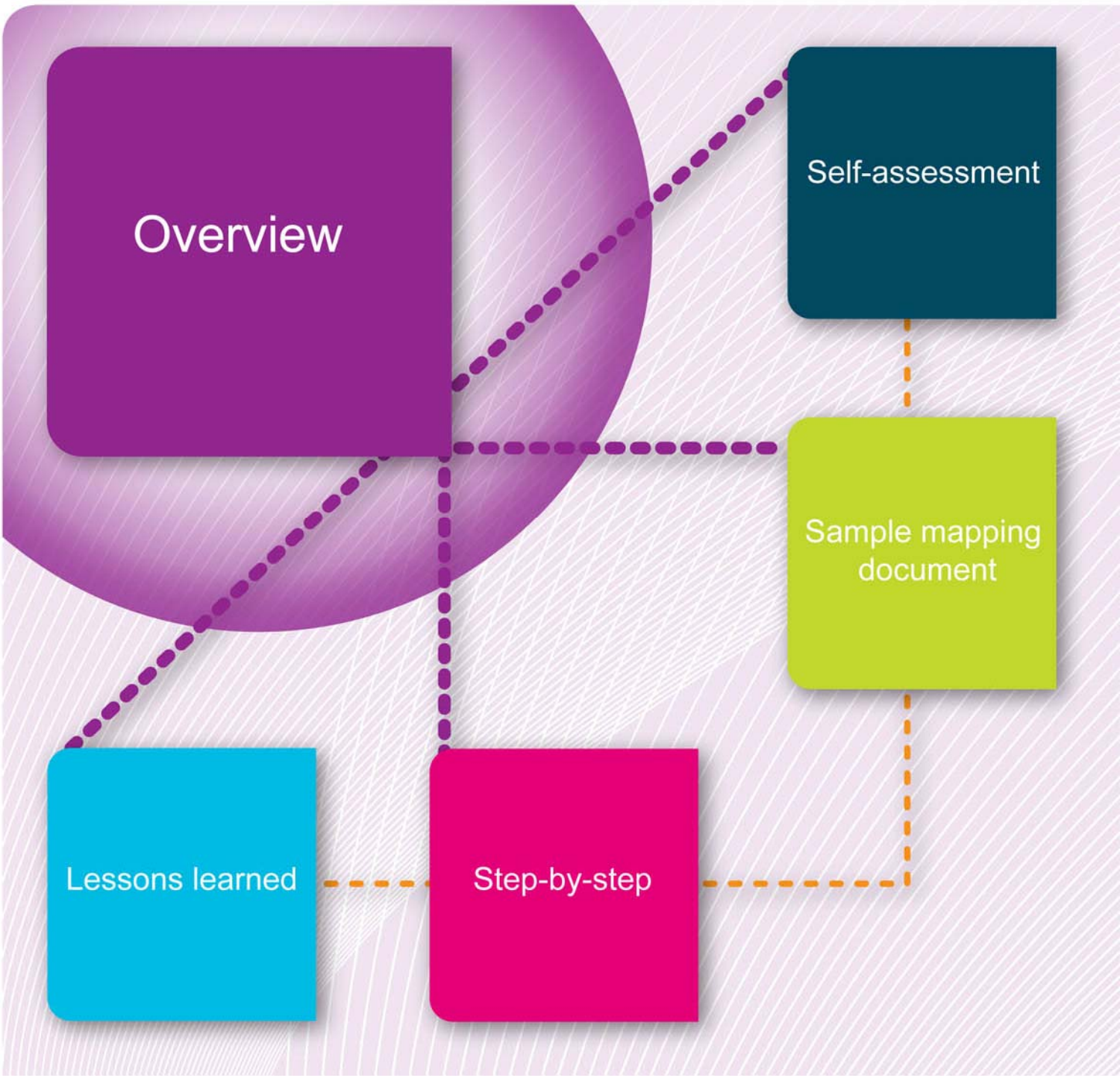
Local Government Association

Culture, tourism and sport

# Engaging in commissioning

## A practical resource pack for the culture and sport sector



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## Introduction

Public services are changing because the public want services to be affordable, give better value for money and put people in charge of the services they use. Furthermore, the models by which public services have been delivered for the last 50 years are no longer affordable.

