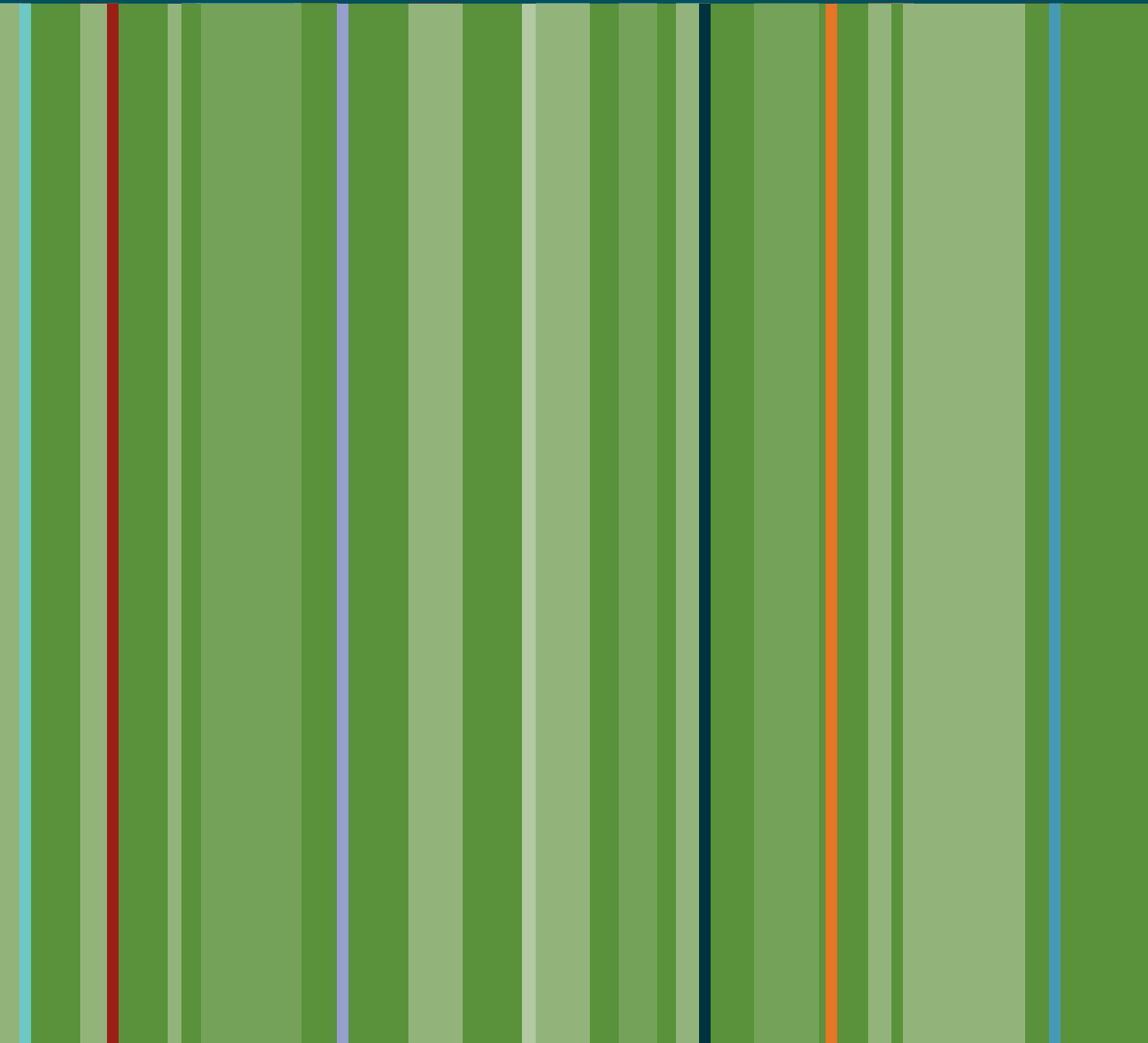




social work  
inspection agency

guide to **STRATEGIC  
COMMISSIONING**

*taking a closer look at strategic commissioning in social work services*



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COMMISSIONING**

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September 2009

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# 01

## INTRODUCTION

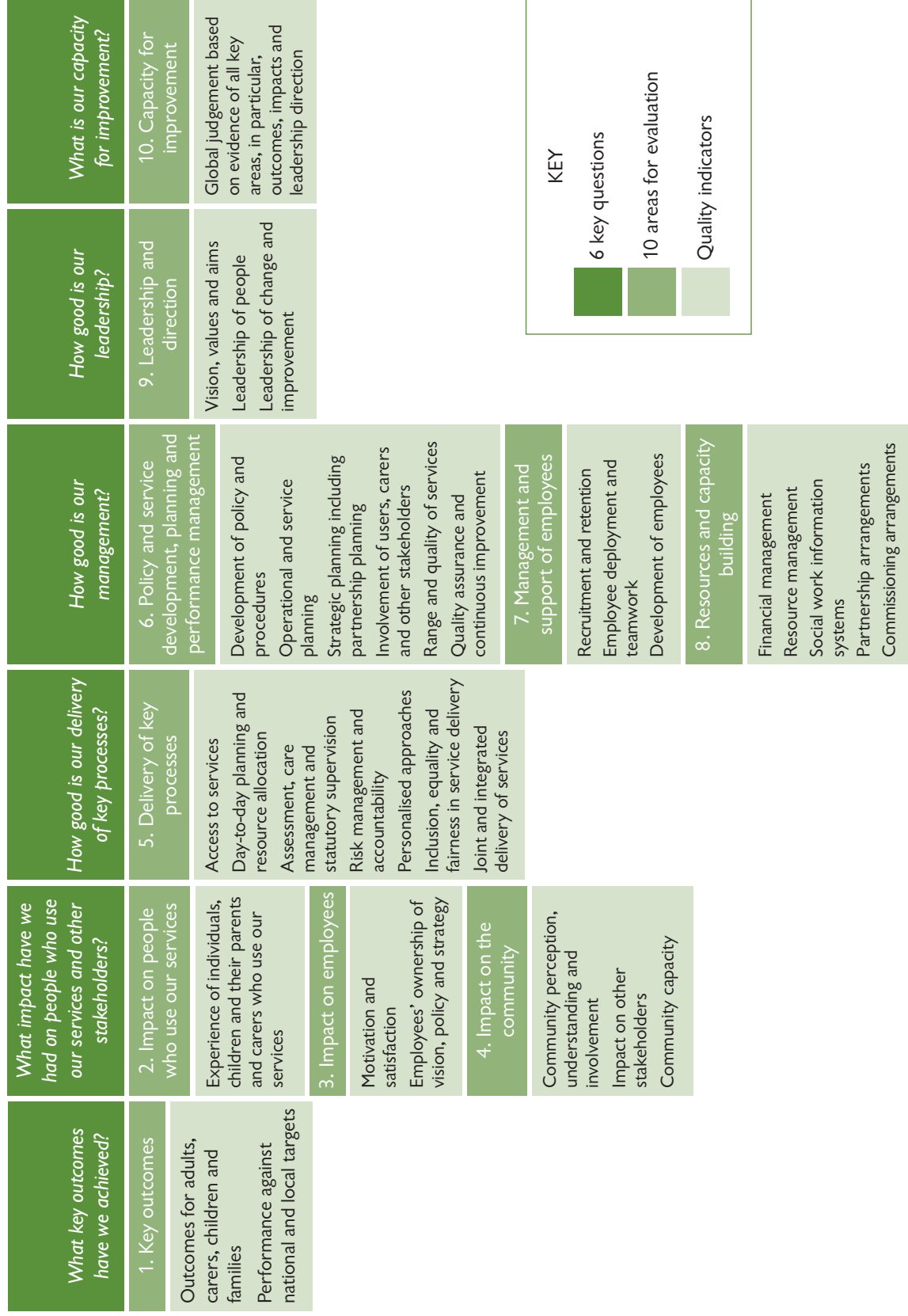


## 1. INTRODUCTION

- 1.1 We intend this guide to assist councils, working with key strategic partners, to evaluate their performance on the strategic commissioning of care and wider supports for adults, children and young people. It should also assist councils to evaluate joint commissioning with partner agencies. We want this guide to be helpful, but like all of our self-evaluation products, its use is not mandatory.
- 1.2 We have designed the guide for use in all sectors of social work. It is not prescriptive – it is for councils to decide how to use the material. However, the guide contains key questions to ask when evaluating performance on strategic commissioning.
- 1.3 Five councils helped in the production and testing of the guide and several others gave us comments on drafts. We also consulted a wide range of other agencies, including representatives of provider organisations.
- 1.4 In the overview section, we set out what we mean by strategic commissioning, describe the main activities involved, give some general guidance and identify some features of good practice.
- 1.5 To prepare this guide we have used commissioning material produced by a number of other agencies. Appendix 1 contains a list of these references. We have carried out an equality impact assessment on the guide.
- 1.6 The guide provides the resources to examine strategic commissioning in depth. We suggest four themes for evaluation, and within each of these, essential features and prompts for the types of questions you may want to ask to explore each theme.
