Good commissioning: principles and practice

Commissioning Support Programme

Type of paper	Commissioning Support Programme paper introducing the essential characteristics of good commissioning in children's services
Primary audience	Directors of children's services, chief executives, lead members of children's services, strategic commissioners, children's services managers (across all children's trust partner agencies, such as the PCT, youth justice and schools), children's services providers
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Commissioning Support Programme

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Introduction

Commissioning continues to be seen as an important process for securing better outcomes and meeting increasing budget pressures.[1,2] * Commissioning is all about the most effective and efficient way of using all the available resources to improve outcomes for children, young people and their families. At a time when many commissioners are looking for efficiency savings, the principles of effective commissioning described in this book become even more important.

In the future there is also likely to be greater variation in local authority areas due to a reduction in externally imposed measures and a greater emphasis on localism. This makes it even more important that local leaders, including directors of children's services, chief executives, elected members, GPs, head teachers and others, come up with an overarching strategy that is an agreed framework for how best to spend available resources in the public interest.

All of those who provide children's services across the system have been steadily adopting the commissioning process as a way of improving children's lives. And many are making real progress.

The challenge is to mainstream commissioning in all services, professionalise our workforce, and ensure that services are radically redesigned around children and young people. This will mean rapidly increasing capacity and capability, but before we can do that we need to have a shared understanding of how commissioning can improve standards of delivery.

This document describes the sector's view of good commissioning. However, commissioning does not stand still and in some localities leading-edge practice may have advanced beyond what is described here. It is a core part of the Commissioning Support Programme's remit to ensure that we continue to discover and share emerging practice. This document is designed to help leaders, commissioners, providers and the communities involved in children's services to develop a shared understanding of commissioning and the essential components that make it work. We have grouped these components into three categories:

A Commissioning governance and framework

B Commissioning activity

C Commissioning capacity and competencies.

It should be noted that whilst this document is primarily about children's services the concepts and principles are equally applicable across local and central government.

Public sector commissioning is maturing and the components set out here are distilled from the many documents, guidance and tools that are converging from across public services. The Commissioning Support Programme has decided not to repeat those documents here but to set out the key components simply, with additional text and linked resources. All the information has been thoroughly tested and is based on best practice from across children's services. [3, 4, 5, 6, 7]

The information published here is consistent with the approach used in the self-analysis and planning exercise that the Commissioning Support Programme facilitated with the involvement of each children's partnership board (trust board*) to set organisational development priorities for strategic commissioning.

The Commissioning Support Programme and national and local partners are developing a range of other useful resources, including:

- A to Z of Commissioning – training materials which provide more detailed discussion of the concepts explored in this document
- Commissioning Support Programme case studies, which describe the latest good practice in commissioning especially to do with outcomes and efficiency, the voluntary and community sector and schools
- Research, evaluations, case studies and tools from a range of organisations working on commissioning, including the Centre for Excellence and Outcomes, Local Government Improvement and Development, NHS Institute, National Council for Voluntary Organisations, National Programme for Third Sector Commissioning, Children's Workforce Development Council and individual children's partnerships
- Commissioning Support Programme online e-book, which presents papers, ideas and case studies written by commissioners themselves
- Online discussions and networks, where good practice and information is shared by members of the Commissioning Support Programme website.

* Throughout this document, superscript numbers refer to resources listed on page 22.

†The statutory requirement to have a Children's Trust Board is under review

These resources are all available on the Commissioning Support Programme website. Visit the resource bank at: **www.commissioningsupport.org.uk/resource bank.aspx**

Registered members of our website, **www.commissioningsupport.org.uk**, will be able to participate in dedicated online groups to explore and develop the thinking in this document, based on their experiences and emerging practice.

Notes for the reader

References to 'children's services' apply to the fullest range of services including child health services, schools, social care, youth services, leisure, youth justice, Jobcentre Plus and other services delivered by organisations from all sectors.

Children's services in different localities are starting from different positions and there will be local variations to meet different needs.

We refer to commissioners working at all levels in the local system.

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What is commissioning?

The Commissioning Support Programme has reviewed a range of definitions of commissioning and developed the following to apply to commissioning by all who provide children's services across the system within a framework of cooperation as agreed by local children and young people's partnerships:

'Commissioning is the process for deciding how to use the total resource available for families in order to improve outcomes in the most efficient, effective, equitable and sustainable way.'

Commissioners are not just those with 'commissioning' in their job title, but include all those who work within the children's services system and actively contribute to the commissioning process. They might be in a strategic role, helping to develop a local commissioning framework, in a procurement role as a local resource holder, such as a cluster manager for a group of schools, or in a role shaping the strategy for the children's workforce.

The important thing is that there are lots of resources across the organisations that make up local children and young people's partnerships (i.e. the whole local system of cooperation between partners, including local authority children's services, children's health services, schools and colleges, youth justice agencies and others), which can be deployed in the best way possible to improve outcomes. Another way of putting it is depicted in figure 1 below.

iStockphoto: Richard Aloplanalp

Figure 1. A graphical definition of strategic commissioning

A. Commissioning governance and framework

1. The commissioning process

There are many different descriptions of the commissioning process, often reflecting specific local circumstances. At the most fundamental level, commissioning is about ensuring that services are designed around improving outcomes for children and young people. Effective joint planning and commissioning can necessitate new partnerships, the redistribution of power towards the user, strategic understanding of how all outcomes in the local area are met, and a more commercially minded approach to procurement – all focused on the child, young person and family.