Culture and sport has an excellent track record in contributing to better outcomes, but in the current environment there is an even greater need to be able to demonstrate evidence of that impact in very real terms, to demonstrate good value for money and every aspect of service excellence.

This resource pack, which has been jointly produced by the Local Government Association (LGA), Sport England, Arts Council England (ACE) and the Chief Culture and Leisure Officers Association (cCLOA), outlines how engaging in commissioning, the culture and sport sector can meet these challenges.

### What is commissioning?

Commissioning is increasingly a central part of the approach to redesigning services because it offers a means of joining-up resources to focus on improving outcomes for citizens in the most efficient and effective way both now and into the future.

As a concept, commissioning is not new, but in the past it has tended to focus on money and staff, procurement and performance management in individual services. However, it has developed to encompass the totality of resources, many different ways of improving outcomes and the whole system of services and outcomes to be achieved. Detailed interpretations of commissioning vary but, broadly speaking, it involves four key activities that combine to achieve efficiency and maximise value:

- Understanding needs and desired outcomes – that requires up-to-date information about risk factors, needs, trends to gain a solid understanding what people need and want and where the priority areas are.
- Optimising resources – including money, community and user resource, assets. This could mean redesigning internal or external workforce to deliver a service or return for the end user; optimising public buildings in and area to collectively create best value for the community; or building community resilience or skills.
- Targeting – resources at those citizens in need, services that are a priority and at the right stage to have maximum effect on outcomes.
- Choosing the right mechanism – to best achieve the desired outcomes. The choice of mechanisms range from more traditional approaches including procurement, service level agreements, performance management to a focus on pooling budgets, market management, partnership building, enhancing choice, harnessing voluntary and community resources and capacity, influencing partner spend and users decisions and behaviours.

**Benefits of commissioning approach**

Commissioning for a place can result in:

- the identification of new ways of delivering outcomes
- the elimination of duplication of services and effort between agencies
- stronger and more varied partnerships
- improved and more coherent services and the avoidance of cost shunting between organisations
- joint assessment of need at individual and community level and greater consistency of eligibility (for example, between adult and social care and NHS provision)
- better engagement with citizens, providing opportunities for people to take more control over their lives and increasing social capital by supporting people to help each-other
- shared assets and premises
- shared workforces and integrated teams
- economies of scale and increased 'purchasing power'
- engagement of voluntary and community sector organisations, which brings an understanding, empowerment and credibility to public service.

**Commissioning is not...**

- **Procurement**. Procurement is the process of acquiring goods, works or services from providers and managing them through a contract. A commissioning strategy may result in procurement, but could just as easily result in a policy change of an information campaign. There are many ways to deliver outcomes.
- **Privatisation or outsourcing**. Commissioning does not start with a preconception that services should be provided by a particular sector or type of provider. Who delivers the outcome remains the choice of the council or the partner organisation based on the recommendations form the commissioning process.
- **Just about the bottom line**. It **is** about finding the most efficient way to deliver services, but it is also about creating value – for example, reducing inequality and environmental degradation and improving well-being – by incorporating environmental, social and economic costs and benefits into decision making.

## Councils’ and councillors’ role in commissioning

Changing culture and systems requires strong political and officer leadership to create an environment conducive to change both within an organisation and with the networks of agencies, services and citizens to interconnect issues, harness resources and adapt to changing environments, economics and politics.

Councillors’ democratic mandate, accountability and knowledge of their place and residents mean they are uniquely placed to provide the political leadership required to focus on community wide strategic outcomes and ensuring fair representation of different interests.

This accountability and closeness to communities mean councils supported by effective officer leadership can lead an informed public debate about choices and decisions to be made.

