



Mixed Economy of Commissioning Approaches

In Shropshire we understand that there is a 'mixed economy' of commissioning activity and whilst the principles adopted remain the same the nature, scale and range of the outcomes achieved may be different. We will apply the approach (or approaches) which will be most effective in securing the outcomes desired for any commissioning project.

This mixed economy consists of:

- Strategic Commissioning - The overarching framework for commissioning.
- Joint or Co-Commissioning - Working with public sector and other partners to commission shared, or common, outcomes.
- Locality commissioning – At times commissioning may be best carried out at a neighbourhood or community level to reflect the particular issues important to its residents. Locality commissioning also gives us the opportunity to prototype solutions which can then be applied across the county if successful.
- Outcomes or service-based commissioning – Sometimes the commissioning of a particular set of similar or linked outcomes may be best carried out a county or even at a sub-regional level. The approach will still reflect different local individual and community needs.
- Individual commissioning – With the introduction of personal budgets individuals are making choices about how they spend funding based on their needs.

It is important to note that any of these approaches can complement or work well in combination with other approaches – it is the outcome achieved which is most important.

For example, following a locality commissioning project there may be the opportunity to prototype a new way of working for a particular type of service or to deliver an outcome in a new way. The prototype will show whether this new approach can work more effectively and whether it could be 'scaled up' to operate across a larger geographical area or with a wider group of people. In addition it may also demonstrate that outcomes can be achieved more effectively by commissioning jointly with another partner. So as a result of a locality commissioning approach we could end up commissioning a redesigned and more effective service across the county jointly with a public sector partner.

The different approaches noted above will now be explored in more detail:

Strategic Commissioning

Strategic Commissioning is the process of identifying needs, developing policies and designing solutions as well as stimulating and managing a diverse local market of high quality providers from whom we can source solutions to best meet those needs, within available resources.

Strategic commissioning follows the commissioning cycle and includes the same logical process but is concerned with whole groups of people, including:

- assessing the needs of a population, now and in the future
- assessing the resources available to help meet needs which will include public, private and community owned assets, workforce, volunteering capacity and financial resources
- setting priorities and developing commissioning strategies to meet those needs in line with local and national targets
- securing solutions to deliver the identified outcomes and priorities to meet those needs
- monitoring and evaluating outcomes
- consulting and involving a range of stakeholders, service users and communities in the whole process.

Put simply, strategic commissioning will enable the council and its partners to develop and secure solutions that will deliver the priority outcomes set out in their strategic plans.

Joint or Co-Commissioning

These phrases are used interchangeably and can simply be described as when two or more organisations buy or commission together. Joint commissioning can help us to achieve greater efficiencies for the public purse through combining commissioning resources, increased buying power and reducing the risk of duplication or unintentional consequences.

Previously 'joint commissioning' has been undertaken between the council and the NHS and joint procurement has been undertaken with other councils. Increasingly a range of organisations across the public (including town and parish councils), private and voluntary and community sectors commission services; in order to get the greatest public value for money we will need to maximise the amount of commissioning and procurement we undertake jointly with these other organisations and groups. This may involve creating new structures to deliver services with other organisations and across local authority boundaries.

We work with potential joint commissioning partners strategically (eg the Health & Wellbeing Board) and operationally (eg with the NHS during discharge of a patient from hospital or with other councils on rough sleeper and homelessness issues). Such close working gives us the opportunity to consider and analyse information about how effective current structures and services are through performance information, customer feedback, customer needs, providers, etc. Through undertaking this analysis together we can build up a picture of what works well, what doesn't and what gaps there may be and from there jointly identify priorities for commissioning.

Any joint commissioning should meet outcomes for all parties and is most effective when shared outcomes are the basis of commissioning. It is important that we understand who our key partners are and then to work closely together to understand where outcomes and priorities are aligned.