It is important that all who provide children's services, across the system, have a shared vision for local commissioning. Many children and young people's partnership boards have sought to encapsulate their shared vision in a framework that includes commissioning principles or standards, the links between commissioning and other strategic plans, how commissioning will operate at different levels and in different service areas, and how governance will work through strategic plans.

Below we set out the basic stages in any commissioning process. It doesn't matter which model or process local partners choose to follow as long as:

- all partners agree on the process and understand it
- the process covers some form of understanding needs and planning, investment (funding, staff, training, etc.) against this plan and review of the efficacy of this investment

Below we set out the Commissioning Support Programme's approach to commissioning which is based on a wealth of research and good practice from across the sector.

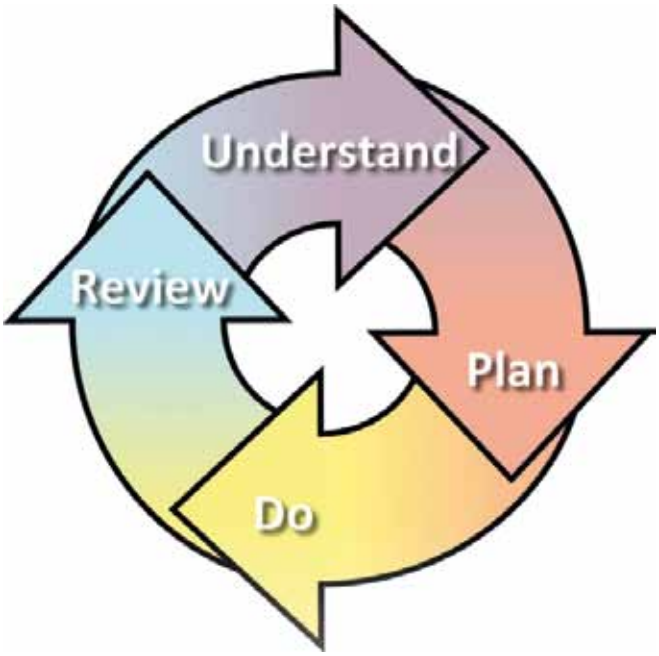


Figure 2. The Commissioning Support Programme's approach to commissioning

Understand

Recognise the outcomes you want to achieve, identify local needs, resources and priorities and agree what the desired end product should be. This involves gathering the views of service users (children, young people and their families) so that services can be configured most appropriately to address their needs within available resources.

Providers are a key source of information and insight in this phase. Their views of the needs of children, young people and families should be included, as well as their insight into what types of services and service configuration may be most appropriate in response. This should take into account – and inform – other needs assessment processes, especially the joint strategic needs assessment between the local authority and local health bodies.

Plan

Map out and consider different ways of addressing the needs identified through the needs assessment above. How can they be addressed effectively, efficiently, equitably and in a sustainable way? Optimal use can then be made of available resources regardless of who invests them. Providers should be involved at this stage to add their expertise to the discussion. (This corresponds to strategic plans being agreed between members of the children and young people's partnership board.)

iStockphoto: Jani Bryson (top)

Commissioning strategies should reflect the full use of resources:

- finance
- the workforce: what shape, skills or training might be needed? How should markets be arranged and incentivised? This should be informed by – and inform – the range of other local workforce plans.
- facilities: what needs to be in place and where? This may include co-location of services or resources, bringing together universal and acute services where appropriate, making use of existing community buildings or running a school competition.
- families and communities.

Do

Make investment decisions based on the appropriate action identified in the 'plan' stage to secure delivery of the desired service or services. (Partners within the children and young people's partnership will implement commissioning strategies.) This may be in full partnership or through informal cooperation with individual partners undertaking activities aligned within the agreed plan. This investment can be in any or all of the areas of planning set out above.

Review

Monitor service delivery against expected outcomes and report how well it is doing against the plan. This is in effect asking, 'Did our 'do' phase deliver on the 'plan' we put in place to deliver against what we 'understand' to be the needs?' Part of the review role should include considering whether the strategic plans are addressing identified needs and monitoring whether all partner agencies are acting in accordance with the commitments they made. The review should feed into the next phase of commissioning as it is a key source of information for the 'understand' and 'plan' phases.

Commissioners should actively seek to involve service users at each commissioning stage so that they become co-designers and co-producers of the positive outcomes which commissioning strives to achieve.

2. Commissioning principles

It is widely regarded as good practice for commissioners to have an agreed list of principles or standards, which sets out, at a high level, the approach to commissioning across all levels of the local area. This may include:

- basing all decisions on evidence of a favourable impact on outcomes and value for money
- adherence to changing policy and government guidance
- providing early intervention services at the earliest appropriate moment
- agreeing to close the gap between those falling behind and the rest
- sustaining stable relationships between key practitioners and vulnerable families
- using open and transparent processes that build confident partnerships
- using commissioning not just to retain existing services or commission new ones but, where necessary, to decommission services which are inefficient, ineffective, inequitable or unsustainable
- making all processes lean and aiming for continuous improvement
- using contestability and packaging of work for small providers
- providing challenge for all practitioners
- taking account of value for money in all decisions
- use of shared processes such as lead professional arrangements[8] and the Common Assessment Framework (CAF)[9]
- providing information to enable performance management.