## 1. The aim of this pack

**This resource pack aims to help culture and sport organisations engage with other public services through commissioning, bring culture and sport to many more people and so contribute to better outcomes for individuals and communities.**

It builds on the previous publication 'Understanding commissioning' which aimed to promote awareness in the culture and sport sector of the commissioning process, the language and terminology, and to generate thinking around how organisations might need to change and adapt to engage in this environment.

Understanding Commissioning: a practical guide for the culture, tourism and sport sector

It also builds on practical experiences of working with councils and organisations who have been seeking to build relationships and develop their own skills and knowledge to contribute more effectively to better social outcomes.

The emphasis is about culture and sport being commissioned by other areas of service – rather than being commissioners themselves.

**It is intended as a practical resource and aims to distil things that have worked for people in the last couple of years, lessons learned and some tips and advice.**

## 2. Who is it for?

In broad terms, the pack is for the culture and sport sector.

Specifically it will be of most use to:

- council culture and sports teams
- culture and sport partnerships and networks
- individual culture or sport organisations
- cabinet portfolio-holders for culture and sport.

Aspects of the pack will be of value to single organisations, but generally the pack is based on experience drawn from councils and organisations acting together.

The pack is also seeking to address a range of levels of experience – from those who know very little about commissioning to those who have some experience and want to develop this to the next level or in new service areas.

## 3. How to use the pack

You can use the pack in any order.

You may find it interesting to read through the lessons learned or the mapping document to get a flavour of the material and then move to the step-by-step. Or you could begin with a self assessment and then start on the step-by-step and use the lessons learned along the way.

It will depend on who you are, your experience to date, what you are eager to know and how you want to organise yourself and your organisation or team.

The components have been separated so that there is flexibility to your needs and the material is available in digestible elements to use when it helps you most.

An initial brief scan across all the components will give you a sense of the material and where you want to focus first.

## 4. How the pack is organised

There are five components to the pack. Each component is a separate document.

- **Overview**

This component is a simple introduction to the pack and how to use it. This is where you are now!

- **Lessons learned**

Based on extensive research and development, with both commissioners and culture and sport organisations, this component distils some lessons learned and includes a number of short case studies to illustrate what this means in practice.

- **Step-by-step**

Engaging in commissioning requires some thinking and planning. This component suggests a framework for this and includes lots of practical information on who commissioners are and where you might find them, how to find out how commissioning is working in your area and different ways and entry points to get engaged.

- **Sample mapping document**

This document is an illustration of what a ‘map of the commissioning landscape’ might look like. It is drawn from mapping exercises undertaken in a number of areas and gives a flavour of the kind of information that can be gathered through the

process, how commissioners describe their priorities, the opportunities for working with culture and sport and barriers that may need to be overcome.

- **Self-assessment**

There a three sets of self-assessment guides, aimed at different audiences: elected members, and their relationship managers and regional improvement leads, service manages in local authorities and individual organisations. These guides frame the questions that will help to assess where you are and the actions you need to take to move forward. They are linked to other parts of the pack.

## 5. Other information and guidance available

In addition to the resource pack additional guidance and advice is available on the LGA website. This includes:

- Understanding commissioning: a practical guide for the culture, tourism and sport sector
- Building capacity in culture and sport civil society organisations
- A guide to developing a local outcomes framework for culture and sport
- Keep it REAL: Responsive, Efficient, Accountable Local services, LGA 2011

# Glossary of common terms

**Children's trusts** – Children's trusts are organisational arrangements which bring together strategic planners from relevant sectors to identify where children and young people need outcomes to be improved in a local area and to plan services accordingly. Although the statutory guidance has been withdrawn and the requirement to produce the children and young people's plan revoked, many councils have chosen to retain them.

**Civil Society** – Includes the full range of non-public, non-private organisations which are non-governmental and 'value-driven'; that is, motivated by the desire to further social, environmental or cultural objectives rather than to make a profit.

**Clinical Commissioning Groups** – Clinical Commissioning Groups (CCGs) are groups of GPs that will, from April 2013, be responsible for designing local health services In England. They will do this be commissioning or buying health and care services including:

- elective hospital care
- rehabilitation care
- urgent and emergency care
- most community health services
- mental health and learning disability services.

