Chapter Five
Commissioning strategies

Developing a commissioning strategy in public care

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View Biography

Abstract

The paper explores practical activities which the Institute of Public Care (IPC) has used in projects to develop commissioning strategies in public care. These include the use of hypotheses, needs and service analysis, service design, purchasing plans and market management plans. The paper also considers some of the skills and experience needed in teams responsible for producing commissioning strategies.

Key words: commissioning strategy; methods; national policy; hypotheses; needs analysis; market analysis; service design.

Introduction

If you have experience of any large public, voluntary or private organisation you will know that too often, as soon as the word 'strategy' appears in a document title, you can find yourself dealing with something containing a wide range of generalised aspirations but few concrete commitments, which is heading swiftly for the back of your office shelf. The hope seems to be that from that position it will somehow influence service managers and practitioners to imbibe its spirit and act on the worthy messages contained within it.

On the other hand, we also know that some strategies can be well worth the time and energy taken to develop them, because they capture significant commitments to service development and change. Through effective implementation, they actually influence the activities of the agencies which have signed up to them. Unfortunately, it seems that there is nothing about adding the term 'commissioning' to a strategy which makes it any more likely to be the latter rather then the former.

However, while there has been much discussion about the idea of commissioning, and many ambitious exhortations to develop commissioning strategies – there has been rather less exploration of the activities that commissioners actually need to undertake to make strategies useful and influential. The purpose of this paper, which is aimed primarily at commissioning managers in public care agencies, is to explore some of the activities which the Institute of Public Care has found, over the years, to be useful in delivering an effective commissioning strategy.

What is a Commissioning Strategy?

A first step in clarifying the activity we are dealing with is to establish a definition. IPC has derived a definition of a commissioning strategy which complements the Audit Commission's definition of commissioning, as discussed in 'Introduction' in the first chapter of the eBook:

"A formal statement of plans for securing, specifying and monitoring services to meet people's needs at a strategic level. It applies to services provided by the local authority, NHS, other public agencies and the private and voluntary sectors."

A commissioning strategy then, is a very particular kind of statement. It is concerned primarily with effecting change in the overall configuration of services across a market to meet the needs of a

whole population. It is also a plan specifically developed by commissioning agencies rather than providers, and is a statement of commitment about the way in which they intend to purchase services for the population in future. An effective strategy helps to establish the credibility of the commissioner as an honest and effective broker in achieving the optimum range of services to meet the needs of a particular population. It usually comprises a combination of the following:

- A statement about the purpose and the commitments of the commissioning agencies in relation to meeting the needs of the relevant population.
- An analysis of relevant legislation and national guidance on services to meet the needs of the relevant population.
- An analysis of the needs of the relevant population, and how these are likely to change in future.
- An analysis of current and potential services and resources, and the extent to which they are likely to meet future needs.
- A review of relevant research and good practice on services to meet the needs of the relevant population.
- A statement about the strengths and limitations of current services, the changes needed, and some detail about the types of services which will be commissioned, and the types which will not be commissioned in future.
- Plans to monitor and review the impact of the strategy upon the range and quality of services delivered, and upon the outcomes for the population.

A strategy does not necessarily include details of budgets or planned contracts, as, by its nature it needs to offer a long-term, wide ranging overview of commissioning intentions rather than detailed plans for changes in price or volume in contracts. However, if a strategy is to influence service plans and contracts, it must be complemented by detailed purchasing plans which specify budgets and what services they will be used to fund, as well as details of immediate planned service investment, disinvestment and de-commissioning.

The Commissioning Task in Public Care

Of course, simple as it may appear above, actually producing a strategy is a complex task. We are dealing with services within a very specific context – that of public care – such as health, education, social care and housing. Commissioning strategies have become very popular with central and local government and the NHS in recent years, possibly because they are seen as having the potential to assist with the following public policy priorities:

- Better matching of needs and services. Since the Health Act 1948 and the creation of the NHS, there has been an acceptance that there has to be a degree of specialist guidance on access to public care services. It was recognised, even by the Thatcher government in the 1990 Community Care Act, that the market for public care cannot be left entirely to individual service users to deal with, without the advice of specialists and professionals. Commissioning is seen as an additional tool for ensuring that public care specialists can ensure services are designed primarily to meet the needs of users and carers – rather than the interests of professionals or service providers.