It is equally important that we align our commissioning and procurement processes as closely as possible with partners in order to reduce costs and complexity for commissioners and providers. This will include where possible pooling or aligning budgets, common contract specifications, aligning

existing contracts and commissioning intentions, sharing procurement and contracting resource and agreement on sharing financial savings.

Outcomes or Service Commissioning

This is probably the type of commissioning that we are most familiar with and is a similar approach to that described in Strategic Commissioning. It follows the commissioning cycle and includes the same logical process but is concerned with particular groups of people, communities or outcomes, including:

- assessing the needs of a particular group of people or a community, now and in the future
- setting priorities and developing commissioning strategies to meet those needs in line with local and national targets
- securing solutions to deliver the identified outcomes and priorities to meet those needs
- monitoring and evaluating outcomes
- consulting and involving the key stakeholders, including service users, communities and providers throughout the process

However, we should ensure that 'services' are not commissioned in silos and that commissioners are outward looking at all times in the commissioning process. A continual focus on outcomes for the customer will prompt commissioners to consider who else needs to be involved in any commissioning programme in order to most effectively and efficiently deliver the required outcomes. There will be learning from locality commissioning projects that will inform service commissioning on an area-wide, countywide or regional basis. Commissioners should ensure that they are aware, through consultation and engagement with stakeholders, including other commissioners, of any potential impact of their commissioning approach and to take steps to minimise adverse consequences.

Locality Commissioning

As Shropshire Council becomes a 'commissioning' council, we will be working closely with communities to find out what is important to them, and looking to make sure services focus on what we've been told. We want to ensure that services can better complement what is already happening in each community and can be custom-built, as far as possible, to each community's needs.

Currently many services are delivered directly by organisations such as the council and health bodies. However in future they could be delivered by a wider range of organisations in each community, with those who know their communities best, the community leaders, at the heart of the work. Through locality commissioning we aim to better understand what a community needs and ensure that the best placed people are providing services.

The approach involves working with town or parish councils, voluntary and community groups, organisations providing services and everyone living and working in each area. We will use statistical data, financial information and people's real-life stories to find out what goes on in an area, how much time, effort and money is being spent and what is important to the people who live there. We will aim to maximise the use of all the public sector and community assets including buildings and land, financial resources, people, skills and expertise. We will look at what it's like for customers using services in the area, where there is duplication or where services overlap, such as

organisations visiting the same street to do different jobs, whether the way services are currently delivered is the best use of time and money and where improvements could be made.

With the leadership of local Shropshire councillors, people and organisations involved in all aspects of each community will be called upon to share information and ideas on opportunities for working together in different ways which get the most out of the expertise, funds and resources in each area. Where appropriate, we will create a local governance structure to support this wide community involvement. Councillors, voluntary and community groups, organisations providing services and everyone living and working in each area will know what people really need. They are therefore best placed to make decisions about the best way to ensure we do the things that really matter in a way that people value.

We recognise that we can work better with our partners to ensure, as far as possible, that services fit each community and its particular needs and challenges. We also recognise that we cannot stay as we are if we want to maintain the quality of services for people in Shropshire. This approach, alongside others such as the setting up of Shropshire Council's new trading company, ip&e, means we can face the challenges of the current and future economic climate, as well as increasing demand from a growing number of people. At the same time residents and visitors can continue to benefit from good services. By looking at new ways of working and making changes based on this work, we aim to make sure that different organisations in each area work better together, services don't cost more than they should, are delivered by the best people to do the job and support local jobs and economic vitality.

Individual Commissioning

With the introduction of personal budgets individuals are making choices about how they spend funding allocated to them based on their needs. 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.

With this in mind the council's role will be to ensure that there is an adequate supply of high-quality, cost-effective providers who are able to help individuals to meet their care and support needs. In order to achieve this, the council will engage with the provider market to understand what information it needs to be able to respond effectively to demand from individuals making their own commissioning decisions in the future. This can include sharing data and information about the choices that people make (and why), future demographic trends and known changes in terms of legislation, policy and regulation.