are not happy with the service or offerings available they complain, causing more work and complexity in service world.

**service world**

The council and its staff form service world. This is where council services are delivered and the people in customer world receive them.

With a modern approach to commissioning it is feasible that the people delivering the services are also customers, and therefore will ‘inhabit’ both worlds.

**Divide: performance information** This is where needs get converted into achieved targets.

**management world**

This is where business planning takes place: budgets are agreed, targets are set, reorganisations happen and performance is measured.

**Divide: policies and governance** External parameters are set which the council must work within and has limited control over.

**political world**

This is where government agendas are applied at a local level and strategic direction is set.

Councillors also sit within this world. They interface directly and frequently with the other worlds, giving them insight and influence.
By using the Four Worlds model you can achieve three levels of learning:

1. **Emotional intelligence** – an understanding that you are not communicating person to person and that each world has its own perceptions and pressures; any disagreements are not personal.

2. **Try to get inside other worlds** by asking: how can I help them respond to the pressures in their world better and in a way that helps me as well?

3. **Work out how to work together** by asking: How can we change the conditions of these worlds so that they are better aligned to work together?

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**The supplier perspective**

Commissioning for outcomes presents opportunities for working more with local voluntary and community groups, and local businesses. These are likely to be smaller organisations, and to enable them to compete with larger organisations it is important that you consider their perspective in your commissioning and procurement processes.

Jon Harvey Associates is a small leadership consultancy, and they have compiled the following list of considerations to help you do this.

- Engage providers early in the process so that they can understand the challenges you face, and how they might go about helping you to overcome them.
- Make sure the time needed to bid is proportionate to the work on offer.
- Present the specification clearly and concisely, and make it easily accessible – don’t bury it on page 86 of a large document.
- Ask questions that are easy to understand and relevant to the work.
- Be clear about exactly what the work includes, and whether there are any parts that won’t be paid for, giving the option to provide this for free.
- If it looks like the existing provider has a head start, smaller organisations are less likely to be interested.
- Similarly, if there are a large number of bidders smaller organisations are less likely to be interested.
- Make sure your time scales are realistic to give smaller organisations the chance to prepare a bid.
- The requirement specified should match the desired outcome.
- The supplier requirements should be proportionate to the outcomes required.
- Make sure the process provides scope for suppliers to demonstrate their strengths.

Jon Harvey Associates have also compiled a list of questions to guide organisations on whether to make a bid for work. You can find it at: 
http://jonharveyassociates.blogspot.co.uk/2009/07/bakers-dozen-assessing-tender.html
Making the commissioning cycle work

There are a number of factors that will determine how effective your commissioning is, especially when a number of groups or organisations are involved. The following principles might help you.

Agree a common approach
Each department or local area should have a commissioning cycle which is adopted across all partners and signed up to. As all cycles can be mapped to each other; it does not matter which is used, just that there is an agreed and common approach.

Start the commissioning process with an understanding of the desired outcomes
Any commissioning cycle should start with understanding the outcomes that you and your service users would like to achieve.

Consider a wide range of service options
The ‘Do’ part of a commissioning cycle might be something other than a traditional service, so be careful not to constrain your options. Going through a commissioning cycle does not necessarily lead to procurement. It may lead to the decommissioning of a service – ie stopping it – or it may lead to a solution that does not require formal procurement – setting up a group of volunteers to maintain a local landmark for example.

Actively seek to involve service users at each commissioning stage
Commissioners should actively seek to involve service users at each commissioning stage so that they become co-designers and co-producers of the positive outcomes which commissioning strives to achieve.

Involve providers at all stages
Providers should also be involved at all stages (except where there are specific commercial considerations).

The dangers of using this model are that:
• it can lead you into meeting needs with money, i.e. by rushing to renew a contract that is about to expire
• you only get the chance to review at set intervals, rather than on an ongoing basis.

https://youtu.be/5joaNfMBluMA systems thinking commissioning model

This commissioning model looks at more than buying services to meet needs. Instead it takes into account ALL the resources available and the desired outcomes, after which interventions are designed using those resources to achieve the outcomes.

Resources include:
• public money, including benefits
• buildings and equipment
• internal and external workforces
• what the market can offer
• what innovation and technology can offer
• the people receiving services and living in the area.
A major focus of this model is on what the community and individuals can offer for themselves: what would they do if the service was no longer provided?

The outcomes are the results for local people and communities, and the experience they have in improving their outcomes. They will be different for different people, and will also be different at individual, family, street, neighbourhood, ward, borough, etc, level. Success is defined as people believing that the service has delivered them with value.