- A better balance between service tiers. In recent years the emphasis in matching needs and services in public care has been on improving services to meet early stages of need or in preventing those needs altogether. There is a strongly held belief that commissioning can lead the drive to improve the effectiveness of prevention and early intervention services, so that users will be better served, and demand for complex and expensive health and care services will be reduced.

- Better engagement with the expanding private and voluntary sectors. A particular emphasis in public care in the last decade has been on extending the range of potential providers of health and care services, and reducing the reliance on public sector provision. Activities such as 'market testing' and 'contestability' have been increasingly popular, as they emphasise the role of commissioners in promoting a healthy, competitive and balanced range of services.

- Reconfiguring public services in the context of overall need. To complement this trend towards more effective use of the private and voluntary sector, commissioning has been characterised by an emphasis on a clear separation between providers and purchasers within the public sector. This has been based on the principle that service investment decisions need to be made, and need to be seen to be made, within an environment which is open and honest, and not subject to inappropriate influence.

This is a complex agenda for commissioners. Public care is not a simple free market environment in the way, say, retail clothing is, where many purchasers and providers can make relatively straightforward decisions based on individual preference and economic interest. Public care agencies deal with people at significant transition points in their life, helping them in hugely important decisions about the care and support they need, their lifestyle, and sometimes even their life. Ewan Ferlie and colleagues [Ferlie et al (1998). The New Public Management in Action] characterise public care as a quasi-market, which can be summarised as:

- Market-like goals of quality, efficiency, choice and responsiveness.

- Market-like mechanisms, including contracting, through which the purchaser is encouraged to secure optimum service from a range of providers.

- Professionals as service purchasers or 'honest brokers' on the part of both the organisation and the service user.

- A battery of regulatory powers which ensure that the market is organised in a way which minimises the risks of services' failure.

- A high degree of continuity in the personnel across providing and purchasing agencies, which means that people involved are conscious of the need to maintain long-term relationships with a relatively small number of people.

- Usually a small number of organisations in the market, with the result that a few commissioners are in more or less continuing negotiation with a few providers. In this environment judgments are often made on the basis of trust and reputation built up over time as well as short-term performance data.

Rather than pretend that public care is a simple free market, or that more simplistic approaches to commissioning and purchasing from other sectors can be applied directly to it, the intelligent

public care commissioner needs to understand these dynamics, and to design activities, including work on commissioning strategies, to achieve the best long term services for the population they serve. Often this will mean working with a very limited number of providers as close partners, and helping them change, develop or improve the quality of their services, rather than simply decommissioning or replacing them. In addition to the ability to identify needs and specify, purchase and contract for services, therefore, the effective public care commissioner needs sophisticated change management skills and methods.

A final particular characteristic about public care is the wide range of public agency partners usually involved in commissioning services for a population. Depending upon the client group this may include, for example, different directorates of a local authority, PCT, strategic health authority, regional government, Police or justice services. One implication of this is that work on a commissioning strategy involves a wide range of activities, with a wide number of stakeholders, to help deliver what is needed. The task is not simple, and we have found that a key characteristic of effective work on commissioning strategies is high level, complex project management.

So, a complex national agenda, a complex environment, and a complex task to bind together commissioning partners. It is within this context that the following sections describe some of the key activities which IPC have found important in developing and delivering commissioning strategies for public care.

Project Planning

Dealing with the complexities of developing a commissioning strategy can be made much easier by applying project management principles, including agreeing a clear framework and communication plan right from the start. This includes agreeing stakeholder roles, resources, timescales, activities, and the focus of the strategy. A summary of some of the key project planning questions which need to be considered are included in the appendix.

