Understanding commissioning
A practical guide for the culture and sport sector
## Contents

### Introduction and context

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the purpose of the guide?</td>
<td>1</td>
</tr>
<tr>
<td>Who is it for?</td>
<td>1</td>
</tr>
<tr>
<td>Why now?</td>
<td>1</td>
</tr>
<tr>
<td>The changing landscape in public services</td>
<td>2</td>
</tr>
<tr>
<td>The changing landscape in culture and sport</td>
<td>2</td>
</tr>
<tr>
<td>Overview and how to use this guide</td>
<td>4</td>
</tr>
</tbody>
</table>

### Part one: understanding strategic commissioning: the process

1. What is strategic commissioning?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>6</td>
</tr>
<tr>
<td>The commissioning cycle</td>
<td>6</td>
</tr>
<tr>
<td>Strategic commissioning is not to be confused with ...</td>
<td>7</td>
</tr>
<tr>
<td>Is all commissioning strategic?</td>
<td>8</td>
</tr>
<tr>
<td>What is meant by decommissioning?</td>
<td>8</td>
</tr>
<tr>
<td>How is commissioning organised at the local level?</td>
<td>10</td>
</tr>
</tbody>
</table>

2. Needs assessment

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>12</td>
</tr>
<tr>
<td>Key words in the definition</td>
<td>12</td>
</tr>
<tr>
<td>How to go about a needs assessment</td>
<td>13</td>
</tr>
<tr>
<td>Six components of a needs assessment</td>
<td>15</td>
</tr>
</tbody>
</table>

3. Options appraisal, the business case and procurement

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options appraisal: definition</td>
<td>18</td>
</tr>
<tr>
<td>10 steps of an options appraisal</td>
<td>18</td>
</tr>
<tr>
<td>Identifying and choosing from the full range of suppliers</td>
<td>20</td>
</tr>
<tr>
<td>The business case</td>
<td>21</td>
</tr>
<tr>
<td>Procurement</td>
<td>22</td>
</tr>
</tbody>
</table>

4. Monitoring and managing performance

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance management is ...</td>
<td>26</td>
</tr>
<tr>
<td>Step one: understand the benefits</td>
<td>26</td>
</tr>
<tr>
<td>Step two: understand the context</td>
<td>27</td>
</tr>
<tr>
<td>Step three: select the right performance measures</td>
<td>29</td>
</tr>
<tr>
<td>Step four: gather evidence, collect quality data and set targets</td>
<td>31</td>
</tr>
<tr>
<td>Step five: interpret and use the data</td>
<td>32</td>
</tr>
</tbody>
</table>
# Part two: building the skills and capacity of those involved in commissioning: the people

## 5. Building capacity in culture and sport civil society

- What do we mean by civil society?
- The benefits of civil society
- The challenges for civil society
- The eight principles of good commissioning
- How to build capacity

## 6. Building capacity through joint working and partnerships

- Key strategic partnerships
- The anatomy of a successful partnership
- What commissioners can do to help other partners engage in the commissioning process
- What culture and sport can do to better engage in the commissioning process

## 7. Building capacity: developing skills and competencies in commissioning

- 11 core competencies

## 8. The essence of commissioning

- To recap on the complexities and simplicities of commissioning
- ‘Messages not mysteries’: what Beacons have achieved and how

# Part three: understanding into action

## 9. Things that you can do to move this forward

- Exercise 1: Find out about the other pictures of the commissioning cycle
- Exercise 2: Build the commissioning map for your area
- Exercise 3: Get hold of the existing needs assessments in your area
- Exercise 4: Has the needs assessment captured community voices in a way that you think is real and powerful?
- Exercise 5: Do you know the specific culture and sport needs in the area?
- Exercise 6: For those involved in procuring services: each time you procure a service, are you opening up the process and thinking things through afresh?
- Exercise 7: For those seeking to be suppliers or providers of services: are you ready?
- Exercise 8: Is your performance management system up to date and working for you?
- Exercise 9: What is the council or LSP strategy for building the capacity of civil society?
- Exercise 10: What additional capacity building needs are there for culture and sport organisations?
- Exercise 11: Audit your partnership working
- Exercise 12: Build the competencies into the staff training and development programme for your team

## Sources of further information and support

- Glossary of common terms
Introduction and context

What is the purpose of the guide?

The purpose of this guide is to help people in the culture and sport sector understand the process of strategic commissioning in public services and how to engage in it to produce better outcomes for communities.

It is looking two ways:

• influencing and engaging in strategic commissioning corporately and within the Local Strategic Partnership in the outcome areas where culture and sport have a significant contribution to make
• commissioning culture and sport services to deliver these outcomes at the operational level.

Who is it for?

The guide is for individuals and organisations working in the culture and sport sector, both in councils and civil society organisations.

It aims to provide culture and sport organisations with greater understanding of strategic commissioning, the opportunities and challenges, and some tools to operate more effectively in the context of modern public service delivery.

Why now?

Some people are unsure what strategic commissioning is all about, whether it is relevant to them, and whether it is just ‘flavour of the month’ and will pass.

In reality, the delivery of public services has changed and developed and the essential elements of strategic commissioning have been building over time. It is not something that has suddenly appeared, but is a progression of change which has been embodied in legislation and public policy.

In some services a commissioning model has been in place for many years. This is the case in adult social care and health, for example. Its arrival in children’s services, learning and skills, offender management and other public services is more recent.

The next two sections provide a very brief summary of some of the features of the changing landscape in public service and the changing landscape in culture and sport over the past two decades. They reinforce the point that what we now call strategic commissioning has developed over time and is not a new idea that will go away!

It will continue to develop as public policy and practice develops – so this guide aims to be a foundation for understanding the present shape of commissioning and support culture and sport organisations look to the future.
The changing landscape in public services

The past two decades has seen a series of developments in public service that are about:

**Efficiency** – Value for money, best value, and performance management.

**Effectiveness** – to achieve the best outcomes for local people and communities.

The past decade, in particular, has seen changes in public services which put the **wellbeing** of communities at the forefront and securing the best **outcomes** for local communities by making use of all available resources – without regard to whether services are provided in-house, externally or through various forms of partnerships.

Behind many of the developments, including **local strategic partnerships** (LSP) and **local area agreements** (LAA), lies the idea that public authorities and their partners should be focused on, and organised around, the delivery of **outcomes** and that the more complex and challenging outcomes can only be tackled by organisations working in **partnership**.

More recently, public service reform has focused on **building a stronger civil society**, which aims to give more power to communities, open up public services to delivery by civil society organisations and promote social action. This is underpinned by legislation in relation to **localism** which shifts power from the central state to local communities. Reforms in health and education reflect a less centralised approach. Alongside this, a move to **place based budgeting** is seeking to develop a whole area approach to public services that can lead to better outcomes at reduced costs.

The sharper focus on outcomes is leading to the continued re-orientation of public services around a ‘commissioning model’.

**The necessity to demonstrate evidence of impact on better outcomes for local people, and that participation in culture and sport reduces the dependency on other services, has never been more important.**

The changing landscape for culture and sport

In culture and sport, reforms over the past two decades have resulted in providers that, to varying degrees, operate at arm’s length from the council.

The journey has included:

**Compulsory competitive tendering** (CCT) of sport and leisure management in the late 1980s and 1990s marked a decisive break with the traditional ‘municipal’ models of provision. CCT affected only parts of the sector, mainly leisure management and parks maintenance. CCT brought about the separation of ‘client’ and ‘contractor’ functions, led to the organisation of in-house teams along more commercial lines and resulted in the contracting out of some services to private sector companies.

**Establishment of leisure trusts** – From the early 1990s, and gathering in pace thereafter, was the move to establish ‘leisure trusts’ (social enterprises). These enabled the release of resources via the more advantageous tax treatment such bodies enjoy (principally National Non-Domestic Rate – NNDR – and VAT) and improved performance through greater management autonomy. Currently, there is a gradual widening of leisure trusts in many areas to include wider integrated culture and sport portfolios.
Gershon efficiencies – The 2004 Gershon efficiency review also demanded a response from the sector, with year on year efficiency targets.

PFI – The extension of the Private Finance Initiative (PFI) model to culture and sport (leisure centres and libraries) during the early 2000s, reflected the need for major capital investment to replace an ageing ‘infrastructure’ with 21st century facilities, in a context of constrained public and third sector borrowing.

BSF – School facilities, constructed through the Building Schools for the Future (BSF) programme, continue to be developed as a focus for community sport and NHS Local Improvement Finance Trust (LIFT) schemes are a further route to the procurement of leisure facilities (often in conjunction with social care provision).

Grants to civil society organisations also saw changes in terms and conditions, Service Level Agreements and Grant Aid Contracts and a move from measuring inputs to outputs and outcomes.

National Indicators (NI) for culture and sport within the national set included:

NI 8: Adult participation in sport and active recreation
NI 9: Use of public libraries
NI 10: Visits to museums and galleries
NI 11: Engagement in the arts.

Public sector reforms from 2010 are impacting on culture and sport in different ways. There are reduced sources of funding nationally form the Non-Governmental Public Bodies (NDPBs) such as Sport England and Arts Council England and from local authorities. This is leading to a range of initiatives to consider new ways of delivering services and new partnerships and relationships between services and with communities.

The commissioning approach is important for culture and sport outcomes as well as the sector’s capacity to influence and add value to strategic developments beyond service boundaries.

---

1 Removed from the national indicator set in April 2010
Overview and how to use this guide

This guide is in three parts.

**Part one: understanding strategic commissioning – the process**

This is in four sections:

- **What is commissioning?**
- **Needs assessment.**
- **Options appraisal, the business case and procurement.**
- **Monitoring performance.**

**Part two: building the skills and capacity of those involved in commissioning – the people**

This is in three sections:

- **Building capacity in culture and sport civil society.**
- **Building capacity though joint working and partnerships.**
- **Building capacity: developing skills and competencies in commissioning.**

**Part three: understanding into action – moving this forward**

- Twelve practical exercises to help you apply the understanding to your situation.
- The exercises are indicated by a headline within each section and then detailed in part three.
- Ideally the exercises should be undertaken in groups or teams, within an organisation or by a group of organisations working together.

There are also some short case studies in each section. They are brief examples designed to illustrate and help you compare and contrast with what is happening in your area.

The users of this guide may be large or small organisations, statutory or voluntary, experienced or novices in the commissioning world. In working through the guide, you may need to adapt the content to your situation – as a commissioner of services and as an organisation seeking to be commissioned.

The guide addresses principles, processes and practice in commissioning – which you will need to view and use from your particular situation and perspective.

The language of commissioning may be unfamiliar. The guide seeks to use the terms in common usage and explain them rather than avoid them. Learning how different agencies describe things is part of understanding. Learning the language of commissioning will help you join the conversation more fluently and is part of developing the skills to engage better.
Part one: understanding strategic commissioning – the process
1. What is strategic commissioning?

This section covers:

• A definition of strategic commissioning
• The commissioning cycle
• Strategic commission is not to be confused with ...
• Is all commissioning strategic? – the continuum of commissioning
• What is meant by decommissioning?
• How is commissioning organised at the local level? Who do we talk to?

Definition

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

Commissioning is a broad concept and there are many definitions. Commissioning combines effectiveness and efficiency – the best possible outcomes within the resources available, and sees procurement as the means of achieving this.

It is an on-going process that applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private sector or civil society. Most definitions of commissioning paint a picture of a cycle of activities at a strategic level.

There are variations of the picture of the cycle but they include the same logical process and are concerned with whole groups of people, including:

• assessing the needs of a population, now and in the future
• setting priorities and developing commissioning strategies to meet those needs in line with local and national targets
• securing services from providers to meet those needs and targets
• monitoring and evaluating outcomes
• consulting and involving a range of stakeholders, service users and communities in the whole process.

Put simply, strategic commissioning enables councils and their partners to procure services that will deliver the priority outcomes set out in their strategic plans.
Users and communities are at the heart of the commissioning cycle and have specific involvement in each stage of it.

Different public bodies use other pictures and words used to describe the commissioning process. In heath and adult social care they have used a very similar cycle summarised in an ‘Analyse, Plan, Do, Review’ cycle. Some councils have developed their own models but everywhere it is essentially the same process. The government’s policy to modernise commissioning does not alter the process at all and reinforces the cycle. It is particularly concerned about opening up commissioning to support the creation, and expansion of, mutuals, co-operatives, charities and social enterprises, and enable these groups to have a much greater involvement in the running of public services.