Together the process, principles and standards contribute to the local commissioning framework – the rules of the game for local commissioning. If these have been shared and understood by all who provide services for children, commissioners can expect higher levels of commitment and collaboration. Ensuring that partners follow through on these commitments, however, requires strong leadership, skills in managing change, and effective performance management.

Barnsley Children's Trust

Barnsley Children's Trust's commissioning values are:

- **centred on the needs of the child or young person**
- **family-oriented**
- **outcome-focused, high-quality and evidence-based**
- **technology aware**
- **equitable, non-discriminatory and inclusive**
- **integrated in design and delivery**
- **empowering**
- **community enhancing**
- **focused on prevention**
- **based on working in partnership.**

3. Strategies and plans

It is regarded as good practice for all those who provide children's services to have a local shared commissioning model or framework. This aims to set out their shared vision for commissioning children's services, common principles and the approach to governance and strategic commissioning for the services to be provided.

Strategic plans (i.e. the children and young people's plan) should be embedded within other local strategic plans and policies and the children and young people's strategic partnership board should ensure that children's interests are fully represented in the wider strategic plans and policies. The strategic plans should also inform and be informed by:

- any crime and disorder reduction plans
- housing strategies
- school business or improvement plans
- workforce and market development strategies
- the Local Children's Safeguarding Board Business Plan
- procurement strategies
- business plans for voluntary and private businesses providing children's services
- joint strategic needs assessments.

A strategic plan steers the commissioning plans and strategies for particular groups of children and young people. These plans will specify in greater detail the commissioning priorities for those groups and how they will be delivered.

4. Relationships between levels of commissioning

Commissioning is practised on different scales or 'levels'– from national commissioning of some NHS services, to regional commissioning of residential places, to young disabled people deciding how to spend their direct payments.

There will be an optimal level to commissioning all services based on what is most efficient, effective, equitable and sustainable. In every local area, all of those who provide children's services, across the system, are therefore likely to undertake multi-level commissioning – commissioning at a mixture of levels to suit the needs of different services and populations. A similar commissioning approach will apply at each level. The different levels of commissioning include:

- national
- regional
- sub-regional
- local area or strategic
- service or practice
- individual.[10]

In some situations there is a well documented rationale for why one particular level is better than another for a particular population or category of needs and type of support in place to promote effective commissioning. For instance, commissioning for better health outcomes is done at a regional level, while pupil place planning is done at local authority level, working with other authorities according to cross-boundary pupil flows. In other situations, the decision will be based on local circumstances and the maturity of commissioning competence at each level. Ultimate responsibility will continue to rest at a local level, for example, with the director of children's services and lead member for children's services (although other local arrangements may emerge).

It is the role of strategic commissioners to establish clear agreed relationships, support, information flow, governance and structures, and accountability between the different levels of commissioning.

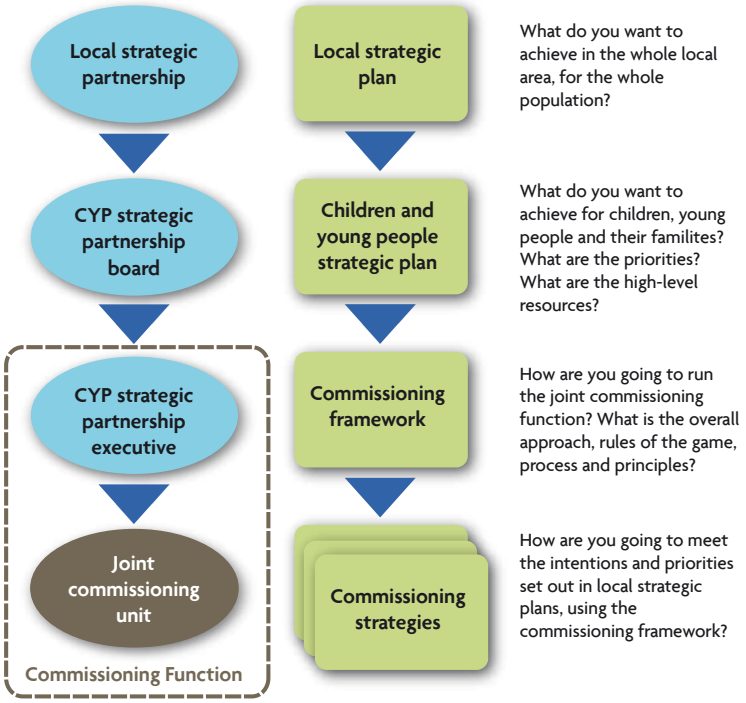


Figure 3 sets out how the plans and strategies can feed into one another.

5. Governance

Good commissioning requires good governance: clear direction, resourcing, accountability and delegation.[11] The children and young people's partnership board should take on a governance responsibility for the totality of the cooperation arrangements to improve children's well-being, including commissioning from pooled or aligned budgets. It is good practice that each board includes a representative of the local authority and each of its statutory 'relevant partners'. It should also include other partners, including ones from the voluntary and community sector, as appropriate, to reflect local circumstances.