CCGs will work with patients and healthcare professionals and in partnership with local communities and local authorities. On their governing body, groups will have, in addition to GPs, a least one registered nurse and a doctor who is a secondary care specialist. Groups will have boundaries that will not normally cross those of local authorities. CCGs will be responsible for arranging emergency and urgent care services within their boundaries, and for commissioning services for any unregistered patients who live in their area. All GP practices will have to belong to a CCG.

**Commissioning** – The strategic activity of identifying need, allocating resources and procuring a provider to best meet that need, within available means.

**Contract** – A mutual agreement enforceable by law

**Contracting** – The process of negotiating and agreeing the terms of a contract for services, and on-going management of the contract including payment and monitoring.

**Decommissioning** – The process of planning and managing a reduction in service activity or terminating a contract in line with commissioning objectives.

**Direct payments** – Budgets paid directly to social care users to meet their needs. They are a form of **personal budgets**, giving service users direct control of the money allocated to them for care.

**Director of Public Health (DPH)** – Are appointed through councils and Public Health England (on the Secretary of State's behalf), acting jointly, directors of public health will bring leadership and direction to local collaborative discussions about the best use of the local ring-fenced public health budget. There will be a director of public health for each upper tier local authority, although one DPH may cover more than one council.

**e-Procurement** – Conducting procurement via electronic means, that is, internet, intranet, or electronic data interchange (EDI).

**European Union (EU) Procurement Directives** – The EU Procurement Directives set out the law on public sector procurement. Along with the EU treaty principles, and relevant case law from the European Court of Justice, their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU.

**Health and Wellbeing Board (HWB)** – A statutory committee of a council which will lead and advise on work to improve health and reduce health inequalities among the local population. It will have a performance monitoring role in relation to NHS clinical commissioning groups, public health and social care. Members will include councillors, GPs, health and social care officers and representatives of patients and the public. Shadow boards should have been established by Spring 2012, with full statutory boards coming into existence by April 2013.

**Health inequalities** – Are differences in health (and increasingly, in definitions, the wellbeing) experienced by different groups in a community which are avoidable and therefore held to be unacceptable (See also **Marmot Review of health inequalities**).

**Health Needs Assessment (HNA)** – Are a method for reviewing the health issues facing a population, leading to a set of agreed priorities and the allocation of resources to improve health and tackle inequalities. In the future Joint Strategic Needs Assessments (JSNAs) should also encompass the kind of issues currently included in HNAs.

**Health Overview and Scrutiny Committee (HOSC)** – Are often known as health scrutiny committees, HOSCs were committees of local authorities with statutory powers to monitor and scrutinise local healthcare and health improvement and make recommendations. Under the Health and Social Care Act, these powers are transferred to the council itself which may delegate them to a HOSC or other committee.

**Joint commissioning** – The process in which two or more organisations act together to coordinate the commissioning of services, taking joint responsibility for the translation of strategy into action.

**Joint purchasing** – Two or more agencies coordinating the actual buying of services, generally within the context of joint commissioning

**Joint Strategic Needs Assessment (JSNA)** – The process and document(s) through which local authorities, the NHS, service-users and the community and voluntary sector research and agree a comprehensive local picture of health and wellbeing needs. The development of JSNAs will be the responsibility of Clinical Commissioning Groups (CCG) and councils through HWBs.

**Joint Health and Wellbeing strategy (JHWS)** – Health and wellbeing boards are required to produce a JHWS for the local area, based on the needs identified by the JSNA.

**Lead commissioning** – One agency taking on the functions of commissioning which have been delegated to them by partner commissioning agencies under written agreement. Partners must decide what functions will be delegated to the lead commissioner and what money to pool to finance the services commissioned.

**Local Strategic Partnership (LSP)** – Cross agency, umbrella partnerships, including the public, private, and community and voluntary sectors. The LSP remit is aimed at working together to improve the quality of life in a particular locality.