Clarifying agency roles

Most strategic planning activities in public care are aimed at securing support from a wide range of stakeholders each with, nominally, an equal influence on the final product. As a result, agency roles, responsibilities and freedoms are often left deliberately blurred, rather than face the harsh truth of different interests. What is produced is often a strategy which is aspirational enough to satisfy everyone at the planning stage, but not specific enough to change anything during implementation. Commissioning strategies however, are only useful if they lead directly to service change, so it is not sufficient for them to simply capture a general consensus. The roles of different agencies and the rules of their engagement, therefore, need to be specified right from the start, to ensure that the project does deliver what is required.

In most situations, this means having different, clearly specified roles for commissioning agencies, provider agencies and other stakeholders. Each group has a hugely important role in the development of a strategy, but these roles are not necessarily the same. Broadly speaking the roles can be characterised as:

• Commissioners are the agencies with the budgets and responsibilities for making and implementing strategic service development decisions on behalf of service users. Commissioners need to lead the project, and to ensure that the work of the project is sufficiently detailed and accurate to be able to guide final plans. They also have a key responsibility for

ensuring that the work is fair, decent, and as open as possible, and for balancing the interests of existing and potential stakeholders. The strategy needs to be owned by them, and they therefore need to steer the work and assure its quality and acceptability.

- Providers are the agencies with services which can be purchased by the commissioner to meet the needs of service users. They – both existing providers and potential future providers – can contribute their specialist knowledge and experience, and in so doing, can add quality to the analysis of needs, services and gaps. Providers can also play an extremely important role in testing the feasibility of a gap analysis and service development proposals. To ensure that a commissioning strategy retains it's credibility as an unbiased plan for service investment, there should be a clear separation between commissioners and providers. However, when it comes to decisions about project design and services investment, providers must be a primary source of reference throughout the project.

- Other stakeholders in public care include, crucially, service users, carers, potential service users, individual and groups of professionals delivering services, and the general public. They can play a range of roles at various positions on the continuum between the commissioner and provider role. Many service user or carers groups play an invaluable role in providing their own specialist knowledge and experience of services to add depth and quality to the analysis, and as such are important sources of reference. In addition, however, more enterprising commissioners engage with users and carers' representatives as partners in decision making on strategies and purchasing decisions.

All of these roles are crucial, but they are different and need not to be confused. One way of ensuring this in a project is to set up two distinct groups with specific roles: firstly, the steering group comprising commissioners and possibly service users or carers, responsible for project managing and developing the analysis; secondly the reference group comprising other stakeholders and provider agencies, responsible for testing, challenging and adding quality to the analysis.

Communicating and engaging with stakeholders

Because of the complex set of relationships being managed in the development of a commissioning strategy, and the need for the commissioners to be seen as open and fair, a clear plan for managing communications and engagement with stakeholders is very important at the set up stage. This should include:

- Written information – widely available information for all interested parties about the project and about findings as they develop. This might start with a short briefing paper describing the project, its timetable and opportunities for stakeholders to contribute, and be followed by regular updates summarising key findings from each stage of the work.

- Interactive events – seminars and workshops for stakeholders at which findings from each stage of the project are presented and discussed, and where stakeholders have the opportunity to challenge and develop ideas.

- Formal research activities – such as interviews, focus groups, information and data collection from stakeholders as part of the methodology of the project – discussed in more detail below.

- Formal decision making, including how the strategy will be presented to local authority and PCT executives and non-executives.

An agreed communication and engagement plan at this early stage helps to ensure against the danger of work on the strategy becoming, over time, too controlled by a small group of commissioners at the expense of the wider group who will be affected by its findings. It also helps to ensure that, in change management terms, stakeholders have a number of opportunities to understand the direction of travel being developed by the strategy, and to work out their response to it.

Agreeing the focus of the strategy

The strategy needs to focus on a particular section of the population, for example older people, adults with physical disabilities, or children. To ensure work is manageable within timescales and resources, and that the strategy is deliverable, projects are often defined within these broad groupings around the needs of particular sub-populations. This might be, for example, older people with mental health problems, adults with brain injury, or looked after children.