It is hard for public services to take unquantifiable outcomes like this into account. For this model to work, it has to be based on the premise that the local community is the arbiter of value, and that every service is co-created with local people.

With this model it is possible to test small-scale interventions, which is difficult to do with a larger commissioning cycle where the review point is after a longer period of time. This means you can go through a learning cycle and make improvements that will build to better outcomes on a large scale.

Positive family futures in Portsmouth

Background
Despite being one of the world’s great ports, Portsmouth faces some challenges. Some areas of the city have high unemployment levels, lower-than-average incomes and social problems such as poor health; there are generally lower levels of education and skills in these areas, and barriers to accessing opportunities.

The Public Services Board, which is chaired by the leader of Portsmouth City Council and brings together the chief executives of the main partners in the city, saw the Troubled Families programme as an opportunity to address these challenges.

In particular, the board wanted to understand why families become ‘troubled’ in the first place and developed the hypothesis that a focus on earlier points of intervention could prevent families reaching the Troubled Families threshold. The board therefore sponsored a review in 2013 in which a multi-agency team worked with consultants and used the Vanguard Method to look at services from a family perspective.

Commissioning and delivery model
Using a systems thinking model, the journeys of eight families were reviewed over a six-week period to understand how services responded to them and identify any missed opportunities. The exercise found that each family came into contact with a high number of professional and agencies, none of which had all the information about the family. This resulted in high costs through large numbers of intervention, with no discernible improvement for the family.

The services were then redesigned with three elements:

1. To identify and work with families at the earliest point of concern.
2. Determine ‘triggers’ from data and information held to proactively identify families who require help at the earliest opportunity, eg an unexplained absence from school.
3. Assign a ‘navigator’ to act as a single point of contact for a family, ensuring they are offered the right service at the right time.

Outcomes
The new way of working was branded Positive Family Futures and was trialled in the Paulsgrove area in 2014. It has shown benefits to families and improved the cost effectiveness of the system by:

• reducing the number of professionals involved in working with a family
• resolving difficulties earlier
• improving health, wellbeing and financial outcomes for the families involved.

You can read more about this case study at www.publicservicetransformation.org/wp-content/uploads/2015/03/Portsmouth_final.pdf
Further reading on outcomes and efficiency

See chapter two of ‘Outcomes and Efficiency leadership Handbook’ by Richard Selwyn for an in-depth discussion of the efficiency savings identified by this commissioning model.

Challenge 4 – knowing your resources

How familiar are you with the resources that are available in your ward and at your council? Take a moment to consider:

Finances

Internal workforce

External workforce – can you identify any individuals or groups who could deliver services, or who are already delivering similar services?

What do local businesses offer? How well do you know your local businesses?

Buildings and equipment. Are there any community-owned facilities?

What technology is available to you?
The need for scrutiny

The shift in thinking from commissioning services to delivering outcomes presents a major change in the way councils provide public services. The needs of the local community are central to this change, and to truly involve the local people, community groups, businesses and suppliers in the commissioning process it is vital that it includes transparency and accountability.

The overview and scrutiny function ensures that this transparency and accountability is in place. Its principles are to:

- provide a constructive ‘critical friend’ challenge
- amplify the voices and concerns of the public
- be led by independent people who take responsibility for their role

• drive improvement in public services.
• Integrating scrutiny into the commissioning process

We have already seen how outcome-based commissioning presents a new way of working, with a broader range of possible solutions – with much more involvement from community stakeholders and service providers in both designing and producing commissioning options. It is important that scrutiny sits alongside this process, and is involved at every stage, to ensure that the appropriate checks and balances are in place.

The diagram below shows the scrutiny process that sits alongside an outcome-based commissioning process.

![Diagram showing the scrutiny process](image-url)
The scrutiny function asks a number of questions at each stage

**Understanding the rationale for the commissioning process**
- Why is it necessary?
- How can scrutiny understand the rationale in more detail?
- Is it driven by financial circumstances or by pressures outside the council? What is the evidence?
- How would a better understanding of the rationale help scrutiny do their work?

**Understand the commissioning process itself**
- What is the nature of the commissioning process?
- How do we know what the impact will be? Who is involved?
- What evidence would the commissioners use to understand these assumptions?
- How might councillors unpick these conclusions?

**Planning scrutiny’s niche in the commissioning process**
- What should scrutiny’s niche be in the commissioning process?
- What does it mean for the way that scrutiny plans and delivers its work?
- How will councillors on the scrutiny committee know they are looking at the right issues at the right time?