The children and young people's partnership board does not create new lines of accountability; each partner remains accountable for commissioning in relation to that part of the strategic plan for which it is responsible. The children and young people's partnership board as a whole should be responsible for preparing, publishing and reviewing a strategic plan and it is recommended that it should monitor and publish an annual report on the extent to which the partners have acted in accordance with the plan.

Following consultation with the board members, a chair of the children and young people's partnership board should be appointed. To keep the board a workable size and its meetings suitably focused, the board should be supported by subgroups. These might be thematic, focus on a particular group of children, or represent a group of board members, depending on local circumstances. But it is important that the children and young people's partnership board has clear terms of reference or memoranda of understanding, to cover roles and responsibilities, governance, membership objectives, frequency of meetings and how decisions will be taken, for example, in relation to formal decisions about expenditure when it goes above a certain level. Board members need to be clear about the shared purpose of the children and young people's partnership board and how it relates to other partnerships and partner organisations.

Children and young people's partnership boards are adopting a range of governance structures and arrangements, and will also continue to evolve. Many boards are setting up executive boards to govern and manage the performance of commissioning functions across all partners. The role of the executive board is to decide how to achieve the priorities and outcomes that are set out in the strategic children and young people's plan.

Sharing resources

There is a range of ways that resources can be shared to support the efficient delivery of improved outcomes for children and young people.

Financial alignment can range from pooled budgets delegated to a partnership for a specified purpose to alignment of budgets so that funds remain in the control of individual organisations but are used in a coherent and cooperative way to support a shared aim or objective.

Increasingly, pooled budgets can underpin commissioning, for example, through an agreement underpinned by the power in section 10 of the Children Act 2004 or section 75 of the National Health Service Act 2006.

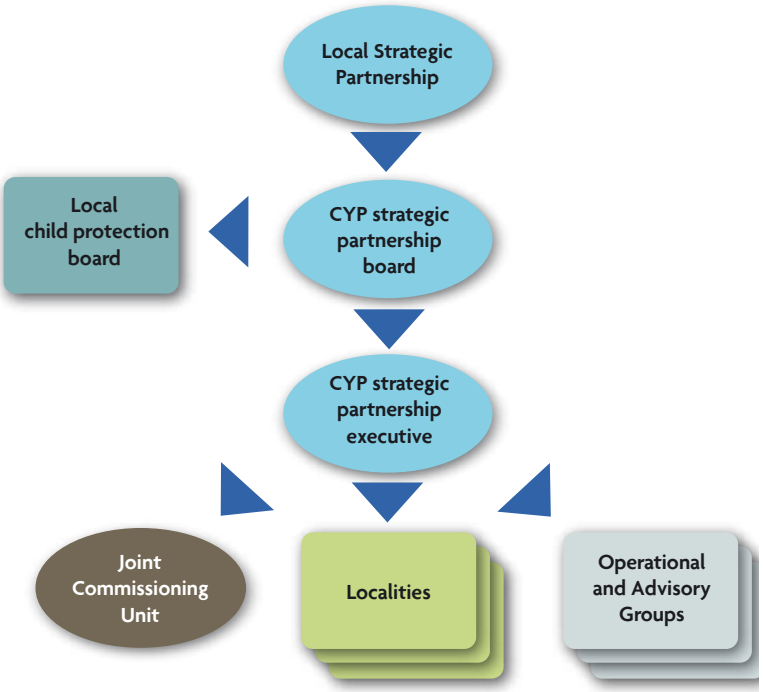


Figure 4 shows an emerging skeleton structure in a CYP strategic partnership (note every area will be different).

Pooled budgets can offer a number of benefits, including:

- underpinning partnership arrangements with a clear legal agreement
- encouraging organisations to focus on shared outcomes and identify more efficient ways of working
- encouraging innovative and user-focused service design
- reducing the transaction costs, overheads, bureaucracy and delay involved in accessing a number of separate funding streams – particularly helpful for children and young people with multiple needs.

However, pooling budgets can be very difficult to develop in practice because of differences between structures, priorities, systems and performance management approaches. Partners that have successfully implemented pooled budgets tend to have:

- shared values and a commitment to service users
- a willingness to think outside conventional organisational boundaries and focus on outcomes
- strong and complex local networks and good relationships between key players
- a cohesive children and young people's partnership board that brings together all the stakeholder groups.[12]

Plymouth Children and Young People's Trust

Plymouth Children and Young People's Trust has developed an approach to commissioning and delivering integrated services for children and young people based on six localities, each focused on groups of schools.

In South West Plymouth, the Locality Commissioning Group brings together a full range of partners from different sectors to commission services on the basis of an agreed analysis of local needs. At its heart is the Plymouth Excellence Cluster, a collaborative partnership of over half the schools in the locality.

The Plymouth Excellence Cluster has developed a range of support services including learning mentors, counsellors, family workers and the co-located multi-agency support team (MAST), made up of educational psychologists, education welfare officers, child and adolescent mental health services (CAMHS) workers, family therapists and police youth intervention officers. All schools are guaranteed a response from MAST within four working days, and there has been a very positive impact on the behaviour, engagement and attendance of those receiving support.

