



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.
- 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. 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.

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.