Understanding into action

Exercise 1: Find out about the other ‘pictures’ of the commissioning cycle

See page 57
Strategic commissioning is not to be confused with ...

**Procurement:** this is one part of the commissioning process. It is the part that is concerned with acquiring goods, works and services in the right quality and quantity, at the right time and at the best price. Depending on the scale and likely cost of the goods or services required, the procurement process may involve obtaining a number of quotations for smaller services, through to a full tender process involving advertising in the Official Journal of the European Union for goods or services above certain financial thresholds. For large and lengthy contracts, councils are advised to go through a comprehensive appraisal of the different options before deciding with whom to contract.

**Contracting:** this is where one agency pays another organisation to deliver a service to an exact specification as laid out in a contract. The provider of the service is the contractor.

**Grant aid:** a grant is a sum of money given to an organisation to undertake an activity often initiated by the organisation. There are specific legal regulations in relation to grants. Over the last 20 years, grants have become more like contracts, with a service level agreement (SLA) or a Grant Aid Contract.

... and also not to be confused with ...

**Commissioner for children** – the role of the Children's Commissioner was created by the Children Act 2004 and is there to promote the views of children and young people from birth to 18 (up to 21 for young people in care or with mental health problems). Children’s Commissioners are there to champion children’s rights, be their advocates and represent the voice of children. They are not the same as a person who is a children’s services commissioner, who is responsible for the commissioning process of services for children, including identification of needs, outcomes, procurement and review.

**Commissioning art** – where an individual, company or institution invites an artist or artistic organisation to produce a ‘bespoke’ piece of work – a painting, sculpture, piece of music or lighting, public art or production – for their own particular use and enjoyment or to mark an event or special occasion.

Is all commissioning strategic?

Commissioning does not happen just at a strategic level by local authorities and their partners. There is a continuum of commissioning activity that runs across public services. There is not a single ‘ideal’ location for commissioning all services. The task is to decide the most appropriate level to achieve the required outcomes.

**The continuum of commissioning levels**

**Individual** – commissioning at this level may be done by the individual, a family carer, an independent broker, a care manager or a combination of these. It is the government’s intention that service users and carers themselves should increasingly assume the lead role in commissioning services to meet their own individual needs and aspirations. The planned expansion of self-directed support via ‘direct payments’ and individual budgets will require fundamental changes to the present system of assessment and care management and will impact on the strategic commissioning role. This is called ‘personalisation’.
Locality – increasingly commissioning responsibilities and activities are being devolved to a locality level and this trend is set to continue with locally based commissioning through GP consortia for local health budgets, commissioning by schools and school clusters as well as locality adult community care commissioning. Youth services are often commissioned on a locality basis, be they in urban neighbourhoods or rural counties.

Community – this level is strategic commissioning, and generally relates to a local authority area. Traditionally primary care trusts (PCT) and local authorities have determined how to make the best use of available resources on the basis of population needs assessments and evaluating existing services, past performance and notable practice elsewhere. However, the role of strategic commissioning is changing to reflect the increasing importance of individual and locality commissioning as well as the responsibility to develop the range of service providers for the whole community by leading and coordinating the activities of different agencies.

Regional – the more specialist the service and the lower its volume, the higher the level at which it is most appropriately commissioned. Some complex and acute needs will often be most effectively met when local authorities, PCTs and/or strategic health authorities work together across boundaries, sometimes pooling budgets.

National – similar to regional commissioning, some very specialist services, particularly in health, are planned on a national basis.

Consequently, providers of culture and sport need to understand that many people are engaged in commissioning across these different levels.

Case study 1: individual commissioning
An artist in Hackney was engaged in running sessions at a day centre for people with learning difficulties. Subsequently, three of the service users received ‘direct payments’ and contracted directly with the artist to provide a programme of arts activity for them for a six month period, including practical work and supported visits to galleries.

Case study 2: locality based commissioning
In Northamptonshire County Council they are moving towards area based service delivery. This started with ‘Integrated Services for Youth’ which are delivered through area based contracts designed to enable the voluntary sector to work together in a locality, rather than have one contract for the whole service across the county.

Manchester City Council is preparing to devolve its’ Schools Improvement budgets to school clusters and retain only a small policy and strategy unit and quality assurance function centrally. Commissioning will therefore occur at the school cluster level when this devolution is implemented. This is sometimes known as ‘subsidiarity’ – devolving decision making power to the lowest level, closest to the people affected.
What is meant by decommissioning?

Commissioning also leads to decommissioning. This is the process of planning and managing a reduction in service activity or terminating a contract in line with commissioning objectives.

This can be a difficult process, involving new ways of delivering services and potentially new providers and partnerships. It needs to be done in a fair, transparent and consistent way, with decisions based on clear evidence of effectiveness in meeting needs. Decommissioning can have a major impact on civil society organisations and if withdrawal of funding has to take place it has to be planned for and managed sensitively and effectively.

How is commissioning organised at the local level? Who do we talk to?

The ‘commissioning map’ is different in every area.

However, there are, broadly, four sets of roles or functions for people involved in commissioning:

**Governance** – At the highest level, these are the key strategic partnerships within the LSP and include, for example, the Children’s Trust (no longer statutory), Health and Wellbeing Board, and the Crime and Disorder Reduction Partnership. These strategic partnerships or boards are made up of people at chief officer/director level in the public sector and civil society and user representatives.

They are responsible for decision making, setting priorities and identifying resources and are accountable for the delivery of outcomes for the community.

They will frequently have themed sub groups. These vary in every area. For example, many Children’s Trusts have programme boards for different outcome areas, such as safeguarding or achievement. Others have one or more commissioning boards below each of the strategic partnerships to carry out the decisions and manage the work programme.

Feeding into this structure, there will be arrangements to gather the views of users and communities and build this into the governance at the highest level.

Thus the governance map may be complex and will be different in each authority. But it will be published and the roles and functions set out.

**Management** – At a management level, directors and their teams have responsibility for developing the strategy, accountability for managing the budget and for the delivery of services, usually through a ‘mixed economy’ of providers. They have responsibility for single agency services, such as schools, as well as those delivered in partnership.

They will also have accountability to elected members and delivering local political priorities.

**Joint commissioning** – Within directorates there will be staff designated to commission services in partnership with others. They will be responsible for the process of strategic commissioning.
The extent to which staff undertaking commissioning are ‘joined-up’ varies. Some councils have different structures and systems in different departments. Others, such as those who have achieved Beacon status\(^2\) for commissioning, are trying to bring consistency and coherence to their processes across departments and partnerships. People are also at different stages in terms of ‘joint commissioning’ and ‘pooled budgets’.

Again the map can be complex, with staff leading specific service areas, such as early years, drug action or youth offending, and undertaking tactical and targeted work to deliver against the priorities. The complexity is added to by locality and individual commissioning.

**Support** – The process also has significant support functions. This includes policy, needs analysis and assessment, information management and analysis, performance management, procurement, financial management, legal services and workforce planning.

Often, there are also designated support officers to work with civil society organisations to build their capacity to participate in commissioning. These may be located in the commissioning teams.

---

2 The Beacon Scheme was set up to share best practice in service delivery throughout local government. Themes are selected for each round of the scheme by government ministers. The themes represent issues which are important to the everyday lives of the public and reflect the main government priorities. Beacon status was granted to those authorities who could demonstrate clear vision, first class services and innovation. The Beacon scheme has now ceased to operate. Further information is on IDEA Knowledge:  
http://www.idea.gov.uk/idk/core/page.do?pageId=77227

---

**Understanding into action**

**Exercise 2**: Build the commissioning map for your area  
See page 57
2. Needs assessment

Needs assessment is the foundation of the commissioning process. The needs assessment will form the basis from which outcomes are identified, services are planned, resources committed and progress measured.

This section introduces the processes involved in needs assessment both for commissioners of cultural services and stakeholders including the community and potential providers. It covers:

- Definition of needs assessment
- Methodology
- Main components of needs assessment
  - National and local strategic context
  - Quantitative analysis
  - Qualitative analysis
  - Analysis of existing provision
  - Gap analysis
  - Priority setting.

Definition

Needs assessment is a systematic process that identifies current and future wellbeing needs of the community. It identifies the ‘big picture’ in terms of the needs and inequalities of the local population and identifies groups whose needs are not met or who experience poor outcomes.

It leads to the identification and agreement of priorities that will improve outcomes and reduce inequalities and informs service planning and commissioning strategies.

(Note: adapted from Dept of Health JSNA and CLG Housing/social care/health resource)

3 More detailed guidance on needs assessment can be found at:
http://www.idea.gov.uk/idk/aio/9531335
Key words in the definition

**Systematic process** – This is a business process. It requires the gathering, analysis and assessment of data, information and evidence to inform priorities. It will be planned and managed with partners and will actively engage communities, providers, service users and non-users. It has been embedded through the Joint Strategic Needs Assessment process.

**Current and future** – Short-term needs of three to five years will inform the priorities and related business plans. Information on trends and trajectories will inform the longer-term future of five to ten years, strategic plans and strategic commissioning.

**Wellbeing needs** – The assessment will include a range of needs of the community in relation to health, educational attainment, community cohesion or community safety. Culture and sport can contribute to addressing these general needs or more specific needs such as obesity, dementia or training and jobs. In addition, the specific culture and sport needs should be analysed. The national governing bodies of culture and sport have data to support this.

**The community** – Local authorities will be predominantly concerned with their ‘community of place’ – their geographical community of local residents. Within that, there will be ‘needs in common’, and specialised needs for specific groups and communities of interest. Broader needs of those who work in or visit the area, including children who travel in to schools and temporary residents may need to be included. Tourists may also be key visitors with implications for the local economy and environment. Defining the scope of ‘the community’ will be necessary at the outset. Thinking outside the defined geographic boundaries to explore needs will also open up potential opportunities for commissioning with neighbours.

**Big picture** – The data should tell the story of the area, its people and the longer term future. It will include some ‘horizon scanning’ giving consideration to the impact of external events and major local developments.

**Inequalities** – The analysis will draw out key issues in relation to the six ‘equality strands’ of race, gender, disability, sexual orientation, age and religion or belief. In addition, inequality is about ‘closing the gap’ between those whose circumstances mean that they have poorer life chances and are less able to access opportunities than those who are more able to do so.

**Needs not met, poor outcomes** – Particularly through the examination of evidence in relation to current provision, there will be a picture of ‘what works’ and what fails to reach certain sections of the community.

**Identification and agreement of priorities** – There will be a clear decision making process based on the analysis and assessment made of the priorities.

**Improve outcomes and reduce inequalities** – The needs assessment will be the baseline from which future outcomes and impacts will be measured – both for local management purposes and for external inspection.

**Informs service planning and commissioning** – The needs assessment will be the foundation for service planning, the commissioning of services and their design and delivery. It is a continuous process where the analysis and assessment are updated and refined. It is the basis of commissioning for outcomes and the basis for measurement of those outcomes.
How to go about a needs assessment

Culture and sport organisations do not need to undertake a needs assessment on their own. This is a partnership activity and will usually be led through the LSP. But it does need to ensure that the culture and sport needs of the community are incorporated into the Joint Strategic Needs Assessment.

However, in two-tier areas, culture and sport services provided by district councils are often excluded from strategic needs assessments carried out by upper-tier councils. This problem can be exacerbated further where services have been externalised to private contractors or trusts. In two tier areas support may be required to facilitate the engagement of district services in these processes.

The Local Government and Public Involvement in Health Act (2007) places a duty on upper-tier local authorities and PCTs to undertake joint strategic needs assessment (JSNA). This JSNA is a process which identifies the current and future health and wellbeing needs of a local population, informing the priorities and targets set by Local Area Agreements and leading to agreed commissioning priorities that will improve outcomes and reduce health inequalities. The Active People Survey was previously amongst the datasets required for the JSNA. The requirement is for the JSNA to be kept up to date and at least on a three year basis.

Housing departments undertake similar assessments in relation to housing needs. Children’s and young people’s services do likewise. There will also be a wealth of information available on crime and community safety. Policy departments keep track of population change, demographic trends and new communities in an area.

