



The Gateshead Commissioning Framework

**A guide to how Gateshead Council
will implement a commissioning
approach across all its activities**

June 2011

Contents

	Page
Introduction	2
Overview of commissioning	3
Assess: analysis and need	4
Plan and design	6
Commissioning and procurement route	8
Do or deliver	9
Review	10

Introduction

Gateshead Council, as part of its Fit for Future Programme, is introducing a corporate Strategic Commissioning approach to the design and delivery of its services.

The commissioning role of the Council is becoming more important. Not only is there a need to ensure that public authorities are getting value for money, but because at a time of reduced funding, there is a need to ensure that the Council, and its partners, are focusing on the right things, and are aligning resources to meet priorities. Commissioning enables us to achieve this.

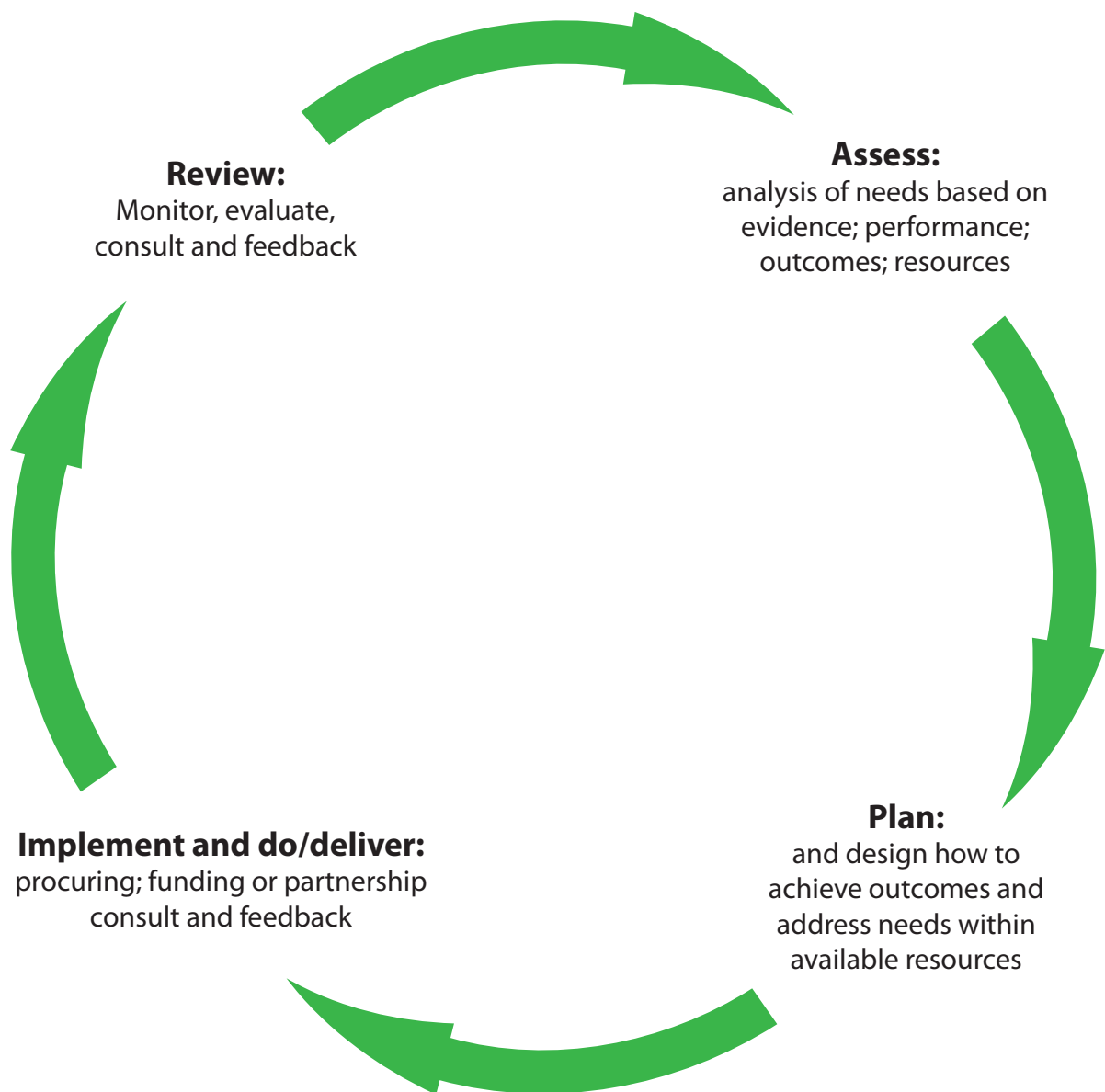
This framework sets out how the Council will undertake commissioning, to deliver its Corporate Commissioning Strategy adopted in December 2010, and to support the Gateshead Compact, adopted in April 2010 and the commitments on commissioning it includes.