**Marmot Review of health inequalities** – A review of the causes and the 'causes of the causes' (that is, the social and economic determinants) of **health inequalities** in England, carried out by Professor Sir Michael Marmot in 2010. It was commissioned by the previous Government and its findings were endorsed by the present coalition Government. It identifies a number of key areas for action to reduce health inequalities. The review, 'Fair society, healthy lives', is an invaluable resource to assist with developing priorities for health and wellbeing. (See also **Proportionate Universalism**)

**National Institute for Health and Clinical Excellence (NICE)** – The body responsible for providing research, evidence and guidance on what medication, treatments and interventions should be available through the NHS and, in the case of public health, through local authorities.

**Outcomes Framework** – A national framework which sets out the outcomes and corresponding indicators against which achievements in health and social care will be measured. There are currently three outcomes frameworks – for the NHS, for adult social care and for public health.

**Outcomes-focused approach** – An approach based on focusing on the results rather than on the outputs of investing in a service or providing it in a certain way.

Commissioners can be clearer about the real benefits they are seeking by defining the outcomes being sought in terms of improved health and wellbeing. (See also **Health inequalities**).

**Personalised budgets** – Are an allocation of funding given to users after an assessment which should be sufficient to meet their assessed needs. Users can either take their personal budget as a direct payment, or – while still choosing how their care needs are met and by whom – leave councils with the responsibility to commission the services. Or they can have some combination of the two.

**Personalisation** – The principle behind the current transformation of adult social care services, and also related to health services; refers to the process of providing individualised, flexible care that is intended to promote the independence of those who need care.

**Pooled budgets** – A mechanism for commissioning partners to bring money together in a separate fund, to pay for agreed services.

**Primary prevention** – A program of activities directed at improving general well-being while also involving specific protection for selected diseases, such as immunisation against measles. **Secondary prevention** is a level of preventive medicine or activities which focus on early diagnosis, use of referral services, and rapid initiation of treatment to stop the progress of disease processes or a disability. Secondary prevention is also sometimes referred to as 're-ablement' and is used to help people who have experienced an 'episode', such as a fall, stroke or bereavement, to be rehabilitated and maintain independence.

**Procurement** – The process of identifying and selecting a provider, and may involve, for example, competitive tendering and stimulating the market.

**Proportionate universalism** – There is a social gradient in health – the lower a person's social position, the worse his or her health. Action should focus on reducing the gradient in health. Health inequalities result from social inequalities. Action on health inequalities requires action across all of the social determinants of health. Focusing solely on the most disadvantaged will not reduce health inequalities sufficiently. To reduce the steepness of the social gradient in health, actions must be universal but with a scale and intensity that is proportionate to the level of deprivation. We call this proportionate universalism.

**Providers** – Any person, group of people or organisation supplying goods or services. Providers may be in the statutory or non-statutory sectors.

**Ringfenced budgets (for public health)** – Public health budgets that will be allocated to councils from April 2013 for their new role in public health. The DH will set out the purpose of the funding but not exactly how the money should be spent, although a limited number of services will be mandatory. Councils will be able to use the ringfenced budget widely to improve public health in their local area in line with

local priorities. This may include using it jointly with other council budgets such as those for children's service, schools, housing, transport and environmental health.

**Transformational change** – Is change that is not merely an extension or improvement over the past. It involves discontinuity, a shift in assumptions and a willingness to work with complexity. Transformational change requires a shift in mindset, behaviour and ways of working together. It must be led by the organisation's leaders with a focus on leadership, mission, strategy, culture and values.

**Wellbeing** – Used by the World Health Organisation (1946) in its definition of health as "a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity". More recently the concept was described as "feeling good and functioning well" (New Economics Foundation, 2008). Creating wellbeing (of which good physical health is a component) requires the mobilisation of the widest assets to ensure community cohesion, safety and so on.

Further health-related terms can be found in the LGA publication:

**Get in on the Act** – Health and Social Care Act 2012

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L12-575