Essex County Council

Essex County Council decided to pool elements of its children's services resources targeted at early intervention and prevention, which were formerly the separate funding streams of the Children's Fund, Connexions and social care funding. These funds were used to form a new Local Priority Fund totalling £3.1 million across the county. The new priority fund has been devolved to local children and young people's strategic partnerships (CYPSPs), to undertake a process to commission services to meet local priorities and needs. Devolved funds are non-ring-fenced to allow for maximum flexibility. Commissioning now occurs at the local CYPSP level unless there are cogent reasons for doing it at the county-wide or regional level.

East Riding Children's Trust

In 2007 the East Riding Children's Trust had high numbers of children placed in external residential and foster care. The authority recognised that reducing the associated costs would increase the resources available for improving the quality of preventive services and providing more family-focused services. These would result in better outcomes for children and young people. The Trust took the following steps:

- a reduction in spending on placements for children in care
- the creation of a business and commissioning team
- strengthening the authority's foster care and residential services
- efficient management of the external market.

Key outcomes included:

- a reduction in the number of children in care, from 87 to 61
- a reduction in the Looked After Children Budget, by £1,566,000
- the development of a foster care contract to improve quality and consistency, leading to a reduction in expenditure.

Tameside Children's Fund

Involving children and young people in commissioning ensures that services are meeting people's needs and aspirations. However, it can be difficult to implement this in practice. Tameside has pioneered a consistent approach to the participation of children and young people by establishing a Children's Participation Project as part of Tameside Children's Fund. The Participation Project, provided by the national charity Action for Children (AfC), engages with young people directly on behalf of the CYPSP. Following on from this, a wider Children's Participation Network (CPN) was established with membership from a wide range of partner agencies. The purpose was to bring together everyone involved in participation, to standardise it, share best practice and develop new techniques and skills for engaging children and young people.

The Participation Project supports three key areas of work:

- building capacity and embedding a culture of participation across the CYPSP and the borough
- the delivery of the strategic children and young people's plan
- the development of local democracy: creating school councils, ensuring that young people are represented on district councils, and putting young people at the heart of the decision-making process.

Examples of work the project has undertaken with children and young people include:

- working with a group of young people to help them participate in the commissioning exercise for a health mentors programme. Young people were trained so that they could sit on the tender evaluation panel
- engaging a group of young people to be part of the tendering process for substance misuse services. This helped to make the service specification 'young people friendly' and it included developing scoring systems and interview preparation to support the tender process.

B. Commissioning activity

Commissioners need to undertake a number of important activities in order to improve outcomes for children, young people and families. Successful commissioning will include:

1. Commissioning mechanisms

When it comes either to commissioning or, in some cases, de-commissioning services, there are many different mechanisms and tools to employ. These range from competition, service redesign and individual commissioning to influencing and working with local communities. Different mechanisms will have different results and will lead to more or less efficiency, effectiveness, equitability and (economic, environmental or social) sustainability.

Commissioners are familiar with a wide range of commissioning methods and can choose the right one for a particular service, market, population or group of needs. For instance, spot purchasing is generally inefficient, but may be appropriate for small or one-off purchases in a competitive market.

The active participation of children, young people and their families in commissioning helps to ensure that services reflect their needs. Engagement can include population surveys, individual participation, choice, involvement in decision making, and personalised budgets. Examples of these are evaluating services, appointing senior staff, and helping to decide which residential placement is best.

Relationships with providers are also important. While the principles which inform relationships need to be consistent, open and fairly applied to all providers, how the process is managed in practice may vary depending on needs, amount of leverage, the market and the cost and risk of services. Different relationships will encourage different behaviour and it is important that commissioners understand how to influence and promote behaviour that will lead to the desired outcomes.

2. Optimising resources

The children's services system has a number of inputs or resources, such as money, other forms of capital, information technology, workforces, markets and providers, parents and communities. It is advisable for commissioners to understand the resources they can control or influence across children's services and optimise their use to secure value for money.

Focusing on outcomes and efficiency throughout the commissioning cycle can be a challenge, especially when there are competing demands to manage, such as budget pressures, political imperatives, and the sometimes conflicting priorities of different organisations. Frameworks that focus thought and processes on evidence of the impact on outcomes can really help in this regard.

To promote efficiency, it is regarded as essential for commissioners to optimise the resources in the system, through, for example:

- optimising the use of the money that commissioners control, and more importantly, influencing the money across the system that is not directly controlled, such as benefits and schools grants
- supporting parents to improve outcomes for their own children through co-production[13 14]
- making best use of community provision and volunteers
- making effective links with housing providers and adult health and social care
- ensuring that facilities are in the right place, the right condition and that their use is maximised
- pooling resources
- developing and managing a specific market
- designing the right balance between workforce skills, capacity and people's location.

Ideally, the commissioning process should drive efficiencies and generate value for money. In our experience, commissioners who are able systematically to map and, where possible, quantify resources are better placed to commission efficiently.

iStockphoto: Jani Bryson (top)

3. Whole-system design

We have found that commissioners who have a good understanding of the whole children's services system can identify opportunities for integration, support service improvement, reduce gaps and overlaps, move resources, intervene early and increase efficiencies. In many areas the system is working well, but having this understanding will help commissioners identify where there is a case for wider redesign in order to achieve better outcomes for children, young people and their families.