So, generally public bodies will be ‘data rich’. But there is a need for qualitative information to deepen the understanding of the needs.

For those involved in producing a needs assessment, the fundamental aspects underpinning the process are:

- leadership – political and managerial
- project management – clear, disciplined and structured methodology
- engagement with the community and other stakeholders
- partnership.

For culture and sport organisations, the engagement in this process is threefold:

- Using the needs assessment to identify those areas of community need where culture and sport can make an impact. It is important to study and work from the detailed analysis and future projections.
- Contributing to the qualitative research and especially community and stakeholder engagement using the particular skills and networks which the sector has. Reaching different sections of the community and using creative methods for communicating resident’s voices are needed and culture and sport organisations can provide innovative approaches.
- Undertaking particular analysis of culture and sport needs and contributing this to the shared analysis and assessment.
Six components of a needs assessment

The key components of needs assessment are:

Component one: national, regional and local strategic context

- **national** policy and targets
- **regional** comparators – how your area compares with the rest of the region
- **local** context in relation to these comparators and targets.

Component two: quantitative analysis

- **demography** – populations numbers, characteristics and projections, based on the Office of National Statistics and regional observatories
- **supplementary local information** – such as the Pupil Level Annual School Census, NHS central register/Flag 4, National Insurance Registrations, Workers Registration Scheme, Higher Education Statistics Agency, Electoral Register, National Asylum Support Service.
- **socio-economic** – the Index of Multiple Deprivation, Department of Work and Pensions data, Learning and Skills Council
- **wellbeing factors** – data relating to health, schools, crime and community safety, housing, transport and community engagement
- **culture and sport information** – Taking Part Survey, Active People survey, Place Survey, data from the non-departmental public bodies such as Sport England, the Arts Council, Museums Libraries and Archives Council, Play Council, English Heritage.

Component three: qualitative analysis

- **user and non-user** surveys
- **community involvement** through focus groups, ‘planning for real’ exercises, creative means of collecting experiences and views
- **providers’** experiences of what works, barriers and difficulties
- **partners’** experiences of different communities
- **practitioners**, including those from civil society and user-led organisations often have detailed knowledge of community needs
- **case studies and stories** of individual or group experiences
- **social networking** opportunities to engage wider audiences.

Component four: analysis of existing provision

- **mapping** current services and facilities
- **comparators** through benchmarking to indicate ‘relative supply’
- **usage** and how that compares with the surrounding population, under usage and under supply, market segmentation data
- **evidence of effectiveness** on outcomes
- **equalities impact assessment** of current provision.
Component five: gap analysis

- **measuring the balance between supply and demand/need** and seeking to quantify this either in quantitative terms or as a description of unmet needs
- **analysis of groups or areas who are not engaged**
- **future scenarios.** This will include aspects of supply, such as a reduction through the potential loss of a service or facility or an increase through new developments and opportunities, including opportunities for collaboration. Future scenarios will also include demographic and socio-economic trends and how these will affect needs and demands
- **unanswered questions and unknown factors** which may require further research, investigation or engagement with stakeholders
- **summary of the main issues** in terms of the needs in relation to future services, barriers and risks.

Component six: priority setting

It is at this point that analysis based on information and evidence becomes an assessment which brings in an element of judgement and wider context to the process.

- **presentation of a summary** of the strategic context, quantitative and qualitative analysis, existing supply and gap analysis and a summary of the main needs for future services
- **recommended priorities** and desired outcomes
- **potential implications** for altering supply, different ways of delivering or collaborating – to be developed through the options appraisal process but important to include at this stage for transparency and clarity
- **feedback to stakeholders** to test out the resonance of the assessment and priorities
- **decision on the priorities** – a formal process is essential.

Understanding needs is the starting point for culture and sport organisations to identify where they can make a contribution to the outcomes for their local communities.

**Understanding into action**

**Exercise 3:** Get hold of the existing needs assessments in your area.

**Exercise 4:** Has the needs assessment captured community voices in a way that you think is real and powerful?

**Exercise 5:** Do you know the specific culture and sport needs in the area?

See pages 58-59
Case study 3: linking needs to commissioning priorities

Manchester City’s Joint Strategic Needs Assessment (JSNA) follows the guidance for JSNAs and the analysis includes an indication of many areas where culture and sport can make a contribution. This extract is one example:

Unemployment

The links between meaningful employment and health are well-established. Adverse effects associated with unemployment include:

- higher levels of smoking and alcohol consumption
- more weight gain
- reduced physical activity and exercise
- greater use of illicit drugs, alcohol and prescribed anti-depressants
- reduced psychological wellbeing and greater mental ill-health (including higher incidence of self-harm, depression and anxiety).

The negative health impacts of unemployment are most likely to affect unemployed young people (especially young men).

What do commissioners need to consider?

Children and families:

- supporting workless benefit claimants back to work
- targeting children in unemployed households who may be at greater risk of alcohol/drugs misuse and suicide
- commissioning programmes that help to raise levels of aspirations for children and young people.

Older people:

- addressing long-term effects of unemployment on the health of people aged 50 and over
- considering how the NHS and others can best boost efforts to get people off incapacity benefit, especially those with mental health needs.

Other vulnerable groups:

- supporting more people with learning disabilities into employment
- providing support for those on incapacity benefit and/or with mental health needs to learn and gain volunteer/work experience etc.
3. Options appraisal, the business case and procurement

After systematically defining the needs and outcomes you are seeking to achieve, the process of options appraisal enables you to identify and evaluate all the possible ways of delivering services, taking into account the resources available. This will ensure that decisions made subsequently through procurement are supported by a sound business case.

This section introduces:

- Options appraisal
  - definition
  - 10 key steps
  - identifying and choosing from the full range of suppliers.
- The business case
  - definition
  - approach.
- Procurement
  - definition
  - understanding the language and processes.

Options appraisal: definition

“The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made.”
(Source: HM Government: Green Book)

Options appraisal enables you to evaluate objectively and systematically the best way to achieve your desired outcomes/optimal solution. This is achieved by exploring the relative costs and benefits of a particular option and then compare this fairly to how other options perform against the same set of evaluation criteria which you will have developed.

4 More detailed guidance on options appraisal, the business case and procurement can be found at: http://www.idea.gov.uk/idk/aio/9531339
Typically, options appraisals are used as a decision support tool to support commissioners to ensure that no policy, programme or project is adopted without first having to answer these questions:

- Are there better ways to achieve this objective?
- Are there better uses for these resources?
- Is this the best way to achieve desired outcomes?

Typical examples of how they are used include:

- policy and programme development – decisions on the level and type of services to be provided
- new or replacement capital projects – decisions to undertake a project, its scale and location, procurement method, timing, and the degree of private/civil society involvement
- use or disposal of existing assets – decisions to sell land, or other assets, replace or relocate facilities or operations, whether to contract out or market test services
- procurement decisions – decisions to undertake strategic commissioning/purchase the supply of delivery of services.

Options should not be ruled out because they are judged to be too ‘radical’, because appraisal will be difficult, or because they involve confronting difficult choices and vested interests. Neither should options be chosen just because they are cheaper in the present economic climate. They could end up more expensive in the long run. Each option should be appraised on its costs and benefits, not personal preferences of key stakeholders.

The key benefit of conducting an options appraisal is that it maximises the chances of achieving your desired outcome/solution. It also ensures:

- clarity on desired outcomes for services
- an objective, independent, transparent and open assessment that would stand up to internal and external scrutiny
- the nature and level of risk relating to the chosen option
- the selection of an optimal ‘best value’ solution.

It is important to take whole life costs of commissioning and procurement into consideration at all stages of designing services and evaluating potential partners.

Councils’ culture and sport services should be regularly reviewed through an options appraisal to ensure that services are aligned to what should be delivered in the future, rather than what has been historically provided in the past. Just ‘bolting on’ new arrangements to the status quo as time passes will not ensure value for money.

Even if councils have entered into long term agreements with private sector or social enterprise partners, there will be a need to regularly revisit these agreements to ensure that the specification and commercial arrangements reflect and recognise future requirements. These requirements are likely to reflect developments in new opportunities around commissioning.
# 10 key steps of an options appraisal

1. **Establish the strategic need.** Depending on circumstances this may be ‘a problem’ to be solved such as providing new facilities or outcomes to be achieved such as improving health or creating more jobs as set out in the sustainable community strategy.

2. **Establish the range of resources available.** Resources will always be limited either in capital terms or revenue terms. The process of options appraisal may take place within defined resources, for example a fixed budget or be geared to attracting new resources through a partnership agreement with a supplier or range of suppliers.

3. **Establish the key objectives you want to meet in terms of the strategic need and your desired outcomes.** This may involve defining ‘the likely solution’ such as a new facility or a new service provider but should not over-constrain your approach to looking at the options.

4. **Establish the ‘do minimum’ or ‘base line’ position.** There may be a bottom line in terms of costs or minimum outcomes that must be achieved for the project to continue. There may also be a minimum or ‘do nothing’ solution to consider.

5. **Establish the organisation’s position on risk transfer.** Generally, if the provider is taking on risk, it will be priced into the contract, so considerations needs to be given to where each risk best sits.

6. **Develop evaluation criteria for the long and short listing approach.** You will need to be clear how you intend to come to a decision and what factors should and must be taken into account.

7. **Identify the full range of options, which may be available to deliver the desired outcomes and objectives.** Develop a long list of possible options to ensure the optimal solution is included in the options from the outset.

8. **Create a short list from a high level option appraisal of the long list.** Use the evaluation criteria to select and exclude options that either fail to meet the objectives or exceed the resources available. This would always include the ‘do minimum’ option.

9. **Evaluate fully the short-listed options against the evaluation criteria.** Use weighting and a scoring framework.

10. **Progress the preferred option.** After the above analysis has been completed, preferred options will emerge. Depending on the nature of the agreed procurement process, there may be one or more providers with which you wish to negotiate or create a short list that forms the basis of a formal tendering process. Appropriate decision-making and governance arrangements will clearly need to apply throughout the process to enable elected members to take well informed and clear decisions.
Identifying and choosing from the full range of suppliers

Suppliers or providers of service may be:

• in house
• civil society social enterprise, created from an in-house operation, such as a Trust or Public Service Mutual
• civil society social enterprise, already existing
• private sector operator
• private sector operator with social enterprise model (hybrid)
• mixed economy.

Commissioning is likely to lead to extended choice and variation in providers in the future.

As part of this process you may be involved in market development to increase the range of providers available. This is considered in more detail in relation to the third sector and other partnership working in part two, sections 5 and 6.

As part of your options appraisal, you will need to give each type of supplier vehicle full consideration. This will include:

• The key taxation implications of different management options and any tax advantages and how these savings may be used by your authority.
• Testing the evaluation criteria with suppliers through soft market testing and the procurement process. You may require external support from consultants and we strongly recommend that you ensure that the evaluation of each type of supplier can be demonstrated to be robust and evidence based. This is because many types of supplier are evolving their capability and previous shortcomings in capability may have changed.
• A standard weighting and scoring methodology to objectively assess the options you are considering, with the criteria that are more important for your authority, being allocated a larger weighting.
The business case

Definition

A business case presents clearly information necessary to support a series of decisions. These decisions, over time, increasingly commit an organisation to the achievement of the outcomes or benefits possible as a result of investment in business change. Early decisions focus on whether the investment is justified in value for money terms assessing: benefits, strategic fit, achievability, affordability, options and commercial aspects. (Source: Office of Government Commerce 2008).

The business case is developed in parallel with the options appraisal, ahead of the procurement process.

The typical approach to the development of the business case is based on the following stages:

The business case should contain:
- the vision, needs, outcomes and objectives
- resource considerations
- options appraisal and preferred option
- a live risk register with potential impact and mitigation measures for each.

The business case should provide a clear audit trail of how the preferred option has been reached and that it works best financially for the organisation in the short and longer term and for best meeting the aspirations and needs of the community. It is a living document that will need to change as the preferred option is identified and developed.

At the point where a single option is selected, the business case is developed in greater detail around the commercial elements of the option and evolves into a full business case.
Procurement

Definition

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers.

Procurement will be more complex for higher value goods, works and services and where there are greater risks and opportunities. Broadly, however, the process is similar for all public procurement.