In practice, whatever population is identified, there will be some very specific priority questions that the strategy needs to address. IPC has found that introducing 'hypotheses' at this early stage of a project can help. Hypotheses can be defined as 'assumptions to be used for the basis of investigation' and they can be used to enable stakeholders to identify key issues that they believe have to be explored in the development of the strategy. This ensures that key assumptions about services, however controversial, are brought out into the open. It also helps to ensure that all stakeholders have an opportunity to influence the key areas to be explored in the strategy. The hypotheses also inform the details of the methodology to be used in the development of the strategy, without pre-judging the final findings.

We suggest that a project reference group can be asked to agree a selection of 8 -10 key hypotheses to be investigated in detail in the course of developing the strategy. Examples of hypotheses from older people services, for example, might include:

- 'Investing in extra care housing will allow us to reduce the number of residential and nursing beds we purchase.'
- 'We are going to need to increase the volume of services by 20% over the next 5 years if we are to keep pace with demand.'
- 'If we transferred funds from the local acute hospital to primary care services for older people with dementia, we would be able to increase the number of people who are supported at home and reduce the demand for beds. This would be a more effective use of our resources.'
- 'A lot of the tasks undertaken by community health professionals could be done by less qualified and less expensive staff, costing less money, and allowing us to distribute services more widely.'
- 'Over half of the users of our day care services do not need them, and there are more effective and cost-effective ways of providing community support for them and their carers.'

Once they have been agreed as suitable, the steering group then needs to ensure that the hypotheses are fully investigated during the course of the project, and accepted or refuted on the basis of the evidence gathered. Where accepted, they can then rightfully play an important role in defining service direction. The last hypothesis from the above list will be used as an example at each stage during the rest of this paper.

Purpose, Legislation and National Guidance

Once the preparation activities are complete, this activity is a good first stage of work on the commissioning strategy proper. It requires a short piece of information gathering and analysis to clarify the boundaries of the strategy.

In terms of overall purpose and direction, sometimes the agencies involved have not yet agreed a statement of their vision for the population, in which case an initial exercise is required to draw this out. However, this has often been done already in one of the many joint planning forums which exist for different client and patient groups. Primarily this stage should involve drawing on existing materials, such as joint strategic plans, local area agreements, community plans and implementation plans for national strategies such as National Service Frameworks, to confirm the overall purpose and principles behind the work of the agencies involved.

Later confusion and disagreement can also be avoided by ensuring at this stage that there are clear statements about key relevant legislation and national guidance pertaining to the agencies' abilities to act for the population – for example what services each is legally entitled to commission or provide, how they are allowed to be contracted, or what national targets are set for service delivery. The product from this stage of the project should be an accurate analysis of joint and individual agency's responsibilities for the population. It should not simply be a list of recent local and national publications as this will do nothing to inform stakeholders about the limits of each agency's responsibility. At the other extreme, it should not simply be vast tracts of national legislation or guidance cut and pasted together, obscuring agencies key responsibilities. The crucial word at this stage, as with the later stages is 'analysis'; as one steering group chair said at this point: "we want a succinct analysis of what we can do, what we can't do, and who says so!".

The hypotheses discussed can be useful as a starting point in identifying which local commitments, legislation and national guidance need to be unearthed. For example, our example hypothesis is that 'over half of the users of our day care services do not need them, and there are more effective and cost-effective ways of providing community support for them and their carers'. This would require that, at this stage, current local agency commitments on day care provision are identified, along with legislative responsibilities on local authorities and NHS organisations, any guidance on how they should be provided, national targets for the volume or type of provision, and national standards for the quality of provision. This provides the baseline from which further analysis can be developed in later stages.