Activity to achieve better outcomes through commissioning might include: changing provider relationships and performance management across children's services to engender new behaviours; systematically re-configuring integrated working (such as the common assessment framework and lead professional role); leading a change programme to alter social attitudes in particular communities; pro-actively supporting schools, GP surgeries, early years settings and local partnerships engaged in leading and commissioning more universal and cross-partnership services; and running a whole system re-design of children's services using the Outcomes and Efficiency Model.[15]

Commissioners are advised to map and understand commissioning activity across all children's services and their partners, i.e. what is currently commissioned across all children's services that directly affects children's outcomes (including public, private and third-sector providers). This includes budgets and contractual arrangements and may extend to other departments within the local authority, such as adult services, leisure services, housing, and partners such as Jobcentre Plus, the benefits service and schools and colleges.

The role of commissioners, supported by appropriate governance structures and led by evidence of effective service delivery models, is to devise the system to ensure the children's services system is efficient, effective, equitable and sustainable and, where this is not the case, facilitate change. Commissioners, providers and communities, therefore, need to work together to ensure that providers can respond to commissioners by reviewing existing services against new commissioning strategies. This type of cooperation will help providers demonstrate their impact against the outcome priorities shared by children's services and their partners.

4. Targeting

Effective commissioners distribute and target resources at particular aspects of need in order to improve outcomes for children and young people. By understanding the two per cent of families that have greatest need, services can be directed and integrated to support them. By understanding the twenty per cent of families that are at risk of greater need, additional funding can be directed to reduce 'through life' costs. Consequently, services for the remaining eighty per cent can be reduced, if that fits with local needs. Data to understand your families – collected either by professionals or through software analysis such as MOSAIC or ACORN – is therefore essential.

It is widely considered good practice for commissioners to be clear about when to target resources at particular users to be most efficient and effective. They can also ensure that budgets from different sectors are aligned and are mutually reinforcing. This may include decommissioning some existing services to release resources for new services.

Pathway analysis is a helpful approach for understanding users' experiences of life or services and highlighting where the most efficient and effective points are for identifying and addressing needs and moving resources. Generally this will help to identify the strategy for early intervention or prevention.

Commissioners are advised to study which interventions work most efficiently and effectively, and optimise universal and specialist services accordingly. The Centre for Excellence and Outcomes in Children and Young People's Services website provides evidence about 'what works' in relation to different kinds of interventions: **www.c4eo.org.uk**

5. Data and intelligence

It is important for commissioners to understand the needs and aspirations of whole populations and how these are influenced by the varying needs of individuals. An important element of commissioning is to collect performance management evidence on how efficiently and effectively each service is improving outcomes. Commissioners can draw on national and local research to guide commissioning decisions. The joint strategic needs assessment process provides a mechanism for gathering and analysing relevant data at a high level.[16] Sources of data for integration include national statistics such as demographics, performance management of teams and contracts, needs assessment, procurement data (such as market analysis or provider costs), users' views, staff feedback, and individual assessments (for example, the Common Assessment Framework).

Often commissioners will want to test the quality of a service by obtaining direct, independent feedback from customers by, for instance, asking young people – including those who choose not to use the service – about their views of services and how they contribute to better outcomes. Commissioners may wish to embed these techniques into mainstream performance management.

6. Performance management

Where performance management indicates that services are inefficient, ineffective or unsustainable, commissioners will either support and challenge that service to improve, or decommission it and find other provision to meet the identified needs. Commissioners need good-quality performance information and analysis to help them judge the efficiency and effectiveness of services, and to justify changes to internal and external services and contracts in order to achieve an excellent standard of service delivery. Over time, commissioners will want to develop systems that monitor outputs, finances and, crucially, quality of service (including customer feedback) in order to reach a view about whether outcomes are improving.

Performance management techniques will influence the way providers behave and commissioners will want to ensure that providers focus clearly on outcomes.

C. Commissioning capacity and competencies

Commissioning is a process carried out by a range of people across all children's services and their partners. This section looks at the skills and competencies that should be developed to support effective commissioning.

1. Making commissioning happen

It is important to understand where and how commissioning decisions are made across all of those who provide services for children, across the system, and what the opportunities are to ensure that commissioning across partners is as effective as it can be in achieving better outcomes for children, young people and their families.

Some children and young people's partnership boards have put in place a joint commissioning unit (JCU), which brings together key commissioning functions from across children's services and their partners. But, wherever commissioning decisions are made, commissioners should be able to draw on a wide range of skills, competencies, experience and capacity among the partners. The main areas are:

- engaging and drawing on the experience of local community leaders and partners
- engaging and drawing on the experience of local leaders from schools, hospitals and other locally based agencies
- engaging and working with children, young people and their families
- collaborating with providers
- mapping resources
- specifying and measuring outcomes
- managing knowledge and assessing needs
- prioritising investment
- shaping and managing the markets
- promoting improvement and innovation
- securing procurement skills (as necessary)
- implementing project and change management
- managing and leading the children's services system.[17]

Making sound financial investments

Ideally commissioners will have a range of skills and training.[18] It is important for them to be effective leaders and managers with real experience of improving outcomes, so that good relationships can exist between commissioners and delivery partners from all sectors and there are effective procedures in place to maintain and develop these relationships in response to evolving local need. Developing a deep understanding of the strengths, weaknesses and gaps in the skills and competencies of all the local children's workforce is also a critical dimension of their role. Local partners' ability to build capacity for service re-design quickly will be critical to achieving efficiencies.