Underpinning the process throughout are the principles of procurement:

• equal treatment
• non-discrimination
• mutual recognition
• proportionality
• transparency.

Stage 1: defining the procurement strategy

The public sector organisation defines needs, outcomes, business case and procurement process. They will set up a project team for this. It may involve one or more of the following:

• soft market testing to generate interest from the market and refine elements of the business case.
• In terms of civil society organisations, it may be necessary to first build the capacity of the potential market to enable it to compete actively in a fair and open way.
• e-tendering – advertising tenders below EU thresholds on the council’s website
• an open procedure – where all interested candidates who respond to an Official Journal of the European Union advertisement must be invited to tender, and there is no pre-qualification or pre-selection
• a restricted procedure – a two-stage process where bidders submit and Expression of Interest (EOI) against defined criteria and only those who are shortlisted are invited to tender
• competitive dialogue – for complex procurement this is a flexible procedure which enables dialogue and negotiation before final tenders are submitted
• framework agreements – where services are procured through an open procedure to build a pre-selected list of specialist suppliers.

Stage 2: inviting tenders

The public sector organisations will then advertise the tender and produce:

• a specification
• criteria for evaluation
• timetable and bidding procedures.

In some cases suppliers may have to pre-qualify before being invited to tender. They do this through a pre-qualification questionnaire (PQQ) which usually includes information on financial status, previous experience and references.

Stage 3: evaluating tenders

The procurer of the service evaluates the tender against set criteria which will include:

• value for money – short and long-term
• evidence of ability to meet outcomes.
There is usually a period to clarify the tender through questions prior to making submissions. The questions and answers are shared with all providers planning to make a bid so that they all have the same information. Further clarification of the bid may often be through an interview.

**Stage 4: awarding the contract**

The contract is awarded to the supplier who best meets the criteria. Other bidders are entitled to feedback on their bid.

**Stage 5: managing how the contract is put in place**

The public sector organisation and the supplier work together to put systems, procedures and operations in place for the forthcoming contract.

**Stage 6: managing the contract**

The supplier and the procuring organisation manage the contract and the supplier’s performance is checked and monitored by the organisation.

**Stage 7: review and testing**

Length of contracts will depend on the nature of the activity and investment requirements. The contract will be reviewed at agreed intervals. Longer-term contracts will have break clauses to enable them to be reviewed in a fair and transparent manner. The most successful arrangements are based on a transparent ‘open book’ approach to finance, where the public body understands the key drivers for the contractor and vice versa.
Case study 4: business planning for a programme to improve outcomes based on a mix of activities with evidence of impact

re:fresh is an innovative project to improve the health and wellbeing of people in Blackburn with Darwen through the promotion of sport and physical activity. Blackburn with Darwen has the third lowest physical activity participation rate in the country.

A detailed business plan enabled both the council and the NHS to make an informed decision when committing £6 million of additional funding over a three year period. This plan was based on good practice and evidence of ‘what works’ from a number of leisure and community engagement schemes.

The programme involves a mix of delivery strands:
• neighbourhood partnership teams working with local communities
• targeting of particular groups and needs
• free access to leisure activities through a leisure card
• clinical referral.

Understanding into action

Exercise 6: For those involved in procuring services: each time you procure a service, are you opening up the process and thinking things through afresh?

Exercise 7: For those seeking to be suppliers or providers of services: are you ready?

See pages 59-60
4. Monitoring and managing performance

The commissioning cycle now moves into monitoring the service delivery. The commissioner and the provider need to keep track of whether the service is meeting the needs of the community as defined in the needs assessment and delivering the outcomes required as specified in the contract.

Culture and sport providers need to better demonstrate the contribution their services make to a range of local outcomes for individuals and communities. They also need to continually improve the efficiency, productivity and value for money of their service delivery.

There is now overwhelming evidence that neither of these objectives will be achieved without effective performance management.

This section provides a brief overview of performance management:

- understand the benefits
- know the context
- select the right performance measures
- collect quality data and set targets
- interpret and use the data.

Performance management is ...

“Taking action in response to actual performance to make outcomes for users and the public better than they would otherwise be.”

‘Performance management: Measurement and information project’

Step 1: understand the benefits

What is performance management about?

Performance management is about using information systematically to improve services and achieve better outcomes for individuals, communities and places.

5 More detailed guidance on performance management can be found at: http://www.idea.gov.uk/idk/core/page.do?pageId=11759526
It is about:

- being clear what results culture and sports services are setting out to achieve
- planning and commissioning services that will deliver these results
- deciding how to measure progress and performance
- reviewing how well the service delivers what it set out to achieve
- using information to make decisions about what needs to change to bring about improvement
- taking action that will lead to improvement
- showing the difference that the service or organisation is making.

Its purpose is to deliver better and more sustainable culture and sport provision that helps achieve outcomes in line with the shared priorities for your area.

The benefits are to:

- track progress
- demonstrate impact
- meet the needs of diverse groups
- assess value for money
- make comparisons
- target improvement effort
- be accountable
- continuously improve
- fulfil the general duty of best value.

Step 2: understand the context

The context for the delivery of local public services continues to develop rapidly. Changing national and local priorities, a tough financial climate and a new reporting and accountability framework present both challenges and opportunities for culture and sport.

The Local Government White Paper ‘Strong and Prosperous Communities’, which came fully into effect in 2009, introduced a framework for area-based change and improvement that focuses on outcomes – or end results – for communities. It is based on the principles that:

- organisations are clear about the priorities they jointly need to achieve for people in their area
- organisations and services work together on an area-wide basis to achieve these shared priorities
- services are tailored to the diverse needs and aspirations of individuals.

The performance management mechanisms introduced by ‘Strong and Prosperous Communities’ – Local Area Agreements, National Indicator Set, Comprehensive Area Assessment – have gone. But the underlying principles about how councils and their partners need to work together to agree priorities and improve local wellbeing still apply.
The national performance framework has been largely superseded by local transparency and accountability although some council services you may partner with are still required to report aspects of performance to central government. Councils and other public bodies are now expected to routinely publish much more information so citizens and service users can hold them to account over how their council tax is being spent and decisions made on their behalf.

Together these principles, alongside the drive for increased efficiency, productivity and value for money, form the context for managing the performance of local public services.

It is important to understand the national and local context and the implications for culture and sport as this provides the platform for managing your own service or organisation.

The main elements of the context for managing the performance of local public services are shown in the table below.

<table>
<thead>
<tr>
<th>Context for managing the performance of local public services</th>
</tr>
</thead>
<tbody>
<tr>
<td>National transparency and reporting framework</td>
</tr>
<tr>
<td>Local performance and accountability framework</td>
</tr>
<tr>
<td>Government department business plans</td>
</tr>
<tr>
<td>Overarching strategic partnership for the area (eg Local Strategic Partnership, Public Service Board)</td>
</tr>
<tr>
<td>Single Data List</td>
</tr>
<tr>
<td>Sustainable Community Strategy</td>
</tr>
<tr>
<td>Outcomes frameworks</td>
</tr>
<tr>
<td>Performance and front line service data</td>
</tr>
<tr>
<td>Efficiency, productivity and value for money</td>
</tr>
<tr>
<td>Better outcomes for people</td>
</tr>
</tbody>
</table>
Step 3: select the right performance measures

An outcome focused performance framework will help you provide a complete picture of:

- the contribution culture and sport are making to better local outcomes for your area, including wider economic, social, environmental and health outcomes, and the difference they make to the people who live, work and visit there
- the way your own service or organisation is performing, your efficiency, productivity and value for money.

Your corporate performance management framework may already provide you with an outcome focused performance framework or model to use. The balanced scorecard, for example, is one model that many organisations use and adapt to meet their own needs. Alternatively you can use a performance framework that has been developed by Local Government and Improvement and Development (LG Improvement and Development) specifically for culture and sport: the outcomes framework for culture and sport.

This framework has been developed specifically to help culture and sport providers demonstrate the contribution they make to local outcomes. This means clearly linking culture and sport activities to a range of economic, social, environmental and health outcomes, measuring what matters, providing the evidence and using this to make the case for investment.

The framework consists of four elements:

- an outcomes triangle
- a logic model
- an evidence list
- a set of performance indicators.

The outcomes triangle gives an overview of how culture and sport contribute to local priorities, either overall or to a specific policy theme such as children and young people, health and wellbeing or strong communities. It shows the different levels of outcome that culture and sport contribute to.

The second element of the outcomes framework, the logic model, illustrates the main links between service activities and local outcomes. It shows understanding of the benefits of culture and sport to individuals, communities and places, and how these in turn contribute to the achievement of intermediate and overarching strategic outcomes.

The evidence section of the framework underpins the outcomes triangle and logic model. It lists the sources of evidence that together best demonstrate the contribution of culture and sport to the outcomes. You should use local evidence such as research studies, evaluations, surveys and case studies to support your outcomes triangle and logic model, as long as it is robust. You can back this up with evidence from national or international sources, examples of which are provided on the outcomes framework website. You should aim to evidence all the different levels of outcome and the assumptions linking them together.

The set of performance indicators is how you measure the contribution of culture and sport to local outcomes. The data you collect will also contribute to your evidence.

The outcomes framework website at www.idea.gov.uk/outcomes-framework gives a full explanation of each of the four elements. It also contains step by step guidance and practical tools to help you create your own framework.
Case study 5: Manchester cultural impacts toolkit – measuring social outcomes

Manchester City Council has developed a toolkit to improve the data and information that it has about how culture changes people’s lives in the city. The toolkit is designed to evaluate the short to medium term social outcomes that culture and sport can contribute to, linked to the priorities set out in Manchester’s community strategy.

The toolkit identifies 17 potential social outcomes that a project, programme or service may contribute to and provides a framework for:

• identifying the most appropriate respondents for the evaluation
• clarifying the impact that is to be measured
• identifying which social research tool or tools to use.

Guidance and sample questions are provided to help staff develop the content of the chosen tool(s) and design their own set of bespoke tools. The toolkit also provides guidance on monitoring, collating information and reporting protocols.

Social outcomes include:

• improving understanding between groups and supporting cultural diversity
• preventing crime or reducing the fear of crime
• enabling participation in local decision-making.
Step 4: gather evidence, collect quality data and set targets

Evidence underpins the claims you are making about the difference culture and sport make to individuals, communities and places and the contribution culture and sport make to local outcomes, as well as how your own service or organisation is performing.

Evidence can come from local, regional or national sources. National or regional sources include data sets and research studies carried out in accordance with strict research protocols to demonstrate the 'cause and effect' relationship between service provision and outcomes.

There are two main types of data that can be used to tell the story of your service: quantitative and qualitative.

**Quantitative data** – counts quantities, such as numbers, frequencies or levels of satisfaction.

**Qualitative data** – records the qualities of the experience and what it means to people, and is gathered through focus groups, individual ‘stories’ through film or sound recordings.

Both are important to building a balanced picture of the service and whether it is achieving intended outcomes over time.

Collecting data

**Baseline data** – your current position based ideally on information that is no more than a year old. Alternatively it may have to be based on the position when the data was last collected, particularly if collected through surveys.

The methodology used to collect baseline data must be replicable in the future to ensure consistency and ‘like for like’ information.

**National data sets**

A small number of national data sets provide reliable data for culture and sport at national or regional levels every one to three years, including The TGI Index and the Taking Part Survey. Only the Active People survey, summarised below, provides annual data on sport and active recreation at individual council level. No comparable annual data sets are available for any cultural services.

Up to date guidance on the latest national data sources for culture and sport is available on the culture and sport outcomes framework website.

**Local data sources**

- **Resident surveys** – some councils carry out annual resident surveys to establish levels of satisfaction and residents’ views on a range of local issues annually or biannually.

- **Optional ‘national’ surveys or centrally held databases** of information, such as:

  - the National Survey of Visitors to British Archives (Public Services Quality Group – PSQG)
  - the Public Library User Survey (Institute of Public Finance – IPF)
surveys carried out to enable benchmarking through the Association for Public Service Excellence (APSE) or the Sport England National Benchmarking Service.

- **Local user surveys or focus groups** with particular user groups and/or facilities or activities.

- **Management information** collected through written records and computer systems as part of the day to day operation of services, facilities and activities, such as the number of leisure passport holders, expenditure on the service and numbers attending an activity or event.