This framework provides a step by step guide to how to undertake commissioning across all of the Council's activity. Although we have talked to partners about this approach, we have more to do around the different commissioning approaches which currently exist across partners.

Overview of commissioning

The Council defines commissioning as: “the identification and assessment of need and the developing of policy direction or selection of the most appropriate delivery mechanism by which to satisfy need in a cost effective way. It incorporates a whole service approach to the design, management, prioritisation, delivery and monitoring of a service and is an ongoing cyclical process.”

At its simplest, commissioning follows the cycle below:

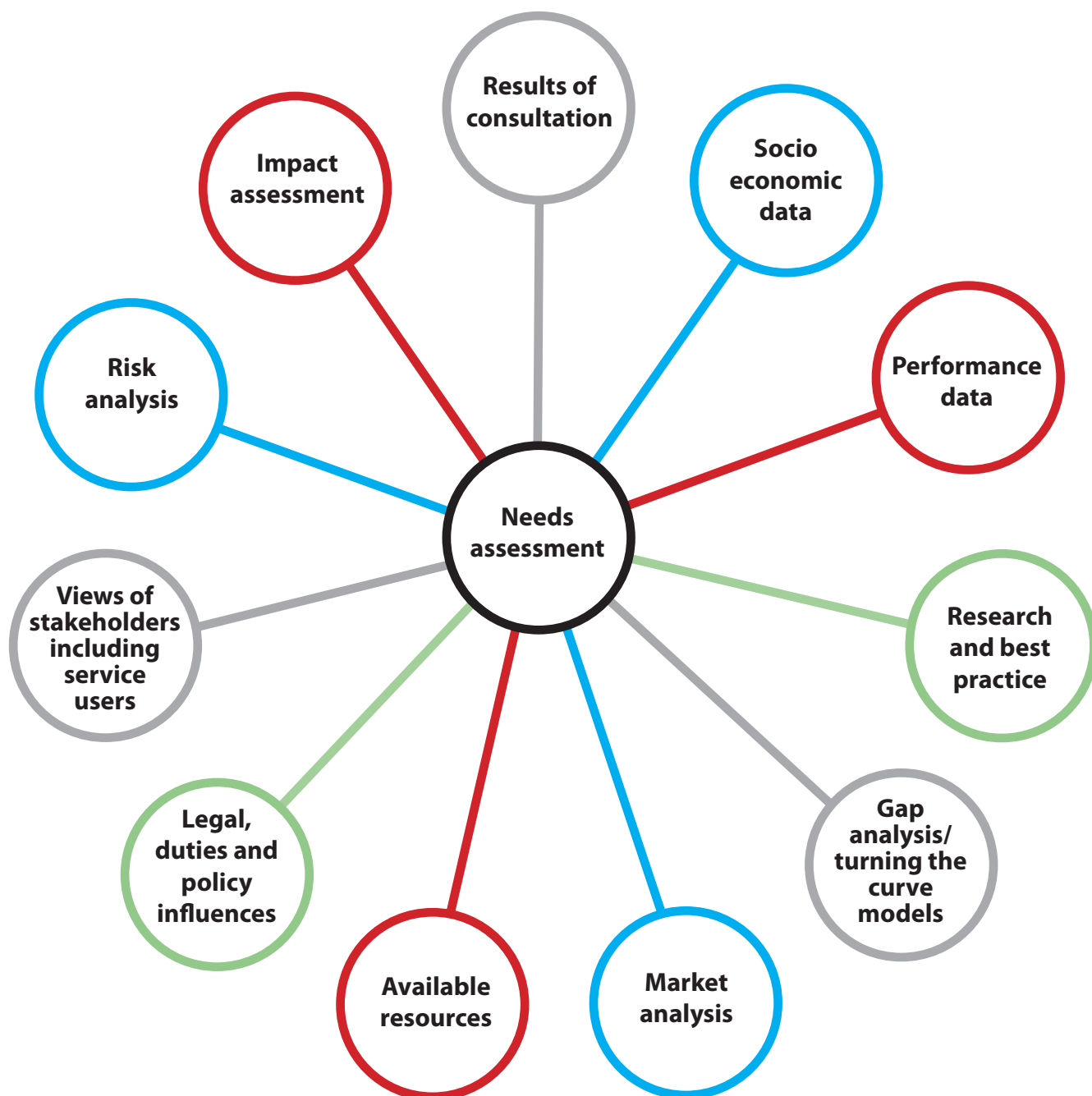


Assess: analysis and need

This stage is about understanding needs and aspirations of citizens, communities and service users and using the intelligence we have on socio-economic data and performance to build up a picture of current and future needs.

The following are all important parts of needs assessment, which can be undertaken at a variety of levels.

The Council, and the Gateshead Strategic Partnership (GSP), will provide annual strategic needs assessment outlining the key challenges facing Gateshead.



- Needs assessment is much more than collecting data. It needs to address all the 'spokes' in the analysis wheel outlined above
- This element of the commissioning cycle must be driven by a strategic lead, making use of a range of corporate support available such as GENIE, strategic assessments such as the Joint Strategic Needs Assessment, Economic Assessment, Child Poverty Needs Assessment and Safer Gateshead Strategic Assessment. The use of evidence to identify need is an increasing priority, and this needs to be a major factor throughout the commissioning cycle.