**Integrate scrutiny into the commissioning process**
What is happening to ensure that the scrutiny function and process are seen as an integral part of the governance arrangements in a transforming authority?
- How does everyone’s mind set need to change?
- How might scrutiny itself need to change to accommodate this?
- How might the commissioners work to achieve changes?

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**Case study**
**Buckinghamshire scrutiny – assessing need**

**Review focus:**
The review investigated how scrutiny could contribute to the identification of service user need and add value at the ‘analysis’ stage of the commissioning cycle.

**Findings:**
The review identified missed opportunities for scrutiny to influence the recommissioning of services due to the:
- timing of scrutiny involvement
- understanding of the role of scrutiny by senior officers
- gaps in knowledge and the strategic information provided to scrutiny members.

**Recommendations:**
A number of practical ways to improve practice were proposed, including:
- producing guidance for councillors on the scrutiny panel on how and when to engage effectively with the commissioning process
- improving the use of strategic information to inform scrutiny work programmes
- producing clear guidance for the councillor/officer interface in the commissioning cycle
- improving scrutiny’s overview of performance monitoring against outcomes, for both in-house and external providers.
Overview and scrutiny's areas of focus

In carrying out its function, overview and scrutiny focuses on five areas:

**The customer** – the viewpoints of local people and businesses.

**Value** – are the plans economic, efficient and effective?

**Risk** – ensuring that there is resilience.

**The system** – organisational development.

**Performance and quality** – is it making a difference?

Challenge 5 – scrutiny: how will it integrate with your commissioning process?

Does anything need to change for governance to enable better commissioning?

Do you have examples where scrutiny works best and how this can be applied to commissioning?

Are there any skills and knowledge gaps to be filled?
The councillor’s roles in commissioning

As a community leader you will have forged relationships with the local residents, groups and businesses that you engage with, as well as within your own council. This means that you have a number of important roles to play in the commissioning process.

Representative
Ensuring outcomes reflect the needs of your community

Leader
Agreeing commissioning policy, setting strategic objectives and making decisions

Mediator
Balancing the needs of all people and groups involved to form agreed solutions

Advocate
Championing the best options for your community

Facilitator
Enabling dialogue and discussion between all people and groups involved
Activity 6 – the councillor’s role: what are you doing in your council?

What are you currently doing re commissioning in your council?

What is your role in commissioning in your council?

What more do you think you could be doing?

What are the barriers to commissioning for you and other councillors?

Activity 7 – your council’s commissioning policy and strategy

It is important that you understand how commissioning and procurement work in your council. This means that you need to be aware of the responsibilities of your council’s lead officer for commissioning and/or procurement, and be familiar with your council’s commissioning policy or strategies, since these provide guidance to officers on how they go about these functions.

You should be able to answer the following questions:

Which officer and which councillor leads on commissioning and procurement policy and strategy?

What is your council’s commissioning/procurement policy/strategy? What guidance does it give to officers about how to carry out procurement and commissioning?

Does your council’s medium-term financial strategy have any influence on how commissioning needs to be carried out which may affect your commissioning approach?
Community-managed libraries

Staffordshire County Council
Staffordshire County Council has managed to keep all 43 of their libraries open in the face of financial challenges by modernising and developing their library service in partnership with their community. To enable this, 18 libraries are managed by local community volunteers recruited by the council.

The council is also exploring the feasibility of other options, including ‘self-service’ hours, where libraries would be staffed for a core period of time during the day, and registered users could access the building during certain periods outside those hours.

Find out more: www.staffordshire.gov.uk/leisure/librariesnew/Help-shape-library-service/Help-shape-library-service.aspx
A new way of working will require a new skill set. Outcome-based commissioning requires not only the skills for developing and implementing new systems, but also for working collaboratively with a range of different people and organisations.

Ensuring a commissioning culture

If your council’s policy, strategy or guidance steers officers in a way that is not helpful to your desired commissioning approach and outcomes, this needs to be acknowledged and formally changed to allow any new approach to be tested and then adopted as council policy, and perhaps more importantly, help change the culture of your council.

Commissioning top tips

The Public Service Transformation Academy is a not-for-profit social enterprise comprising a number of partners working in collaboration to develop public sector capabilities. They have compiled these ‘top tips’ from case studies they have undertaken with commissioners in the public sector.

Use evidence to inform your decision

Source as much information as you can at the planning stage about the context, issue, users, current service proposition costs and outcomes of the status quo.

• Without good evidence, you will not be able to demonstrate effectiveness. Remember, with trials and prototypes, you can create your own evidence.