- **Information from partners** – other council departments, police, health, civil society organisations.

### Setting targets

You should set a clearly defined target for each performance measure that is challenging but deliverable. In setting targets, consider:

- how easy it will be to collect the data
- how quickly you expect to deliver improvement and the extent of change required
- external factors
- the requirements of the corporate management framework.

Each target should have an ‘owner’ or lead person, though responsibility for delivering the target may be the responsibility of several agencies.

### Step 5: interpret and use the data

No one indicator tells the whole story. The data on its own will not provide all the information you need.

To understand the data and be able to make use of it, you must ask and answer questions about the reasons why a particular level of performance is as it is. To do this you need to:

- draw on other sources of information and knowledge
- interpret the overall findings
- use your judgement to reach appropriate conclusions.

Always start by thinking of the results or outcomes you are trying to achieve. This will help you to know the questions you need to ask and the information you need to answer them. This in turn will enable you to draw conclusions and identify solutions and actions.

### Reporting performance

Reporting performance is the final step in good performance management.

Key aspects to consider are:

- the audience that you are reporting to
- what information is important to them
- frequency of reporting
- level of detail
- best communication methods
- key messages
- timing.
Case study 6: measuring mental health outcomes

Out of the Blue is a formal network of three creative arts organisations in Kirklees offering a range of choices for people as part of their mental health and wellbeing care planning. The network was commissioned by Kirklees NHS and adult services, through the joint mental health commissioning strategy, to work with people experiencing mental health issues.

The project employs a process outlined in ‘The Outcome Star’, a tool that measures outcomes of work with people with mental health issues. This measures an individual’s progress through a ten-step process which ranges from ‘stuck’, through ‘accepting help’ and ‘believing’, to ‘learning’ and ‘self-reliance’. The collective outcomes from the process are mapped into the higher level indicators required by the Department of Health document, ‘Our Health, Our Care, Our Say’, and these indicators are supported by evidence on referral pathways, attendance and personal testimony.

Out of the Blue demonstrates that people who experience mental health issues value creative arts very highly. Such projects promote social networking and enable the use of direct payments to provide personal solutions via creative arts. The Outcome Star has a real meaning for participants and the project shows how much a non-medical approach can achieve.

For example, the public will want information about what they have said is important to them. It might be reported quarterly through a residents’ newsletter, the council’s website or local media.

Your organisation’s board of trustees or the cabinet member in the council will want information monthly showing overall performance and possibly using a traffic light system to identify areas of potential concern.

Partners may want to be informed of headline achievements and areas of underperformance, especially where a collaborative input to finding a solution is needed.

The management team will need very frequent and detailed performance information to make day-to-day decisions to manage their service.

Understanding into action

Exercise 8: Is your performance management system up to date and working for you?
See page 61
Part two: building the skills and capacity of those involved in commissioning – the people
5. Building capacity in culture and sport civil society

Public and private sectors and civil society all have key roles to play in public service design and delivery. In commissioning services, some might argue that the process should be ‘sector blind’ – designed in a totally neutral way which invites all players to participate on exactly the same terms. Government policy, however, for many very positive reasons, favours a greater involvement of civil society in public services and advocates special efforts to promote and increase this engagement. Civil society organisations are significant providers of culture and sport in communities.

There are great benefits in civil society delivering public services but also barriers and challenges in the commissioning process which make it more difficult for civil society organisations to participate. Particular commitment is required to enable civil society to engage effectively in commissioning for public service delivery and to realise the benefits for communities.

This section sets out:
• what we mean by civil society
• benefits of civil society
• challenges of engaging civil society
• eight principles of good commissioning
• how to build capacity.

What do we mean by civil society?

Civil society can be defined as independent, self-governing, non-governmental organisations that are values driven and which principally reinvest their surpluses to further social, environmental or cultural and sporting objectives. It includes voluntary and community organisations, charities, social enterprises, trusts, cooperatives and mutuals.

---

6 More detailed guidance can be found at: http://www.idea.gov.uk/idk/aio/9531342
Housing associations are also included within civil society. It was previously known as the ‘Third sector’ and is sometimes referred to as the ‘social economy’, or, more narrowly, as the ‘voluntary and community sector’ (VCS).

Civil society is diverse and has organisations which provide a voice for under represented groups, campaign for change, support the creation of strong, active and cohesive communities, promote enterprising solutions to social and environmental challenges and assist in the transformation of the design and delivery of public services.

In culture and sport the diversity of organisations includes play projects, history and heritage societies, sports clubs and leagues, leisure trusts, theatres and arts organisations, festivals, music societies, reading groups and activities spanning the spectrum of age ranges, cultures and abilities.

The benefits of civil society

Within commissioning there needs to be openness and opportunities for different types of organisations to participate in the process. Just as equality doesn’t mean simply treating everyone the same but is about responding to specific needs, so in this process there is a need to give time and commitment to engage those organisations who are less able to participate but offer great potential benefits. This is often referred to as capacity building.

Working with civil society as a deliverer of public services brings many benefits including:

- They are an independent voice, acting as a check or balance to the mainstream.
- They can be flexible and responsive to changing needs.
- Investing in local organisations can have a multiplier effect in the local economy – local public money invested locally supports local jobs and suppliers and supports economic regeneration from within.
- It is a means of harnessing community energy and ideas to develop their own solutions and action and empowering local people to make a difference.
- The benefits can be broader than those initially conceived as outcomes and the concept of ‘social accounting’ can be used to demonstrate added value. Social return on investment (SROI) is one such means of measuring social and environmental returns that come from local engagement. For example, a locally run sports league for young people, as well as the direct and indirect benefits to the participants, may produce many additional benefits such as increasing parental networks, social and fundraising activities and bringing different communities together. Museums Libraries and Archives Council (MLA Council) work on this can be found at: http://www.mla.gov.uk/news_and_views/news/SROI
- Civil society organisations can deliver high quality, focused and innovative interventions based on a detailed understanding of local and individual needs and can be successful where other interventions may have failed.
The challenges for civil society

The pace of change towards commissioning has meant challenges for all sectors but these are greatest for civil society. Some of the challenges facing the involvement of civil society organisations in commissioning include:

• **The resources** involved in the commissioning process can be considerable in terms of time and expertise. Releasing staff, volunteers or board members for meetings and to write detailed documentation can be difficult, especially for small organisations with very tight budgets and commitments to deliver services under grant aid contracts as well as raise funds for ongoing survival.

• **The size of contracts** can be prohibitive and the trend in some service areas to move to regional contracts severely disadvantages local groups.

• **Calculating the full costs** of service delivery is challenging for civil society organisations. The concept of ‘full cost recovery’ has been developed in the third sector to help organisations identify more precisely the costs of delivering services, including full overhead costs, which will include an evaluation of volunteer time. For small organisations, full cost recovery may mean they are uncompetitive against larger organisations, requiring a decision as to whether to bid or to make a conscious decision not to seek to recover full costs.

• **Demonstrating social return** requires skills and expertise that both civil society organisations and commissioners need to learn.

• **Financial risks** involved in managing contracts can be greater than organisations can manage or have implications for the personal liabilities of management committees or trustees.

• Commissioners also lack skills in developing needs assessments and specifications to meet identified needs and can lack skills or commitment to look at the broadest possible range of providers or to develop the provider market.

• The **relationship between the public sector and civil society organisations** may have a chequered history and there will need to be a mature discussion about roles, relationships and expectations in the commissioning climate and good communications about what is involved.

• Some organisations fear ‘mission drift’ and loss of independence if their activities are increasingly led by the commissioning process.

• **Time** is often the greatest challenge. The longer the lead in to the commissioning process, the potential for better quality engagement and solutions, with civil society organisations able to contribute to the needs assessment and options appraisal, develop consortia or collaborate with other bidders and develop the creative community led solutions at which they are best.
The eight principles of good commissioning

The eight principles were outlined in the 2006 ‘Action Plan for Third Sector Involvement’, produced and championed by the Office of the Third Sector in the Cabinet Office – now renamed the Office for Civil Society. They are:

1. Understanding the needs of users and other communities by ensuring that, alongside other consultees, you engage with third sector organisations as advocates to access their specialist knowledge.

2. Consulting potential provider organisations, including those from the third sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes for that service.

3. Putting outcomes for users at the heart of the strategic planning process.

4. Mapping the fullest practical range of providers with a view to understanding the contribution they could make to delivering those outcomes.

5. Considering investing in the capacity of the provider base, particularly those working with hard to reach groups.

6. Ensuring that contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including sub-contracting and consortia building, where appropriate.

7. Ensuring long-term contracts and risk sharing, wherever appropriate, as ways of achieving efficiency and effectiveness.

8. Seeking feedback from service users, communities and providers in order to review the effectiveness of the commissioning process in meeting local needs.

How to build capacity

Opportunities and challenges exist for both commissioners and third sector organisations. Both groups of people and organisations need to invest in more exploration of these opportunities and challenges. This is ultimately about better outcomes for local people – a shared agenda between the public sector and civil society – so there is a mutual interest in getting it right.

There are often local structures in place to support civil society but culture and sport organisations are not routinely involved as key players in these structures or activities.

Planning and communication are at the heart of commissioning. Many actions and advice are included in the analysis in the previous sections, but, in summary, there are some key actions to take the agenda forward. These are relevant to both commissioners and civil society organisations and can be instigated by local authorities and their partners or by culture and sport organisations working together with other civil society organisations. They are:

- **Connect at a strategic level** with the LSP, on the assessment of needs and identification of priority outcomes and on the development of the strategic relationship with civil society:
  - ensure civil society partners and organisations are aware of the LSP and participate in the preparation of the SCS
  - ensure representation of civil society at a strategic level and support that representation so that it is effective for civil society as a whole
  - consider strategic outcomes across the board and explore those to which culture and sport can make a contribution and impact
• Support a strategic approach to commissioning in the LSP

• Encourage those involved in commissioning to work together to plan and learn from each other

• Engage civil society organisations in the needs assessment

• Ensure under-represented groups have a voice in the strategic process, particularly children and young people.

• **Use the ‘eight principles of good commissioning’** as a tool to structure dialogue, planning and action:
  - Communicate the principles across culture and sport civil society and within your own organisation and the LSP
  - Offer training or awareness events for culture and sport civil society organisations and your own staff – separately or jointly
  - Check and challenge regularly that the principles are being applied.

• **Build relationships** between public sector culture and sport civil society organisations through regular ‘informal but systematic’ contact as well as more formal meetings and communications. Relationship building is a shared responsibility, and can be initiated by organisations as well as councils. It is a key long-term approach – to invest in relationships rather than seeing commissioning simply as about transactions:
  - Establish appropriate local forums with sporting and cultural organisations to ensure communication and consultation is effective
  - Establish a culture and sport partnership as part of the LSP
  - Map culture and sport civil society in your area and keep records up to date

• Visit organisations to see their work in practice and understand their contribution and challenges.

• **Build awareness** about the commissioning process and be open to scrutiny and suggestions for improving the process from the beginning. Building capacity means openness and commitment to shared understanding and learning together:
  - Increase understanding of both commissioners and culture and sport civil society organisations to improve the process
  - In addition to general awareness raising, be open about specific commissioning processes in preparation, including those in sectors such as health, children’s services, adult services or community safety where culture and sport organisations can contribute.

• **Build the provider base**, especially taking account of the needs of small organisations, community and voluntary bodies and Black and Minority Ethnic organisations:
  - Address the specific skills and capacity needs of organisations, including specific support for voluntary management committees and trustees
  - Describe community needs to organisations and encourage them to design and develop creative solutions based on their experiences and in depth knowledge of communities
  - Be open to and encourage consortium building amongst organisations – bearing in mind that previous funding regimes may have engendered a sense of competition, but commissioning can lead to greater collaboration and sharing strengths and resources.

---

Understanding commissioning

39
• **Break down barriers to involvement** in commissioning by opening up opportunities and checking for risks or unnecessary detail which might overburden and exclude some potential providers:
  - use political and managerial leadership to build trust between the council and civil society
  - challenge prejudice in your organisation about using civil society organisations
  - assess risk and benefit when commissioning and be aware that transferring too much risk will exclude many organisations
  - avoid building in unnecessary burdens or obstacles in the process and the contract.