Needs Analysis

Developing an understanding of the current and future needs of the local population follows logically at this point. Details of methodology are considered elsewhere in the eBook, but the project steering group needs to ensure that:

- The analysis looks at the overall needs of the population, not just existing service users. This will usually mean dealing with population and census data, and comparing this with statistical prevalence information to understand the likely frequency of people with specific needs in the overall population.

- The analysis considers future population and prevalence of need, to take account of likely future changes in demand.

- Census and prevalence information is complemented by information about the sub-population who actually use services, their needs and demands.

- Patterns of demand are compared over time, to consider trends, and benchmarked to consider whether there are major differences between geographical areas.

- Statistical data is complemented by more detailed qualitative information about need from user or population surveys, interviews, focus groups or reviews of existing research to explore how service users might categorise or describe their needs.

There is a real danger at this stage that data collection continues ad nauseaum, with enthusiastic researchers chasing after every last publication 'just in case it is interesting'. To avoid this, the hypotheses can again be helpful, encouraging the data collection to focus on key issues within what could be a very wide field. In our hypothesis that 'over half of the users of our day care services do not need them, and there are more effective and cost-effective ways of providing community support for them and their carers' for example, it might include:

- Population projections and social care demand prevalence by age group, gender and race to identify potential future population need.

- Analysis of users of day care over time, and the reasons for why the service was needed.

- Interviews with service users and carers to explore what needs they have which are met by day services, and how well they meet them.

- Examples from comparable research elsewhere about who uses day care, alternative services and how well needs are met.

Service, Market and Resource Analysis

Following the needs analysis, the next stage is where the attention turns to focus on understanding what is currently available, and what might be available in the future to meet these needs. It is at this stage where a commissioning strategy really starts to differentiate itself from other strategies, and where detailed, good quality information about activity and impact is crucial. The analysis needs ultimately to allow the commissioners to make key judgements such as:

- Whether services are well aligned with the needs of the population.

- Whether the quality of services is good enough.

- Whether services present good value for money.

- Whether there are significant risks of service failure or deterioration.

To allow these judgements to be made, information is required which will answer some key questions such as:

- What services are currently provided?

- What organisations, and with what constitution, governance and resources provide them?

- How are they differentiated – for instance geographically, by user group, gender or age?

- What are the volumes of activity, cost and quality of these services?

- What type of contract arrangements exist for these services?

- What budgets and finances are available for services, now and in the future?

- What changes to provision could existing providers offer, and who are other potential providers of these services?
- What do service users and carers say about the quality of services?
- What do recent inspections say about the quality of services?

To gather this information needs patience and resourcefulness, involving, usually a combination of activities including:

- Written questionnaires to existing and potential service providers to gather basic information.
- Review of spot, block and cost/volume contracts, Service Level Agreements (SLAs) and grants from the local authority and the PCT.
- Mapping services by factors such as geographical area, level of need, gender, race or age.
- A detailed analysis of the experience of a small sample of service users by tracking their journeys through the care pathway between different services, to identify the extent to which services have been successful in meeting their needs.
- Finance and budget analysis and projection.
- Interviews and focus groups with service users and carers.

In contrast to the need analysis stage, the danger is rarely that too much information is collected here – more frequently the problem is that the information is not available, patchy, unreliable, old or difficult to compare between one service and another. Unless you are dealing with a very limited market situation (such as, for example, where all services for the population are provided by a single provider) it is at this stage where most energy and effort needs to be focused. The credibility of the commissioner depends heavily on having an understanding of the entire market – something that no other stakeholder is able to offer, and collecting this information together is a key indication of this credibility.

So, to return to our example hypothesis 'over half of the users of our day care services do not need them, and there are more effective and cost-effective ways of providing community support for them and their carers', the contribution of this stage to the investigation might be:

- An analysis based on information supplied by existing day care providers, about the services provided and to whom, including patterns of attendance, activities undertaken, and placement vacancies.
- Where services are based, and who uses them, based on population characteristics data supplied by existing providers.
- An analysis of the money spent on these services, and the value for money provided by the services within existing contract arrangements, based on information supplied from contracts.
- An analysis of the governance and resources of existing and potential suppliers of services through collection of public information, invitations to express interest, or pre-tendering invitations.
- An analysis of the quality of services based on reviews of inspections and service user and carer feedback and complaints, plus a detailed analysis of the experiences of a sample of users across a care pathway from initial request, through to assessment and to service provision, to explore what actually happened and how successful providers were in meeting the service user's needs.