- Engaging partners, users and providers is vital element the views of users and potential providers is an essential element in the needs assessment – what do people think about a service, and how it might improve?
- Transparency and publication of this information is important – to enable customers, users and providers to see on what basis we are taking decisions on commissioning, so we need to think about how we will present this information and avoid it being a long list of information.
- Legal requirements/issues are a key driver – what we need to do, and how we might do it, are often governed by duties and legal requirements, and we need to be clear about these as they impact on the options we might have going forward.
- Applying tests of affordability and cost-effectiveness, including an assessment of the available resources is important at this stage to ensure that an accurate and realistic view of needs is being taken.
- Future proofing – it is important to not just look at current intelligence but also future trends when thinking about needs. – what trends such as population might have an impact in the future?
- Understanding the potential impact of commissioning decisions is important, and it is good practice to build in a range of impact assessment activities at this stage – including a focus on Equality Impact Needs assessment and Health Impact Assessment. The Council is currently looking at how these approaches might be drawn together into a Comprehensive Impact Assessment.
- We need to be able to ensure that this stage is not a lengthy and time consuming process, and that we have a consistent approach to the use of tools such as Outcomes Based Accountability which can provide a quick way of understanding the data, context and starting to identify solutions.

Plan and design

This stage is about analysing how available resources can best be used to meet the needs identified.

This stage involves the following:

- **Analyse existing services and potential service providers**
 - Map services against outcomes, needs and resources attached to each service - include those delivered by all providers (including statutory, voluntary and community sectors)
 - Analyse service information to identify correlations, overlaps and gaps in service provision: have we got a good picture of how this service or area fits with others?
- **Set priorities**
 - Use the findings of this assessment of need to set priorities. These should be based on evidence through for example National Institute for Health and Clinical Excellence Quality Standards, Guidance and evidence. If there is little or no current evidence supporting the proposed activity, then evaluation should be built into the proposed commission.
- **Identify resources**
 - Identify resources that are available
 - Identify external resources that could be utilised eg. external funding
- **Agree commissioning recommendations**
 - Make recommendations about service delivery - all recommendations must be based on improving outcomes, and all recommendations must be evidence based
 - Consider procurement / contractual requirements for service delivery
 - Consider the impact of the recommendations and where else they will impact – what other outcomes and needs will be affected by the recommendations
- **Identify potential cross cutting issues**
 - Contact relevant agencies and services and other commissioners where there may be cross cutting issues
 - Work with other commissioners to determine whether an issue/priority can be progressed jointly with a partner organisation
 - Set out arrangements for progressing jointly
- **Use all the above to produce a draft commissioning priority or intentions plan**
 - Identify the outcomes you want to achieve
 - Provide an outline of your assessment of need, based on the work in stage 1, and focusing on the evidence supporting the planned interventions
 - Identify your priorities – linked to outcomes: what do you want to achieve?
 - Identify the resources available
 - State your recommendations and their impact, including the outcomes of Equalities Impact Needs Assessment
 - Outline if any shared / cross cutting issues / priorities have been identified – how does what you are doing impact elsewhere and who else needs to know?

- **Share information with stakeholders**

- Share your Strategy or plan with key stakeholders
- This may include existing providers and potential providers
- Whatever information is shared, it must be done in a way that is appropriate for the audience

There are essentially three choices available to commissioners on how to proceed:

1. Design a new service
2. Redesign an existing service
3. Cease an existing service, having assessed the impact of terminating the contract

And three main choices on models of delivery;

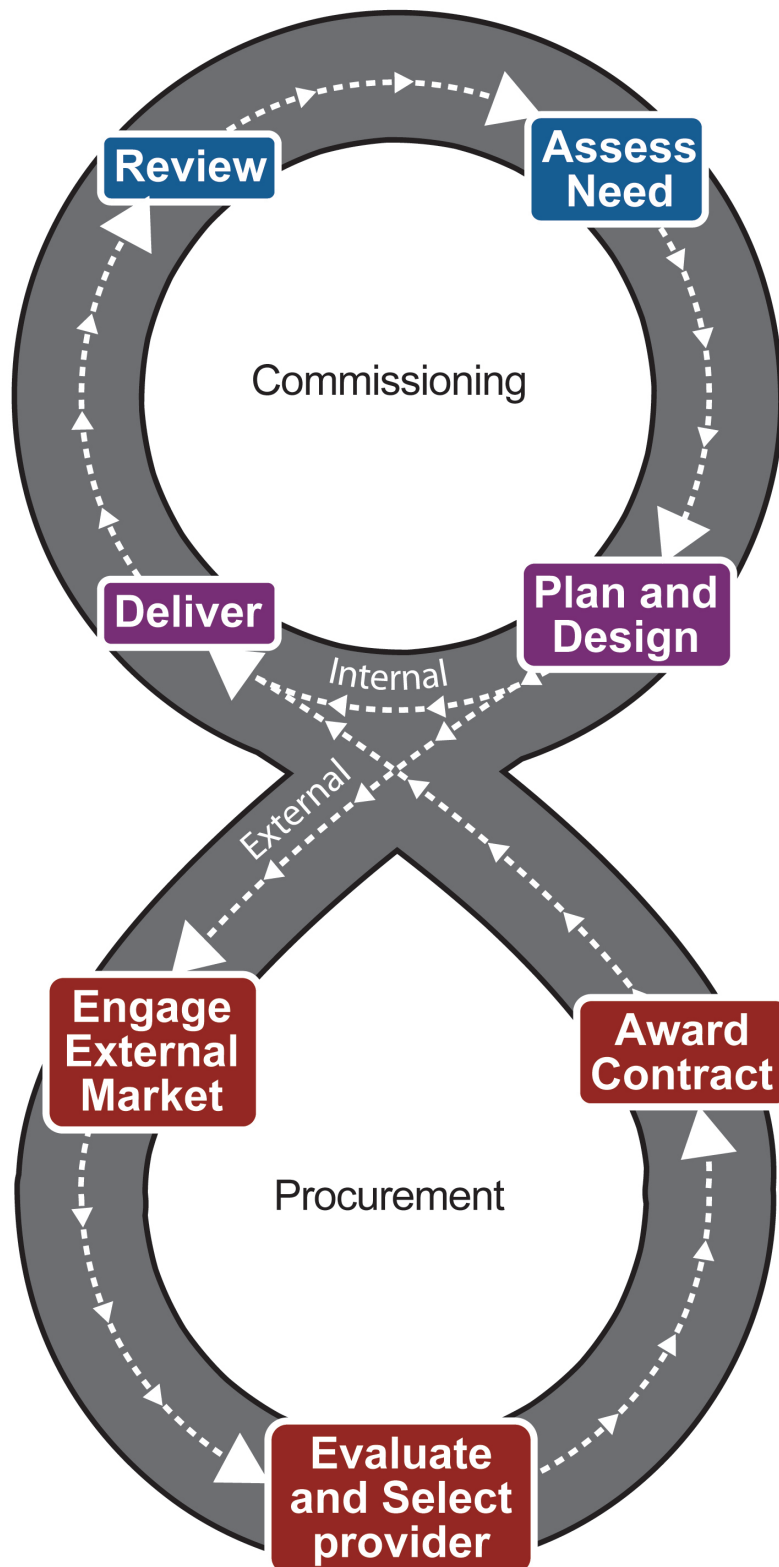
1. In house provision
2. A full competitive procurement exercise
3. A different arrangement such as grant funding an existing organisation; partnership; joint venture.