• **Plan** in an open and timely manner to enable quality engagement of all parties. **Time** is a key determinant of civil society involvement:
  - build in adequate time for small organisations, in particular, to participate in the process
  - consider options such as ‘advance notice to tender’ and draft specifications to enable civil society organisations to consider the brief, contribute to the specification and build consortia or partnerships.

• **Communicate** throughout the process:
  - ensure openness and transparency about the process and the decision making
  - give honest and fair feedback to organisations
  - evaluate and learn from feedback.

Further information on building capacity in culture and sport civil society can be found at [http://www.idea.gov.uk/idk/aio/25802517](http://www.idea.gov.uk/idk/aio/25802517)
Case study 7: developing a formal consortium in Bedfordshire

Local government reorganisation in Bedfordshire led to the formation of two new unitary councils in April 2009. In the two years leading up to this, Bedford Creative Arts and a range of other civil society organisations, not culture and sport, formed a formal consortium to operate as a provider of services to the new authorities. They secured some funding through Futurebuilders to develop the partnership and build capacity. ‘ConsortiCo’ is now legally constituted and Bedford Arts will provide the cultural links involved in meeting a variety of local needs.

Case study 8: building networks, partnerships and an understanding of the health agenda

Leicester Comedy Festival has three principal strands of activity: an annual high profile festival in the winter; a year round community programme, ‘Make me Happy’; and commercial event management.

The community programme developed through extensive relationship-building with communities and with partners, the health service in particular. Through developing an understanding of health needs and the outcomes sought by health commissioners, the festival has developed programmes to respond to issues such as men’s health, teenage pregnancy and healthy eating amongst children and young people.

The ethos of the festival was always about bringing people together, promoting the city and social regeneration. This has not changed but the ethos has developed in terms of how these objectives are delivered and the ways in which the organisation can deliver better social outcomes for people.

The company name has been changed to reflect this also – it is known as ‘Big Difference Company’.

Understanding into action

Exercise 9: What is the council or LSP strategy for building the capacity of civil society?

Exercise 10: what additional capacity building needs are there for your organisation?

See pages 61-62
6. Building capacity through joint working and partnerships

Partnership working is now the norm. There are statutory duties to form strategic partnerships and duties for public bodies to cooperate in these partnerships.

This section gives a brief overview of:
• the key strategic partnerships
• the anatomy of a successful partnership
• what commissioners can do to help others engage in the commissioning process
• what culture and sport can do to better engage in the commissioning process.

Key strategic partnerships

Structures vary, but broadly the local partnership structure will normally include:

**LSP** – The Local Government Act 2000 established LSPs. They bring together different parts of the public, private and third sectors to work together for the social, economic and environmental wellbeing of the local community.

The LSP creates a long-term vision for the area to tackle local needs. The vision is set out in the SCS. The LAA is the mechanism for making the vision a reality.

Their leadership and governance role includes identifying and articulating needs, setting priorities and engaging the community. They are key to the commissioning process.

The Local Government and Public Involvement in Health Act 2007 introduced a new ‘duty to cooperate’ in LSPs and their sub-partnerships or thematic groups. The following culture and sport bodies are ‘named partners’ under this duty:

• Arts Council
• English Heritage
• Museums Libraries and Archives Council
• National Park Authorities
• Natural England
• Sport England.

---

7 More detailed guidance can be found at: http://www.idea.gov.uk/idk/core/page.do?pageId=11694679
Crime and disorder reduction partnership (CDRP) – Established by the Crime and Disorder Act 1998, these partnerships include the police, local authorities, probation, fire and rescue, health authorities, the voluntary sector, community groups and businesses. They aim to reduce crime, the fear of crime, antisocial behaviour and drug and alcohol abuse.

Children’s trusts – established by the Children’s Act 2004, children’s trusts focus on improving outcomes for all children and young people. 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.

Health and Wellbeing Board – this statutory partnership provides strategic leadership and commissioning to support and promote the health, wellbeing and independence of adults, focusing on health inequalities.

Sustainable neighbourhoods partnership – structures vary but most LSPs have a partnership concerned with the physical environment, housing, transport and community development. Sometimes the ‘stronger communities’ element is linked with the ‘safer communities’ agenda of the CDRP.

Local Economic Partnership – these partnerships oversee the major investment plans for the area and seek to ensure the benefits for local people in terms of jobs and opportunities.

Cultural partnership – these exist in some areas and promote the culture and sport contribution to the area at a strategic and local level and to broader strategic outcomes for the community. In other areas, culture may be represented across the partnerships and not through a separate body.

Other partnership groupings include:

Public service board – an alliance of the public sector agencies, usually at the chief executive level, to coordinate public sector activity in the area.

Area based/neighbourhood partnerships – at a ward or group of ward level, bringing together partners at a local level. They often have devolved budgets for locality based commissioning. They may also include regeneration partnerships and housing market renewal areas.

The anatomy of a successful partnership

Working in partnership can bring many benefits:

• more coherent and better connected service delivery
• more effective service delivery to local communities
• opportunity to participate in wider discussions about improving quality of life
• enhanced profile and credibility
• increased and more effective use of resources
• access to wider expertise
• potential for learning and sharing knowledge
• greater opportunity to inform and influence decision making.

However, partnerships can take up a great deal of time and energy which can be seen as a waste of valuable resources, particularly if they do not work or do not deliver outputs and outcomes.

Partnership working can be frustrating if the same people do not turn up, no decisions are made, if decisions are made they are not implemented, and if nobody is clear about what they are trying to achieve. As a result, they may be quickly dismissed as a waste of time and a ‘talk shop’.

**The PiiSA framework**

Experience suggests that there are four key factors for success in any partnership. They are common sense, but not always common practice.

- **P – Clarity of PURPOSE and roles** – everyone in the group is clear about what the group is trying to achieve. Not only do you understand what you want from a meeting or conversation, but you need to understand what other people want.

Roles include:

- sharing information on policy, resources, user needs, good practice and service standards
- mapping needs wants and interests, resources and services
- identifying barriers to access and gaps in services
- agreeing actions
- communications with national, regional, local bodies and communities.

- **ii – The capacity to INFLUENCE and be INFLUENCED** – partnerships are about relationships between partners. If they are weak then the partnership will be weak. If they are strong then the partnership will be strong.

A strong partnership will have conflicting interests and disagreements will arise on how to get things done. Diversity can be a partnership’s greatest strength and also presents the biggest barrier. The key is to recognise the difference between ‘control’ and ‘influence’. In a genuine partnership no one has full control. Some partners may have more power than others, but as soon as they try to use that power without the support of the partnership then trust disappears and partnerships are weakened. Influencing outcomes is different to controlling outcomes, and it requires different sensitivities and skills.

Equally, we need to remain open to be influenced by others and to listen to them. The skillset to influence and be influenced includes:

- develop win/win thinking
- create inclusive agendas
- design the meeting so everyone can participate
- ensure that everyone can and does participate
- deal with concerns, frustrations and confrontations.
S – SYSTEMS and STRUCTURES that are fit for purpose – many of the problems observed in partnerships are caused by inappropriate structures that do not reflect the purpose of the partnership – and often the purpose itself is not clear. Having the right people around the table is also key, and enabling people to engage effectively.

Basic good housekeeping for partnership structures and systems include:

• the right people and agencies involved, including community representation
• appropriate secretarial and administrative support
• agendas, papers and minutes in good time
• minutes reflect the meetings
• decisions are taken at meetings
• all partners are able to contribute effectively.

A – The capacity and resources to take ACTION – the effectiveness of a partnership is usually judged by its actions and achievements.

Ensuring that meetings end ‘in action’ and that these actions represent the diverse views of the group is an essential ritual for partnership working.

Getting into action includes:

• the right people are present to make decisions
• all partners have been able to contribute effectively
• discussions are ended by asking what needs to be done
• decisions are made
• actions are recorded and followed up
• people are involved in implementation and the lead person responsible for follow up is identified and accountable.

What commissioners can do to help other partners engage in the commissioning process

Although commissioning has arrived in different service areas at different points, the emphasis is now on places and better outcomes for people and not on individual service areas or providers. This means people working together, sharing information and resources.

In many cases this leads to joint commissioning, which is where two or more organisations act together to coordinate the commissioning of services, taking joint responsibility for the translation of strategy into action. Sometimes this will involve pooling budgets. The benefits are that this will lead to more integrated and sensitive services and better value for money. But it can mean that contracts in the procurement part of the process are large, and therefore inaccessible to small local providers.

Some of the lessons learned from Beacons and other areas of advice and developing practice to support the engagement of local organisations include:

• develop a common language between those who are involved in commissioning
• align needs assessments so that the JSNA and the assessment required for the children and young people’s plan use similar datasets and have the flexibility to be added to, and informed by, by other assessments
• make the assessments readily available to civil society organisations and involve them in the process. Cultural organisations have particular skills in helping people to communicate their views and needs in creative and powerful ways
• publish the commissioning arrangements in a consistent manner, to show governance, management and support

• strengthen arrangements for capacity building in civil society and take account of how smaller organisations and ethnic minority organisations can be involved

• develop common approaches, documents and systems wherever possible, particularly in relation to procurement and performance monitoring

• develop procurement policies which encourage local providers including realistic risk sharing and adequate timescales

• support the development of local consortia or collaborations to engage with your priority needs and outcomes. Encourage their ideas and input to the design of solutions to meet those needs and outcomes.

What culture and sport can do to better engage in the commissioning process

IDeA (now LG Improve and Development) research for the Arts Council and Museums Libraries and Archives Council in September 2009 analysed the opportunities and barriers for cultural organisations in relation to commissioning for children and young people. It highlighted some opportunities and challenges for cultural organisations.

Just as commissioners are increasingly working together to share information and resources, commissioning poses a similar question to cultural organisations about whether they need to work differently to the past.

Opportunities

• Communicating the voices of children and young people and hard to reach or excluded communities.

• Contributing to local priority themes by understanding the outcomes and working with partners at a strategic level to develop shared solutions. These themes may include such outcomes as raised aspirations, emotional wellbeing, raised self-esteem and confidence.

• Helping to address problem areas where outcomes for local people are not improving. Particularly challenging needs for children and young people can include teenage pregnancy, NEETs, obesity and mental health. There will be other areas which are ‘sticking’ where new and different approaches will be welcome.

• Involvement in complex areas of service delivery which could include anything from early years and children in care, to disabled children and youth offending.

• Locality and individual commissioning in response to commissioning that may come through local schools, GP practices, neighbourhood services or individual support workers.
Challenges

• **Strategic representation.** Culture and sport organisations can be invisible at the key strategic partnerships where governance of commissioning sits. There may be one or more civil society representatives at these partnerships and their sub-groups so the challenge is to ensure communication with and through these representatives.

Alternatively, in some areas, the council’s senior culture and sport services officer may be a member of some of the main partnerships, so the feed-in and feedback loop needs to be strong.

• **Organisation and sector collaboration.** Grant aid generally worked with single organisations and could, to some degree be considered as competitive. Commissioning, on the other hand, invites collaboration between organisations, bringing together their individual strengths and methods to a set of needs.

You should consider wider alliances with other culture and sport organisations and other civil society organisations. In some areas, organisations have formed legally constituted consortia to engage in strategic commissioning.

• **Demonstrating outcomes.** Providing evidence of what works and how it contributes to better outcomes is the essential challenge. You need to build your own evidence base and draw on other local, national or international research where appropriate.

• **Communicating the value of culture and sport.** There is a perception that some cultural organisations are primarily focused on the intrinsic value of the services in terms of developing cultural activity for its own sake. The priority for commissioners is in relation to the value which culture and sport adds to a community and to a place. The starting points for communication and discussion can be bogged down in an ‘intrinsic versus instrumental’ debate which serves no one well. Rather, the culture and sport sector should be clear about the benefits that they bring, and to use these to identify which partnerships and collaborations will help them deliver these benefits.

• **Demonstrating efficiency.** In addition to basic good organisational health in terms of governance, financial management, human resources and equalities, health and safety and compliance with regulations, there are some key areas of efficiency which organisations and regional and national bodies could work together on to be ‘geared up’. These include:

  ▪ **Safeguarding policies** – especially for work with children and young people but also vulnerable adults. These need to be thorough and comprehensive and include training and support.

  ▪ **Value for money** – how will you demonstrate this? Are there also aspects of ‘added value’ you can demonstrate as a local organisation?