By the time that this stage of the project has been completed, the commissioners have just about finished the information gathering, and are ready to move onto gap analysis and re-design. Before moving on however, this is a very good point at which to engage further with stakeholders in workshops and seminars to explore the findings so far, and, without prejudice, consider their initial implications. By presenting findings from the national agenda, needs, service, market and resource analysis at this stage, commissioners are offering the opportunity for all stakeholders to recognise the context in which any changes need to take place. This has two benefits: firstly, in change management terms it can help to 'unfreeze' previously held assumptions, and help stakeholders prepare themselves for a change in approach; and secondly, in terms of the quality of the analysis, it ensures that commissioners have explored the right questions, gathered necessary data, and completed a realistic analysis. Other stakeholders will soon let the commissioners know if they have failed to do this!

Gap Analysis, Service Redesign and Formal Decision-Making

This next stage is where the preparation and analysis needs to be pulled together and used as the basis for developing strategic objectives. The ownership of this stage, even more than any other stage, has to rest with the commissioner, although it is also important to ensure that other stakeholders have the opportunity to influence – both to add quality to the decisions, and to encourage commitment to the final plan.

The pattern of activity which best meets the needs of this stage tends to be a combination of individual or small group analysis by key commissioners, followed by presentation of that analysis for consultation with other stakeholders. This allows the commissioners to prepare a logical framework linking proposed service changes with the earlier research, before opening up the analysis to other stakeholders. This is the point at which the original hypotheses need to be rejected or accepted – on the basis of the evidence collected. During this stage a template with the following sections can be used as the basis for consultation:

Strategic Objective	The Gap – Service Developments	Rationale	Commissioning Implications
Describes the overall outcomes intended for the population. 7-8 maximum. Derived from the organisation purpose, legislation, national guidance. 5-10 years timescales.	Specific service developments needed to meet strategic objectives. Based on hypotheses accepted on the basis of evidence collected. Which users/carers the service developments are for. Where the services are needed. 2-3 year timescales.	Why the service developments are needed, based on guidance, research, needs, service and market analysis. Why existing arrangements will not meet user/ carers needs in the future.	Disinvestment, decommission or remodelling required. Contract renegotiation required. Redistribution of resources required. Interim/transition costs.

Some key proposed changes might need to be explored in more detail, to ensure that they are feasible and likely to deliver the outcomes which are intended for service users. There are two activities which can be particularly useful at this point. Firstly, analysis of research and best practice from elsewhere can be very helpful in identifying services and the details of their design, which are likely to deliver effective services in the future. Secondly, once potential new or reconfigured services have been agreed as valuable, they need to be tested to ensure that they will actually meet the needs of service users and will not have unintended negative consequences

on the overall whole system of service provision for the population. Rather than simply developing services in real life, and then making adjustments later when problems emerge, service modelling and scenario testing can help to predict and prevent problems from the beginning.

There are a number of approaches to service modelling and scenario testing, essentially based around the idea of a game which models the scenarios likely to prevail in real life if a particular service were to be introduced. They can vary from the basic and simple – for example, desk-based activities looking at the financial implications of changes to services, to the frankly bizarre – such as role playing activities involving dozens of actors more or less successfully acting out what they imagine would be the behaviour of different stakeholders in a particular new scenario.

However, a well designed exercise, which allows participants to work through how a new service might work, based on the details of the care pathway for service users and carers, and to consider the dangers of any unintended consequences of new arrangements, can be valuable. It can help all stakeholders test the feasibility of a proposed service development, as well as identify additional guidance, protocols or arrangements needed to make the service work well.