Effective commissioners, in our experience, are tenacious, challenging, and open minded. They aim for continuous improvement, verify and revisit assumptions and share learning points with others. Roles and responsibilities are clearly understood within the joint commissioning function and beyond.

iStockphoto: Jordan Shaw (top)

"I like Sarah [support worker]. She is fun and likes my Mum."
"I like Sarah because she helps me with my reading and writing, and takes me on activities like the pool and ice skating."
"I like Sarah because she takes me places I can't normally go to because my Mum is working."
Quote from a boy aged 12 with an individual budget. This type of commissioning has changed the way he receives services.

stock.xchng: Gokhan Okur

2. All decisions are based on improving outcomes

All decisions should be based on improving outcomes for children, young people and their families, with a clear rationale based on robust analysis and evidence. This focus on outcomes runs through all aspects of the commissioning process: mapping needs and demand, ensuring user participation, using outcomes-based contracts and monitoring service effectiveness. All of this needs to be underpinned by continuous improvement.

We have found that good commissioning involves using evidence of what works to improve and re-configure services. Commissioners need to be credible and robust leaders, able to effect change and achieve better outcomes by working with and through all of those who provide children's services across the system.

3. Leadership

The director of children's services (DCS) has overall responsibility for outcomes for children and young people in an area. In the best examples, the leaders and senior managers of all who work in children's services 'own' and visibly drive forward a shared approach to commissioning children's services, with robust governance arrangements through the children and young people's partnership board.

As the director of children's services is also a provider, children and young people's partnership boards will want to take a view on where the split between the commissioning and providing functions is in each organisation, and if individuals have dual roles, consider how this will be managed.

Leadership in commissioning involves having a visible, credible, coherent and inclusive approach underpinned by a vision that all partners share. The best commissioners actively build their influence and credibility with partners, potential providers and users when commissioning public services. Leaders steer and influence the priorities of the local area to achieve better outcomes for children, young people and their families, while securing systems and processes such as safeguarding.

4. Innovation

As commissioners actively explore the requirements and opportunities for new ways of working and of commissioning services, they need to communicate with the market of providers and other commissioners to identify good practice and innovation. Where they identify barriers to change, they are advised to develop solutions in conjunction with a range of partners.

In the course of their work, commissioners learn about what works to improve outcomes and help to create a culture which nurtures innovation, where this is required, and self-learning across the children's services system.

They will need to develop processes for selecting innovative providers, such as using outcomes-based contracts that specify the outcomes sought but not the process for achieving them. Often, the entrepreneurial solutions they create within constrained resources have the greatest impact on children's outcomes. It is advisable to assess the risks of existing and new ways of working and manage those risks appropriately, according to the particular service, group of needs, or population.

Techniques such as outcomes-based specifications, contestability, personalised budgets, and increasing service user choice may all increase innovation. For good examples of innovation in commissioning, see the Commissioning Support Programme case studies in the Resource Bank at: www.commissioningsupport.org.uk or at the Centre for Excellence in Outcomes website: www.c4eo.org.uk

5. Managing change

Commissioning is not just a technical process but is at the heart of the system and, if action is to follow words, depends on effective leadership. Commissioning decisions will sometimes indicate the need for system redesign and culture change which will, in turn, necessitate effective change management leadership and techniques to ensure that the new design is embedded and becomes 'business as usual'.

We have found that effective commissioners are able to manage the change they create and cope with fluctuations in the external commissioning environment, such as financial crises, new policy developments or demographic changes. They understand change management methods and ensure that any changes that occur as a result of commissioning decisions are appropriately managed across all delivery partners and sustained to ensure that outcomes for children and young people are continuously improved.

Commissioners have developed the change management jigsaw for children's services to help embed new models.[19]

6. The culture supports organisational learning and partnership working

It is increasingly regarded as good practice for all of those who provide children's services across the system to foster a shared outcomes-based approach for all staff, through development, market management, performance management and communication.

To encourage continuous learning and improvement, commissioners are developing systems for sharing learning from other sectors, agencies and teams. Ideally, this outcomes-focused culture will sit at the heart of all the work of those who provide children's services and will be reflected in their approach to commissioning. It is important for all partners to have a clear knowledge of where the most effective delivery occurs. They can then engage fully with those teams and local leaders in health, schools or youth services, for instance, who demonstrate this in reality. This will further enhance powerful messages to providers about an open and outcomes-based commissioning approach, and support effective organisational learning.

7. Senior-level commitment and support

It is crucial to build senior-level support for the commissioning process and its resulting change. One of the leadership skills required for commissioners is the ability to create commitment to the commissioning framework and supporting activities across the whole system, through good negotiation, persuasion and communication. Building support amongst leaders in the local strategic partnership and other relevant partnerships and organisational boards will assist all those who provide children's services, across the system, to commission better services.