• **Accreditation.** Are there specific means of reinforcing your competence as an organisation to deliver what you say you can? Some commissioners are looking for kite marking or other quality standards.

The full research report can be found at: Creating better outcomes for children and young people through improved commissioning of culture and sport: http://www.idea.gov.uk/idk/aio/14269000

These opportunities and challenges are potentially better addressed through a collaborative approach, both within the culture and sport sector and more broadly in the third sector.
Case study 9: a leisure trust with private sector sub-contractor delivering outcomes for joint commissioners

Wigan Leisure and Culture Trust (WLCT) has been commissioned by the local PCT NHS Ashton Leigh and Wigan Council to provide a community weight management service.

Working with Slimming World, the nationally branded slimming franchise, WLCT is addressing high local obesity rates among adults in Wigan through a targeted twelve week programme. Valued at £2.5 million over two and a half years, the contract includes agreed fixed costs and performance-related payments, the terms of which require WLCT and Slimming World to achieve a high level of performance in order to meet the costs of the programme.

The programme includes two-hour sessions, delivered by the partners, combining physical activity, healthy eating guidance and support for behavioural change among those attending. Outcome and output targets include the number of participants recruited, the number completing the programme, and the percentage of participants who have lost weight after three months and one year. Other performance measurements include participation by gender and among targeted communities. The University of Central Lancashire is providing external evaluation.

Case study 10: cultural partnerships as part of the local strategic partnership

In many areas culture is regarded as a ‘cross-cutting’ area of business with the potential to impact on different outcomes of the main partnerships that make up the LSP ‘family’ of partnerships.

In some areas separate cultural partnerships have been established. In Derby, ‘Cultural City’ is one of five themes in the LSP. In this approach, museums, libraries and archives services are included alongside arts and leisure. Together these services are seen as important contributors to key strategic outcomes for the city.

Derby’s community strategy highlights its ambitions as a cultural city in terms of inspiring, engaging and celebrating diversity; access to parks, open spaces and green wedges; protecting the built and natural heritage; building on the international reputation for technology and art; cultural services as part of the city’s economy.

Understanding into action

Exercise 11: Audit your partnership working

See page 62
The NHS challenged PCTs to become ‘world class commissioners’. A quality assurance framework has been developed which details 11 ‘core competencies’ against which the PCTs have been assessed. These competencies are adaptable for other commissioners. They are also relevant to organisations in the culture and sport sector to help your thinking about the knowledge, skills and behaviours needed to be engaged in commissioning generally and as a provider.

This section introduces:
• 11 core competencies – in summary.

More information on the core competencies can be found at: http://www.idea.gov.uk/idk/aio/9531348

“Although the term ‘world class commissioning’ is no longer in use, the principles of high quality processes and the competencies to deliver these remain.

Commissioning competencies are the knowledge, skills, behaviours and characteristics that underpin effective commissioning. When put into practice they become capabilities. World class commissioners will secure effective strategic capacity and capability to turn competence into excellence, transforming people’s health and wellbeing outcomes at the local level, while reducing health inequalities and promoting inclusion.

Competencies can be defined, taught, learned, put into practice, tested, observed and quality assured, but they are not an end in themselves. World class commissioners will also display visionary, inspiring leadership. The workforce will be motivated and fully engaged with local people and communities, aware of their needs, addressing them in the most effective ways.

Source: ‘World Class Commissioning Competencies’, NHS, December 2007

Wigan Council has translated these ‘core competencies’ into a framework which is suitable for use by its LSP. Wigan Leisure and Culture Trust has customised them still further into a document which is relevant and meaningful to staff working within the Trust and the new strategic commissioner for culture, health and wellbeing within the council’s single commissioning agency.
11 core competencies (as adapted for culture and sport by Wigan)

1. Local leader of leisure and culture
   • Provide strategic leadership for the development and improvement of culture and sport in the local area.
   • Take the lead in establishing culture and sport priorities for the local area across all partners.
   • Use advocacy and influencing skills to ensure that the contribution of culture and sport is articulated and recognised.
   • Be skilled in a variety of public, community and customer engagement methods which embrace all groups of people, especially hard to reach groups.
   • Give leadership to skill development, dissemination of best practice, research and analysis in the local culture and sport sector.

2. Work effectively with partners to achieve key outcomes
   • Be proactive in encouraging partnerships locally and regionally, across council departments, with the voluntary and community sector, with culture and sport providers, the private sector, other public sector bodies and regional cultural agencies.
   • Develop joint commissioning plans with other partners that build upon the JSNA and develop other forms of collaboration.
   • Share monitoring arrangements, consider pooled budgets and jointly funded posts.
   • Share knowledge and information especially from local community engagement.
   • Encourage partners to share a joint ambition for improvement and innovation.

3. Engage with citizens and the users of services
   • Develop a clear understanding of the ways of achieving effective community engagement, especially with minority and hard to reach groups.
   • Invite comments from users on their experiences, on how the service can be improved and ensure that there is feedback on how decisions have been influenced.
   • Develop positive relationships with the local media and respond in a timely manner to any enquiries.
   • Ensure relevant staff have received training in presentation skills and media handling.

4. Collaborate with providers
   • Engage in regular and active dialogue with provider partners, share data as appropriate, and turn information into intelligence and action which will improve culture and sport services for the community.
   • Utilise the existing knowledge of providers in formulating commissioning decisions.
   • Use any existing provider evidence base in the identification of needs, particularly at a district or super-output area level.
   • Try to build networks across provider boundaries to facilitate multi-disciplinary input into service design.
5. Manage knowledge and assess needs

- Review and analyse demographic trends, socio-economic data and education, health and housing needs.
- Assemble culture and sport information including usage, needs and demand trends at a neighbourhood or super-output area level.
- Identify obstacles to achieving desired outcomes.
- Consider implications for commissioning which may include reassessing priorities, redistribution of resources to meet unmet needs.

6. Prioritise investment

- Be robust in undertaking options appraisal in order to identify and evaluate all the possible ways of meeting the identified needs and outcomes.
- Use predictive modelling and demand tools, JSNA data, usage/activity data, public surveys, impact analysis, risk assessment to underpin investment decisions.
- Create a strategic investment plan that captures the investment strategies of all potential partners in culture and sport provision.
- Prioritise investment decisions to fill identified gaps, provide value for money, deliver on agreed outcomes, avoid duplication and promote innovative service design and delivery.
- Articulate and deliver disinvestment priorities.

7. Stimulate the market

- Consider, as a key policy issue, the extent to which the commissioners and partners in the LSP wish to use their influence and power to re-shape the provider market and thereby widen local choice and meet community needs.
- Be aware of the local provider network and its ability to provide successfully against the service specifications which have been drawn.
- Consider the timescales for contracts in the light of any necessary investment requirements, to allow potential providers to align their own investment and planning processes with the commissioner’s requirements.
- Build capacity in civil society.

8. Promote improvement and innovation

- Benchmark key services against similar provision elsewhere.
- Conduct a self-assessment using the culture and sport improvement toolkit or other recognised assessment framework.
- Use one or more of the quality assurance framework for facilities to help measure performance against best practice.
- Join local networks which encourage the sharing of good practice and promote continuous improvement.
- Set stretch targets and challenges to improve efficiency, encourage innovative ways of achieving them and monitor performance regularly.
9. Secure good procurement skills

- Develop a clear understanding of relevant government policies, competition principles and laws.
- Ensure there is a clear understanding of the overarching political principles which drive the policy of the council and LSP.
- Evaluate existing services and determine which are the highest priority for market testing, such as those with the largest budgets or those which are weakest against benchmarking data.
- Consult widely and share information to assist the process of preparing clear and accurate service specifications which meet the needs of the area.
- Design contracts which are fair and enforceable.
- Develop strong project management skills in senior managers in the commissioning team.

10. Ensure contract compliance

- Work in partnership with providers to ensure contract compliance and the delivery of the highest possible quality of service and value for money.
- Work closely with providers to sustain and improve services, engage in constructive performance discussions and deliver continuous improvement together.
- Ensure that there is a clear understanding about who collects which data on finance and performance in order to avoid duplication, and ensure this is shared at pre-arranged performance discussions.
- Use the performance evaluation findings to engage in constructive performance conversations, ideally by working to resolve issues or, ultimately, using agreed dispute procedures.

11. Make sound financial investments and ensure value for money

- Ensure that commissioning decisions are sustainable and provide sound investments to secure desired outcomes.
- Employ staff with excellent financial and resource management skills to ensure that commissioning decisions are affordable and are set within overall risk and assurance frameworks.
- Prepare robust annual, medium and long term financial plans that deliver agreed outcomes, complement strategic plans, track any variation in performance against plans and take remedial action.
- Develop performance measuring skills which will assist in focusing on outcomes and impacts and will demonstrate how culture and sport is contributing to priority local outcomes.

Understanding into action
Exercise 12: Build the competencies into the staff training and development programme for your team
See page 63
Commissioning is developing at a different pace in different areas and often at a different pace between services in the same area. Just as there are slightly different models between the government departments, so these are played out differently at local level. There are complications of two-tier authorities. There are different structures within LSPs, different council departmental structures, different needs and different priorities. So, it is a complex picture.

But it is important that those working in the culture and sport sector, particularly heads of service in local authorities and directors and chief executives of culture and sport organisations, are aware, understand and engage in the commissioning process.

The Beacon Scheme was set up in 1999 to reward and share best practice in service delivery throughout local government. The 'Beacon Councils' for strategic commissioning 2009/10 have summarised their achievements in a single page shown in this section – ‘messages not mysteries’. Despite the complexities, the key messages are clear.

The emphasis is on partnerships, collaboration and joint working for both commissioners and those who are providers and seeking to be engaged in commissioning. The process is outward looking, customer and community focused, innovative, efficient, effective and aspirational.

To recap on the complexities and simplicities of commissioning

- The commissioning cycle is a common process, but there may be slightly different words and pictures to illustrate this from different government departments.

There are levels, layers and textures!
• There are different levels of commissioning:
  ○ individual
  ○ locality
  ○ community (strategic)
  ○ regional
  ○ national.

• There are different roles, responsibilities and functions of the people involved in commissioning, broadly:
  ○ governance
  ○ management
  ○ commissioning
  ○ support.

• Local partnerships and individual organisations have different structures:
  ○ local areas have different needs and priorities
  ○ relationships are at different places and have different histories
  ○ there are different levels of innovation, attitudes to risk and opportunity
  ○ political priorities impact on the historical approach to service delivery and the developing approach to commissioning
  ○ civil society and the culture and sport sector varies in size, influence and impact.

But there is general overall agreement on the commissioning model and the principles involved.

And although it is complex, the ‘Beacon’ authorities for strategic commissioning 2009/10 summarised what they had achieved in a single page – ‘messages not mysteries’. (See diagram)
What Beacons have achieved (and how)
“messages not mysteries”

ANALYSE
we involve partners and users in defining needs and priorities
Beacons have a shared vision and understanding
we seek innovative and efficient ways to deliver solutions
consultation is the norm

TELL THE STORIES

REVIEW
we trigger change

TELL THE STORIES

PLAN
one man show collaborative effort
organisational benefit customer benefit

TELL THE STORIES

DO
we can do it? could you do it?

TELL THE STORIES

community receives community empowered

one size fits all tailored solutions

control and command devolve and incentivise

effective at any price? X economic at any cost? X efficient in value for money and public value ✓

this is what you get X what is it that you need? ✓

loudest gets most X quiet voices heard ✓

commissioner determines X customer empowered ✓

business as usual X up for change ✓

adequate professionalism X world class aspirations ✓

life chances unaffected X life chances improved ✓

Devon
Hackney
Wakefield
Westminster

Beacon Authority
2009-2010
Strategic commissioning
Part three: from understanding to action
9. Things that you can do to move this forward

Exercise 1: Find out about the other pictures of the commissioning cycle

Previous national models are worth referring to for background context:

• in health, housing and adult social care
• in children and young people’s services.


There may also be a locally developed commissioning model in the council or health service – check local websites to research these.

Time: you could access these documents in less than 30 minutes. You may wish to spend a little longer understanding a little more of the background.

At the end of this exercise you should understand the basic commissioning model and the various pictures and terms used.