By the end of this stage the steering group should have completed a draft strategy, with a framework for service change and development which has a clear rationale behind it and detailed analysis of the resource and service implications. It should have, amongst other things, addressed the hypotheses put forward at the beginning of the project.

Returning to our example hypothesis – 'over half of the users of our day care services do not need them, and there are more effective and cost-effective ways of providing community support for them and their carers' – it is at this point where the information gathered in the previous stages is drawn together, and the hypothesis either forms part of the final analysis, or is replaced by an alternative. If we assume that, in this instance, the analysis revealed that there were a very high proportion of service users who did not value existing day services, that there were high numbers of failed take-up of places, that the unit cost of provision was particularly high in the north of the area, and that a large proportion of carers interviewed said they wanted social care support to be made available in their own home, then part of the template might start to look like this:

Strategic Objective	The Gap – Service Developments	Rationale	Commissioning Implications
To re-configure day care support for older people with no medical support needs, to better meet their social care needs, and support carers more effectively.	Introduce a scheme to provide home based support for older people who are supported by single carers in the north of the area. Revise the role and remit of the existing day centre to support only those with combined health and social care needs.	Feedback from existing service users and carers and staff that day centres are not meeting the needs of a significant proportion of existing users. Cost and unit costs data show service inefficiencies. Examples from other authorities and research showing that alternative, home-based provision can be more effective in meeting the needs of people supported at home by a single carer. Existing providers and potential new providers have expressed interest in preparing proposals for alternative services.	Change the eligibility criteria for day centres and reduce the number of available day centre places in the north of the area. Reduce the funding for the existing day centres. Specify requirements and invite tenders from potential providers of home based support. Evaluate the impact of the scheme, with a view to introducing further changes elsewhere in the following two years.

Following consultation, this might be followed by an exercise with a range of stakeholders to design the service model for home-based social care support, and test out how the service might be delivered in a range of scenarios. The strategy itself should now be in a position where it can be put to the political and organisational tests of agencies' boards and members.

What Follows?

Once a strategy has been developed, it will move through various drafts and redrafts in the formal decision-making and political process, to ensure that it is subject to proper scrutiny and governance. If the steering group has been properly constituted and it has engaged with senior executives and members during the rest of the project, alterations at this stage are usually to do with timescales and priorities rather than about the direction of services themselves.

At the same time, implementation plans need to be developed to ensure that the strategy is actually delivered. There are two particular elements here:

• A purchasing plan – identifying, for each service development, details of how commissioners intend to allocate resources, and what specifically they expect to be delivered for those resources.

• A market management plan – identifying what commissioners intend to do to ensure that services are specified, tendered, and contracted appropriately, including being clear about what services will not be subject to competition, and why.

These plans should be specific enough to give a clear steer to those responsible for individual contracts, SLAs and for grants to voluntary agencies about the priorities they should concentrate on and the approach they should take, as well as giving clear direction to what providers within public agencies should be including in their service and business plans.

Finally, and perhaps most importantly for the influence of the commissioning strategy and the credibility of the commissioners, ongoing effective monitoring of the impact of the strategy is needed, and at this stage a plan, which includes the following, is key:

• A set of measures or indicators which, if collected and analysed regularly, will allow the commissioners to monitor activity, performance and impact of the services commissioned.

• A framework which ensures that monitoring and review does take place using the measures identified above, and which allows the opportunity for commissioners, providers and other stakeholders, to contribute to the analysis of progress.

• Contracts and SLAs and grants with providers that ensure they will collect the service activity and performance data necessary to enable effective monitoring to take place.

Time, Resources and Skills Needed – is it worth it?

