

Worcester City Council Commissioning Framework

1. What does Commissioning mean for Worcester City Council?

The budget challenges facing the Council in coming years require a radical re-thinking of our approach to Service delivery. It is clear that efficiencies alone will not be sufficient to meet local communities' needs in the context of sharp reductions in funding. By adopting the principles of commissioning the Council can use the process to re-think the fundamental purpose of public service, to focus on outcomes that support place shaping and to consider the roles of individuals, communities and the Council in meeting individual and collective needs.

The Council now needs to be clear about what commissioning means in Worcester and the practical things we are going to do. A simple definition of strategic commissioning was provided by local government practitioners for the DCLG:

"making the best use of all available resources to produce the best outcomes for our locality"
Source: DCLG 2011

The Council has clearly set out in the Corporate Plan its aim of being an enabling Council with services delivered by the best provider. We have also identified a cross cutting theme of commissioning quality services. This framework defines what this means for Worcester City Council and how we will implement a commissioning approach.

2. Commissioning Cycle

Commissioning is a continuous and cyclical process of analysis, planning, implementing new services and monitoring their effects.

The commissioning cycle we are proposing to use is a four step, iterative cycle of **analyse, design, implement, review**. This requires various policy making activities to be undertaken including a needs and gap analysis, consultation and the identification of intended outcomes. These policy making activities help us to define what we want to achieve and what needs to be put in place to deliver on this ambition. It helps us to understand why we are commissioning through analysis which defines both the now and the ideal future outcome.

Having identified the outcomes we then need to consider how and make a decision on sourcing. In this framework the word sourcing is used to describe the process of deciding how to organise the delivery of services and outcomes.

3. Definition of Commissioning

From the above our definition is that:

Commissioning = policy making + sourcing

Through this approach commissioning can become a business planning and business management tool for the Council, combining policy making with the design of new service models and their implementation.

4. Policy making

The initial focus for our Commissioning will be on analysis of key data. The Council will use statistical profile information, along with service performance data, financial analysis, customer intelligence data including results from customer surveys and consultation. In brief it will encompass analysis of need, capacity, assets and resources, capability of the market, agreeing priority needs with partners and defining outcomes to meet those needs.

In the design stage we will undertake gap analysis, consider how and what level of stakeholder engagement is appropriate, design services and develop a sourcing plan.

5. Sourcing Policy

The Council has set out its aim to be agnostic about providers. To decide **how** we deliver in a way which way which is truly provider neutral we need a sourcing policy which informs the decision on how to organise the delivery of services and outcomes. Once the Council has decided the outcomes and objectives they want to achieve we have to consider the best mechanism for achieving these goals. Sourcing can be defined as:

"Identifying, evaluating and implementing the most effective delivery models for securing strategic objectives"

The main sourcing options are:

Make	Buy	Share	Divest
<ul style="list-style-type: none">• In-house transformation• Arms length company	<ul style="list-style-type: none">• Outsourcing to private sector• Outsource to third sector• Private sector joint ventures	<ul style="list-style-type: none">• Shared services• Shared management• Public sector joint ventures	<ul style="list-style-type: none">• Transfer to community• Mutualisation• Devolve to parish• Closure

Sourcing has to be understood as a fundamental part of the strategic commissioning process. In practical terms it challenges us to consider the following key questions:

- How many of our current arrangements for service delivery are delivering what we need now?

- How many services are best in class?
- How many are truly as effective and cost efficient as they could be?

At the strategic level it drives questions about how we configure services to meet customers' needs and shape the future of the City and how we need to change organisational structures and direct expenditure to deliver on our vision for the future.

6. Priority Setting

An initial high level evaluation of current service delivery has already been undertaken against the following headings:

Must Do	Things we are required to provide, debate here is at what level do we want to provide services, linked to how delivery impacts on the priority outcomes
Should Do	Things that have a real impact on improved outcomes and if we didn't it would detract from the vision
Nice to Do	But do not positively contribute to the vision and priorities, may provide opportunities for de-commissioning

This exercise provided an indicative rough guide to those areas where we should consider commissioning. The high level marking undertaken scored service delivery against the criteria set out in the table below. Further analysis and evaluation will be undertaken as part of the commissioning process to bring together the evidence needed to evaluate the appropriate route for commissioning individual areas of service.

Criteria	Score (High, Medium, Low)	Weighting
Spend		
Potential savings		2
Service Quality		
Strategic Significance		
Market Maturity		2
Customer Views		
Risk vs Reward		

Given the current challenging financial context it is likely that in the first three years at least the Council will need to give higher weighting to the potential for savings and the market for services in this evaluation. The initial list below represents a significant proportion, £5 million of the budget and therefore offers greatest potential for delivering the level of savings required:

- Leisure – Sports Centres
- Waste collection and grounds maintenance
- Museums
- Revenues and Benefits

Commissioning is an iterative process and we propose that the approach we develop will be flexible and will develop over time in response to learning from completed commissioning work, changes in the external context, in response to stakeholder feedback and on the back of the review and performance management of commissioned services.

7. Commissioning Framework

Section two above set out the commissioning cycle, in this section the four elements of the process , analyse, design, implement and review will be defined in more detail.

The table below sets out the key activities which may be undertaken at each stage of the cycle in terms of both the policy making and sourcing activities. The approach taken will be proportionate to the service, not all activities will be carried out in every case.

Phase	Policy-making	Sourcing
Analyse	Understanding the current service Understanding need Identifying priorities for action Defining expected outcomes Researching alternatives	Analysing the market Researching alternative service delivery models
Design	Gap analysis Service design Customer engagement	Market engagement (where required) Option appraisal Sourcing plan Developing specification (if required)
Implement	Arranging services Capacity building	Implement sourcing model Consultation Deliver to users
Review	Review performance Review impact Benefit realisation	Contract governance Contract management Contract refinement & adjustment

It should be noted that the focus for information gathering will vary dependant on the service being considered and the availability and quality of core data. Throughout we will be making use of data already held, and only undertaking new activity to gather data where it clearly adds value and can deliver results quickly and without excessive use of resources.

There is a need to move at some pace to deliver the savings required and to meet the financial challenges ahead, the Council does not have the resource to support extensive and lengthy processes of information gathering. The emphasis will be on having enough information to support effective and timely decision making. This will be a pragmatic approach, not a complex and time consuming process.

A range of tools and checklists will be delivered to support services in their commissioning activity in the coming months. The Council already has in place a project management methodology which will provide support to ensure commissioning projects are delivered successfully.

8. Conditions for successful commissioning

Commissioning will be challenging and should be treated as a transformation programme. Transformational commissioning projects should be underpinned by a sound rationale, and be founded on a sound financial business case. Innovation should be fostered and encouraged.

A recent SOLACE Publication identified the following as the conditions for successful commissioning:

- Sound shared methodology
- Organisational competencies and capacity
- Clarity on sourcing policies
- Challenging scope
- Change and programme management – support to deliver effective projects
- Co-production and insight – engaging customers, customer insight and intelligence
- Space for innovation
- Evidence and logic
- Political leadership
- Financial realism

There are clear links here to the Council's ambitions for transformation. In essence the policy making processes described above supports not only commissioning but also provides challenge and the evidence base to support and direct transformation in service delivery. This framework is designed to ensure that it is an effective tool for strategic planning and business management.