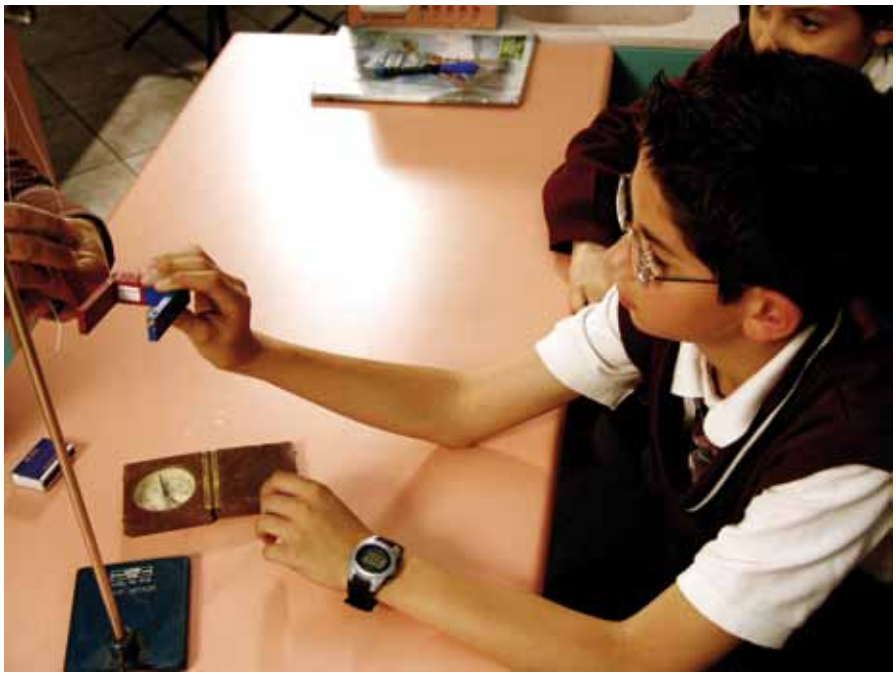
Next steps

As all who contribute will know, achieving better commissioning can be highly challenging. The Commissioning Support Programme is here to help. We offer different types of support to children and young people's partnership boards, children's services and their partners and commissioners, including:

- training and skills development
- leadership development opportunities
- events, conferences and networks
- an online community where people can share learning and experiences, and access resources such as case studies, tools and ideas
- intensive, bespoke support for each local area, to complement our offer of universal support.

Each locality also has a dedicated 'commissioning champion' who acts as the link with the Commissioning Support Programme and supports the improvement of commissioning locally. Please contact us at **info@commissioningsupport.org.uk** to find out more about how the Commissioning Support Programme is supporting all those who provide children's services across the system in your area.

More information about the Commissioning Support Programme can be found at: **www.commissioningsupport.org.uk**



stock.xchng: Murat Cokal

Resources

All the resources and case studies referred to in this publication can be found in the Resource Bank on the Commissioning Support Programme website at: **www.commissioningsupport.org.uk**

1 HMG, *The Coalition: our programme for government*, 2010

2 DH, NHS White Paper: *Equity and excellence: Liberating the NHS*, 2010

3 CSIP, Commissioning e-Book, 2008

4 OPM, *Literature Review: Multi-level Commissioning*, 2008

5 OPM, *Integrated Commissioning for Children's Services*, 2008

6 IDeA, *National Programme for Third Sector Commissioning*, 2007

7 HMG, *Joint Planning and Commissioning Framework for Children, Young People and Maternity Services*, 2005

8 CfBT, *Final Guidance Year 1 Budget Holding Lead Professionals Trainer Notes*, 2007

9 CWDC, *Common Assessment Framework for Children and Young People – managers' guide*, 2007

10 OPM, *Literature Review: Multi-level Commissioning*, 2008

11 CIPFA and OPM, *Good Governance Standard for Public Services*, 2004

12 DCSF, *Pooling Budgets – Issues for budget holding lead professional pilots*, 2007

13 OPM, *Co-production, Social Capital and Service Effectiveness*, 2007

14 NESTA & NEF, *Co-production: Right here, right now*, 2010

15 see: http://www.commissioningsupport.org.uk/about-our-programme/efficiency-and-outcomes.aspx

16 DH, NHS White Paper: *Equity and excellence: Liberating the NHS*, 2010

17 CWDC, *National Occupational Standards for Commissioning, Procurement and Contracting*, 2007

18 DCSF, *Common Core of Skills and Knowledge for the Children's Workforce*, 2010

19 see: http://www.commissioningsupport.org.uk/news-on-commissioning/national-news/new-change-management-jigsaw.aspx

Other support for commissioners

The national Child and Maternal Health Observatory (ChiMat) provides information and intelligence to improve decision-making for high quality, cost effective services: **www.chimat.org.uk**

The Local Government Improvement and Development supports improvement and innovation in local government: **www.idea.gov.uk**

The NHS institute for Innovation and Improvement supports the NHS to transform healthcare for patients and the public by spreading new ways of working, new technology and world-class leadership: **www.institute.nhs.uk**

Commissioning Support Programme

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