• Base your decisions on evidence where possible. Don’t let the absence of evidence prevent testing or experimenting but capture the data from the outset.

• Establish a robust baseline and/or business case in order to measure impact.

• Analyse the evidence, both existing and new, to help you decide where change is needed, which cohort or group of people should be targeted, and to understand what works. Customer journey mapping, systems methodology, literature reviews and community or user consultation can help.

Use all the assets at your disposal

You need all the levers at your disposal – so take the widest view you can.

• Local councillors know their people and their ‘patch’, and can become real champions for local commissioning if they are properly supported.

• Look at all the resources and services available across the area and take decisions based on what already exists, on what others can do and what can be stopped.

• During any process of co-design with the local community make a point of identifying local skills and talent that can inform and support future delivery models.

• Develop relationships with the right people. Understanding what others can bring, including those who may not seem like the most obvious partners, can be critical to success.
Commissioning top tips

• use evidence to inform your decision
• use all the assets at your disposal
• understand your communities
• communicate, communicate, communicate
• resource change properly
• futureproof your commissioning strategy.

Understand your communities
Take this seriously and do it properly – avoiding co-production is a false economy.

• Ensure that you avoid tokenism. Genuine co-production requires time to build trust and to develop a real, in-depth understanding of the community and how it works.
• Think about the barriers to alternate service delivery. For example, if you want to increase community participation or volunteering, understand what might prevent people participating.
• Engagement is often heavily dependent on having a well-established and locally-based organisation that has both a track record of delivering services and strong links to the local community.

Communicate, communicate, communicate
Never assume shared understanding; always work to check, listen to feedback and explain.

• Communicate – upwards, downwards, sideways; yesterday, today, tomorrow. Don’t assume that everyone in every partner organisation is on board, or understands, or shares your enthusiasm. Check, inform, confirm, encourage, escalating issues where necessary.
• Work with partners to establish a shared language to avoid any misunderstanding and confusion around terminology.

• Recognise that the pace of change may differ in partner organisations, and that the partnership may need to evolve to reflect this.
• Collaborative, open and honest leadership creates a vision to share and unite around, as well as an atmosphere of trust in which risks can be taken without fear of blame; and in which investments and savings can be shared so that partners enjoy a win-win outcome.

Resource change properly
Change requires investment and involvement – ignoring this is a false economy.

• New models of working can require upfront investment, such as for planning, development, training or capacity building.
• Ensure that efficient and effective capacity building and support, where required, is provided to officers, councillors, members of the community and providers.
• Ensure people feel they have permissions to try something new, particularly if they are worried about losing their jobs. Do not underestimate the time required for people to feel able to take risks.
• New innovative approaches can be regarded as risky ventures for some organisations, so it is important to spend time working with them to persuade them of the advantages and to demonstrate shared benefits.
• Maintain a sense of pace and momentum – long and complex projects can have a tendency to drift if not well managed.
• Futureproof your commissioning strategy
• The world will keep on changing, so retain the flexibility to deal with ‘events’ as they unfold.
• Where possible, secure cross-party buy-in to the vision for the service and delivery model.
• Retain flexibility in contracts, so that amendments can be accommodated following review by the commissioner and service provider.
• When transferring service to an external provider ensure that a period of shadowing is included in order to evaluate delivery approaches and initial impact.
Challenge 8 – commissioning competencies

Think about the competencies, skills and attributes that you would need in a commissioning team at your council.

Can you identify any gaps that need to be addressed? How might you go about this?

Barriers to commissioning

Councillors who attended the commissioning academy cited a number of barriers they had experienced, which they felt inhibited them from implementing commissioning effectively.

Here is a list of those barriers and some suggestions for how you might address them.

There are different views and definitions of what commissioning for outcomes is about
Try to agree a common level of understanding within your council which everyone can use.

It takes a long time
Recognise this and take a long-term view, ensuring that you plan effectively.

The culture needs to change
Approach this at an executive level through strategy and policy development.

Partners need to be persuaded to get involved
Use your leadership and influencing skills to outline the benefits to them and agree ways of working together.

Keep informed
Try to keep up-to-date with what is happening at your council, and make sure you let other people know what your own interests are, so that they know what information you need.

Officers sometimes feel threatened
New ways of working can make people feel anxious and resistant to change. Support your officers in adopting your council’s commissioning strategy by making them feel involved in the process and giving them a sense of ownership.
Facts about commissioning

At the beginning of the workbook, you answered some ‘true or false’ questions about commissioning. Here are the answers.