As we can see from this paper, building a commissioning strategy from scratch can be a resource-intensive activity. Going through all of the stages described can rarely be done in less than six months, and will usually require the active input of a significant number of commissioners, providers, service users and carers, and other stakeholders. Of course, some of the background work required by a commissioning strategy may have been done previously (for example, population needs analysis, or performance data), but even where this is the case, the crucial task

of analysing this information from a commissioner's point of view is less likely to have been done. There are relatively few short cuts, and a project will require some combination of the following skills and experience:

- **Project management**
- **Change management**
- **Policy analysis**
- **Demography**
- **Data collection and information analysis**
- **Qualitative research**
- **Working with service users and carers**
- **Interviewing, questionnaire design and analysis**
- **Presentation, workshop management and facilitation**
- **Report writing**

This needs to be supported by a steering group who can support, challenge and assure the quality of the project, and ensure that it is positioned effectively in the decision-making processes of the different agencies involved.

Is it worth it? That depends. As I said at the beginning of this paper, there is nothing inevitable about the influence that a strategy will have, simply because it is concerned with commissioning. The time and energy required is substantial and it is only worthwhile if the changes introduced as a result of the strategy are likely to make a significant and sustained contribution to better, more acceptable or more cost-effective services for the population you are serving. Two key questions may be crucial to commissioners deciding whether they should embark on this process:

- Are major service changes needed for the population for which you are thinking of developing the strategy, or do others need more substantial or urgent changes in the services they receive? You need to question the value of a project where you believe you are likely to identify the need for only minor change.

- Do the agencies involved see this project as part of moving towards a long-term commissioning approach, or is it just a one-off activity? If it is the latter, then you should question whether or not to embark on the project, as it is not likely to produce sustainable results in the longer term.

If, however, you can respond positively to these questions, then the project may well be worthwhile, and the investment you make in this project may well repay you for a number of years to come, with an approach which consistently supports goals of more effective services, based on clear population needs, commissioned fairly and openly, provided by the most cost-effective providers, which meet the quality standards required by you and your service users.

Keith Moultrie

Deputy Director

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Appendix: Commissioning Strategy Planning Exercise

These are some of the key questions which a commissioning team might want to consider when planning the development of a commissioning strategy.

Whose strategy is it, and what type of document will it be?
e.g. a short statement of strategic intent or a detailed analysis and plan.

Who is the audience(s) for the written strategy?

What are the boundaries of the population or definition to be used?
e.g. geographical area, age range.

What are the services to be included?
e.g health, education, social care, housing, justice.

What is the timeframe of the strategy?
e.g. 5 years

When does the strategy need to be completed by?

What existing partnerships or forums are there for multi-agency planning/commissioning?

Is there an agreed definition or understanding of commissioning between the partner agencies?

Are there any agreed or published outcomes, values and priorities of the partner agencies?

What research/best practice and guidance/legislation do you know about, and where might further sources be found?

What population/demographic data is currently available and/or what arrangements need put in place to produce a population needs analysis?

What relevant and recent consultations or feedback exist?

What existing service mapping data is available and/or what arrangements need put in place to produce an analysis of the level and costs of the existing service provision?

How will you review the quality of current service provision?

How will you identify and test major gaps in service provision, quality and potential improvements with providers, service users and other stakeholders?

Who will lead the development of the strategy?

Who will gather the data?

Who will steer and advise?

Who will write the strategy?

Who will support the development of the strategy?

Who will need to agree the strategy?

Biography

Keith is Deputy Director of The Institute of Public Care (IPC), which is part of Oxford Brookes University. Keith joined IPC in 1996, prior to which he was General Manager of Research and Consultancy at the Institute of Health and Care Development, specialising in personal and organisational development. Before this Keith worked for the NHS Executive, leading work on performance management, workforce profiling and career development with a wide range of health service organisations. He has a professional background in social work.

IPC specialises in three areas of activity: performance management, commissioning, and managing practice quality. The Institute's work focuses on social care, education, primary health and housing. IPC has been working at the forefront of public care management and practice since 1988. Recent activity includes many projects to develop and implementation local joint commissioning strategies and guidance on commissioning for the Welsh Assembly Government. IPC draws upon its experience in this area to run seminars and post-graduate certificate programmes on commissioning and purchasing. To find out more about the work of IPC visit http://ipc.brookes.ac.uk.