Exercise 2: build the commissioning map for your area

Set up a small project team (in your organisation or with a group of other organisations) to build the map of commissioning functions in your area.

Visit the manager of the LSP for an overview and ask him or her to signpost you to someone in children’s services, adult services and the PCT or joint health unit. These are the largest areas of commissioning.

Meet with those contacts and gather information on governance, management, commissioning and support with names and contacts. These are general headings – they may be described differently in your area.

Collect structure diagrams and terms of reference and any other documents that explain how commissioning works locally.

Use the opportunity to find out their principles and priorities, how they operate and outcomes that are proving difficult or especially challenging to achieve.

Important tip! Use the opportunity to explore the work through the eyes of the people you meet who are commissioning services and don’t fall into the trap of trying to use this as an opportunity to promote yourself or your organisation. You’re researching not selling!
At the end of this exercise you should understand the culture and sport needs of the area, or the timetable for this to be undertaken and your potential role in this.

Share the learning in the team – what is the picture in your area? What have you learned about commissioning? Are there other people you want to follow up with in particular areas of activity?

**Time:** This research may take about four weeks to complete – by the time you have made contacts and set up meetings. Shared out between three to four people it should only take a half a day each, then half a day to digest and share, making about three days in total.

**At the end of this exercise** you should have a stronger understanding of how commissioning is operating in your area – the structures, systems, people and priorities.

**Exercise 3:** get hold of the existing needs assessments in your area.

Try the local council website or contact the LSP or policy unit in the council to ask for a copy of the JSNA as a starting point.

Study it – it might be very long and initially appear complex, but immerse yourself in it and think about it. There will be other needs assessments for children and young people. The Annual Report of the Director of Public Health is also a key document. Discuss them with colleagues and consider the broad trends and issues for your communities.

Where do you think you could make a contribution to better outcomes for local people?

Where do you think it would be best to discuss this, based on your understanding of the commissioning landscape?

**Time:** This will take about three days in total. As a group, you could agree to read and digest different sections and feed that back into a group discussion. It is worth spending a day or a couple of half days in discussion of what the information is telling you and where you might have a contribution to make.

**At the end of this exercise** you should have a deeper understanding of the needs in your area, including future trends. You will have identified some needs and outcomes where you could make a contribution.

**Exercise 4:** has the needs assessment captured community voices in a way that you think is real and powerful?

Does your organisation have particular skills to express community voices or have networks that can bring those voices forward?

For example:

Arts and cultural organisations have special skills in helping people to communicate how they feel, especially people who may not have language skills or access to the more traditional means of expressing their opinions.

Libraries and museums reach different sections of the community including mothers with young children, older people, new communities, communities of interest.

Sports organisations may reach sections of the community who do not engage in other networks, such as disadvantaged or disaffected young men or people of specific national or cultural heritages.
Communities are at the heart of the commissioning process. Could your organisation contribute to making the qualitative aspect of the needs assessment more powerful by amplifying the community voice?

If you think you can make a difference in the needs assessment, work on your special contribution and do some initial pilot work. Share your results with the most appropriate person – perhaps the children’s commissioner or the children’s trust and explore whether they would like to expand the approach.

**Time:** You may be able to draw on previous existing activities where you have been involved in giving a voice to a particular community or group. If you are keen to undertake new work based on pointers from the needs assessment, you may want to talk to those involved in commissioning first. There could be short or medium term responses.

**At the end of this exercise** you should have identified the potential for your organisation to contribute to the needs assessment by giving voice to particular communities. You may have discussed this with commissioners to determine their response and possibly be planning further activity.

**Exercise 5: do you know the specific culture and sport needs in the area?**

Work as a culture and sport team in the council to understand the profile of users and non-users in the area. Engage other civil society culture and sport organisations in the process of working out how specific culture and sport needs can be addressed, as well as contributing to the wider strategic needs. Culture and sport organisations should work with the council on this.

The governing bodies have survey data and market segmentation tools to assist with this.

**Time:** If there is an existing needs assessment relation to culture and sport or other research giving user and non-user profiles then this should be readily available. Study it as part of the broader assessment of needs. If not, you might wish to explore the local authority’s plans for this and how you might contribute to the process. Allow two days for this.

**At the end of this exercise** you should understand the culture and sport needs of the area, or the timetable for this to be undertaken and your potential role in this.

**Exercise 6: for those involved in procuring services: Each time you procure a service, are you opening up the process and thinking things through afresh? Or doing what you’ve always done?**

Map out the procurement you are likely to be doing in the next year and build in time to think through and plan these.

Research the practices of other councils, including the Beacons, and learn from them. Spend time researching, planning and communicating with others.

**Time:** This is a priority activity. Build in time to your work programme for this. This could involve, for example, allocating one or two days a week to this over a period of time.

**At the end of this exercise** you will be well on the way to improving your procurement and commissioning practices and building in continuous improvement. You should also be starting to experience the benefits of this through developing innovation and achieving better outcomes.
Exercise 7: for those seeking to be suppliers or providers of services:

This exercise could apply to council services, a contractor, a trust, a civil society organisation or a partnership of these.

• If you have followed through the earlier exercises of mapping the commissioning landscape and understanding needs, you should be in a stronger position to know what procurement exercises are coming up. As such, you should be able to contribute to soft market testing and the development of the specification.

• This is good and your input at stage one is really helpful. However you must not make the assumption that the contract is therefore yours for the taking. The process has to be fair and has to demonstrate value for money.

• So, do you know what’s on the horizon and can you have some input to discussions on these?

• Are you ready to tender – in general?
  • Do your trustees or board of directors understand the legal and financial implications?
  • Do you have all your basic ‘organisational health’ in place – such as governance, health and safety, safeguarding and equal opportunities policies, financial and performance management?

• Are you ready to tender – in particular?
  • You will need to qualify any potential opportunities to provide your services against criteria which enable you to bid with confidence of success.
  • Do you have the capacity to bid?
  • Do you have the right skills for this service?

• Would the commissioning landscape suggest that you might be better to create consortia or partnerships, to share skills and capacity and increase your offer?

• Talk to other local organisations about their plans and experiences and consider opportunities for collaborations (more on this in section five and six of this guide).

Time: As with commissioners, this is an almost continuous commitment which you and your organisation will need to devote time and energy to over a significant period. You might wish to draw up a schedule of how much time you and colleagues will devote to the different elements. Some of this is related to basic organisational efficiency and so is not an additional activity. Time spent building networks, considering new alliances and working with new and different partners may require a re-adjustment of roles, responsibilities and an evaluation of how time is allocated. This is about a medium to long-term investment of time. It is likely to take two to three months to work though this as part of your own business planning process.

Responding to an individual tender exercise is likely to take a minimum of a week and potentially several weeks, depending on the scale of the tender and the preparedness of your organisation.

At the end of this exercise you should have a plan as to how you will allocate your organisational time to engage in these processes.
Exercise 8: is your performance management system up to date and working for you?

Does your performance management system fit the local performance framework?

Have you started to measure your contribution to outcomes and well as outputs?

Are there specific measures relevant to some services which you need to learn or have people trained to use?

Take time out as a management team to review where you are.

The resource: ‘Making Performance Management work for Culture and Sport; a step by step guide’ provides practical exercises to help teams explore and improve, based around the six steps.

Weblink:
http://www.idea.gov.uk/idk/aio/11759787

Time: Again this is a continuous process. The training module identified above can be worked through in half a day.

At the end of the exercise you should have a greater understanding and awareness of performance management, ownership of performance measures, data collection processes and performance targets.

Exercise 9: what is the council or LSP strategy for building the capacity of the third sector?

Find out what the LSPs strategy is for civil society. Is there an up to date document and action plan? Who is the lead officer for this?

Who is representing civil society across the various partnerships? How do they communicate with others that they represent?

Are there posts funded in an umbrella body to support civil society?

Find out about what’s going on, what’s on offer and how you can connect with it. Are culture and sport organisations aware and do they understand the arrangements?

Time: The LSP should be able to advise on this. Allocate a group meeting look at the strategies, plans, activities and contacts and discuss how you fit in. Allow half a day to gather the information together and half a day to discuss.

At the end of this exercise you should understand the civil society arrangements in your area and be able to assess where you fit in or what you need to do to benefit from the arrangements.
Exercise 10: what additional capacity building needs are there for your organisation?

This exercise may either be lead by the local authority culture and sport services team or by organisations themselves getting together.

For local authorities – do you have networks and arrangements for regular communication and dialogue with culture and sport organisations? Do these arrangements need to be reviewed? Is there a plan to engage your civil society partners in the commissioning opportunities?

For culture and sport organisations – are your networks open and inclusive and do you communicate with others in the sector? Do these arrangements need to be reviewed?

Time: Initial review – one session of your team or group.

At the end of the exercise you should be clear of the need to continue or change the existing arrangements and have identified action which will take this forward.

Exercise 11: audit your partnership working

Undertake an audit of the partnerships you are involved in. Consider those you are not involved in – either directly or through some form of collective representation.

Draw up a table to identify your priorities and those which may be less of a priority.

Consider very carefully and in detail the collaborative arrangements you may need to make for representation and engagement with partnerships. Consider the Piisa framework also when doing this.

Build this into your business planning and allocation of organisational time.

Time: Your group could initially spend two to three hours on this exercise.

However, the implications of forming new alliances and collaborations are longer term and will represent a considerable investment of time to a potentially different way of working.

At the end of the exercise you should be clear about your commitment to partnerships, your priorities and those which are most effective. You will also be considering new alliances to enable you to participate more effectively in commissioning.

Partnership behaviour is part of the next exercise.
Exercise 12: build the competencies into the staff training and development programme for your team

Build the eleven competencies into your training and development plan. Not everyone will need all the competencies but the group as a whole should cover all competencies.

The competencies were designed to develop ‘world class’ commissioners but they are equally relevant to providers of culture and sport. They can be built into individual and organisational plans for continuous professional development. They can also be used as the basis of a skills audit to assess those competencies in any one organisation and those which might be needed to build through collaborative arrangements.

**Time:** Build into the annual planning for staff development and training and follow through with implementation of these plans.

**By the end of this exercise** you should understand the competencies in your group in relation to commissioning, the skills gaps and have begun to identify the programme to address these.
Sources of further information and support

This booklet has been distilled from longer articles and discussion papers on the IDeA website, as follows:

Improving strategic commissioning in the culture and sport sector: discussion paper
http://www.idea.gov.uk/idk/aio/9202272

Guidance paper 1: Needs assessment
http://www.idea.gov.uk/idk/aio/9531335

Guidance paper 2: Options appraisal, the business case and procurement
http://www.idea.gov.uk/idk/aio/9531339

Guidance paper 3: Building capacity in the third sector
http://www.idea.gov.uk/idk/aio/9531342

Strategic commissioning case studies
http://www.idea.gov.uk/idk/aio/9531345

Developing core competencies
http://www.idea.gov.uk/idk/aio/9531348

Strategic commissioning in culture and sport: events feedback
http://www.idea.gov.uk/idk/aio/11684804

Creating better outcomes for children and young people through improved commissioning of culture and sport
http://www.idea.gov.uk/idk/aio/14269000

Improving performance management for culture and sport: a step by step guide
http://www.idea.gov.uk/idk/core/page.do?pageld=11759526

Improving partnership working in the culture and sport sector
http://www.idea.gov.uk/idk/core/page.do?pageld=11694679

Building capacity in culture and sport civil society
http://www.idea.gov.uk/idk/aio/25802517

Other useful websites

Department of Health: world class commissioning home page

Commissioning Support Programme for Children and Young People – Essential reading list
Glossary of common terms

**Beacon status** – The Beacon Scheme was set up to share best practice in service delivery throughout local government. Themes are selected for each round of the scheme by government ministers. The themes represent issues which are important to the everyday lives of the public and reflect the main government priorities. Beacon status is granted to those authorities who can demonstrate clear vision, first class services and innovation. Strategic commissioning was a Beacon theme in 2009/10. The Beacon scheme has now ceased to operate.

**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.

**Commissioning** – This is 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.

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

**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.

**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)** – This is a duty for upper-tier local authorities and PCTs. It is a process which identifies current and future health and wellbeing needs of a local population, informing the local targets and priorities and leading to agreed commissioning priorities that will improve outcomes and reduce health inequalities.
**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.

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

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

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

**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.