If it is decided that a service needs to be procured or acquired through a competitive process, then the procurement cycle applies – see overleaf.

Each of these options must be considered in the context of the commissioning cycle, and it will be necessary to justify why an option has been taken.

Any activity must take into account the potential future requirements of a procurement exercise, and it is therefore important to involve Corporate Procurement at this stage to help design the options that might be available for delivery at an early stage.

Commissioning and procurement route



-  Group led
-  Corporate Procurement led
-  Group and Corporate Procurement work together

Do or deliver

This stage is about implementing planned services, project and activities, once the method of delivery has been agreed.

There are four key steps

1. Draw up the service specification in detail

- Identify funds that are available and discuss options around aligning and pooling budgets and collaborative contracting / procurement if appropriate – this is the opportunity to identify any innovation or efficiency gains as part of the process
- Identify options for sharing staff / building space – what options are there for sharing
- A checklist for service specifications will be developed to support this process.

2. Award contracts/develop service level agreement

- Agree which agencies will/not deliver services
- An open and transparent decision making / award process
- Share appropriate information with stakeholders in a way that is appropriate for the audience

3. Manage and review contracts to ensure quality

- Ensure effective monitoring resources are in place to monitor quality, including the use of quality audits and monitoring visits where necessary. This may mean looking again at ICT systems for holding information on contracts
- Ensure that this information is collected, recorded and shared with commissioners to impact on future commissioning.

4. Report on progress to stakeholders

- Provide timely information on progress through partnership structures, to members and to senior officers

Review

This stage is about monitoring and reviewing performance and impact against the outcomes specified and seeking continuous improvement.

It includes:

1. Pro-active outcome monitoring and managing

- Analysing information and intelligence as it becomes available to support decision making
- Quality assurance and feedback – effective management information

2. Consulting stakeholders, users and providers

- Continuously seeking feedback from users and providers on the process, outcomes and any unintended consequences of the commissioning process

3. Identifying implications for future commissioning activity, including the balance of the provider market

- Determine the rate and nature of new entrants to the market – what's changed? Are there now more possible delivery options?
- Encouragement of new entrants to the market – do we need to do more to encourage a greater range of providers?
- Understand the innovation provided by existing providers – where does it make sense to try and develop the market further and when doesn't it?

4. Use innovation to drive greater choice and sustainability

- If the activity was new and innovative, we need to undertake an evaluation to learn lessons for future commissions
- Innovation to develop new, reduced cost solutions – could we partner with another authority? Is there anything else we ought to do to reduce costs? Could this be commissioned at a regional or sub regional level?

5. Developing action plan for continuous improvement

- What aspects of the process would you change for the next time?