Commissioning will help you to make savings – true (sort of!)
Commissioning helps you to make evidenced-based decisions; if the primary driver is to save money, the process can help do that.

Commissioning and procurement are the same thing – false
Commissioning is the whole cycle; procurement is only the means of purchasing goods and services.

Commissioners look to outsource services – false
Commissioners use the cycle to find the best options available. There may then be a strategic driver that makes one option more appropriate than another.

The ‘Best Value’ and ‘Social Value’ requirements can help commissioning strategies – true (possibly!)
Both remain legal duties that can help to inform councillors and commissioners in determining specific objectives and priorities for commissioning.

Outsourcing and privatisation are the same thing – false
Outsourcing means finding an external provider (including the voluntary sector); privatisation specifically means the service being taken on by a private sector organisation.

Commissioning is the latest central government initiative – false
Commissioning is an approach to meeting need and is a discipline that has been used in social care for many years. It is an approach increasingly applied to other parts of the public sector.

Going through a commissioning cycle leads to procurement – false
Going through the cycle may lead to the decommissioning of a service, ie stopping it, or may lead to a solution that does not require formal procurement – setting up a group of volunteers to maintain a local landmark, for example.

Councillors can make decisions on commissioning – true
Executive portfolio holders or committees provide leadership, agree commissioning policy and set the strategic objectives to be achieved through the agreed commissioning approach.
Appendix 1

Printed publications

LGA Councillors’ Guide
www.local.gov.uk

The LGA website has many pages discussing community leadership and a number of publications, a series of case studies, the Knowledge Hub, and development programmes for councillors and council officers.

For more information:
www.local.gov.uk/our-support/highlighting-political-leadership

Useful websites

The LGA website is a valuable source of help and advice for all those in local government www.local.gov.uk

The website of the Centre for Public Scrutiny contains useful and specific information on overview and scrutiny www.cfps.org.uk

Further reading

For further information, ideas and support related to commissioning please see below.

Commissioning Academy for officers
The Commissioning Academy for officers enables senior commissioners from both local and central government to develop their commissioning knowledge and skills alongside each other.
www.publicservicetransformation.org/about-us/

A councillor’s guide to procurement

National Procurement Strategy
This site brings together guidance documents, case study examples of good practice and a host of other resources to enable local government to share with and learn from each other, as well as check their progress against the National Procurement Strategy. www.local.gov.uk/national-procurement-strategy

National Procurement Strategy (Health and Social Care)
www.local.gov.uk/health-and-social-care-procurement

National Council for Voluntary Organisations (NCVO)
NCVO has set out some common trends and key lessons for charities and government – both local and central – to consider when approaching commissioning for social value outcomes. https://blogs.ncvo.org.uk/2014/04/07/top-tips-on-commissioning-for-social-value/

LGA – Adult Social Care Efficiency Programme report

Emerging practice in outcome-based commissioning for social care – Institute of Public Care, Oxford Brookes University
This discussion paper was written by Professor John Bolton and explores the lessons learnt from a variety of approaches taken by councils to outcome-based commissioning in adult social care. http://ipc.brookes.ac.uk/publications/pdf/John_Bolton_Outcome_Based_Commissioning_Paper_April_2015.pdf
Social value

The Introductory Guide to the Social Value Act

Social Investment guidance
https://www.gov.uk/guidance/social-impact-bonds

The Social Value Portal is an online solution that allows organisations to measure and manage the social value that they generate
https://socialvalueportal.com

Supported living for people with learning disabilities
Video by Warwickshire County Council
https://youtu.be/h71AkZ_PPYE

Diversity and contestability in the public service economy
A paper written by Gary L Sturgess, Adjunct Professor of Public Service Delivery at the Australian School of Business, University of NSW

Delivery models

Public service mutuals
https://www.gov.uk/government/collections/public-service-mutuals

Centre for Public Scrutiny (CfPS)
www.cfps.org.uk

Community Catalysts – Shared Lives
www.communitycatalysts.co.uk/whatweoffer/shared-lives

Supported living for people with learning disabilities Cllr Seccombe video
https://youtu.be/h71AkZ_PPYE

Design Council
www.designcouncil.org.uk

The Public Service Transformation Academy
www.publicservicetransformation.org

LGA Innovative Councils database of good practice examples
www.local.gov.uk/innovation

NHS England commissioning support
www.kingsfund.org.uk/topics/commissioning-and-contracting

LG Inform
This is the LGA’s benchmarking service
www.local.gov.uk/about-lginform