- 1.7 You should read this guide in conjunction with the SWIA performance improvement model contained in the guide to *Supported Self-Evaluation: Building Excellent Social Work Services*. We published this in February 2009, and it is available at [www.swia.gov.uk](http://www.swia.gov.uk).
- 1.8 You will find a diagram of the SWIA performance improvement model on the next page. Commissioning is part of evaluation area 8 (resources and capacity building). It links closely to several of the other evaluation areas, in particular:
  - 1, 2 and 4 (outcomes and impact);
  - 5 (delivery of key processes);
  - 6 (policy and service development, planning and performance management); and
  - 9 (leadership).
- 1.9 SWIA is producing separate guides on leadership and performance management. Some parts of these will be relevant when you are evaluating your performance on strategic commissioning. The guides will be available at [www.swia.gov.uk](http://www.swia.gov.uk).



# PERFORMANCE IMPROVEMENT MODEL (PIM)



**KEY**

- 6 key questions
- 10 areas for evaluation
- Quality indicators

# 02

## OVERVIEW





## 2. OVERVIEW

- 2.1 Commissioning is at the very heart of providing effective care and support for both children and adults. It is the process by which councils decide how to spend their money to get the best possible services and wider supports for local people, now and in the future.<sup>1</sup>
- 2.2 The aim of all commissioning activity by social work services is to achieve the best possible outcomes for the community as a whole and for individuals who require care and/or support. This includes people who will need care and support at some time in the future. Commissioning should ensure that there are personalised approaches to meeting people's needs, in all services and settings. It must also achieve best value<sup>2</sup> and comply with the disability, gender and race equality duties<sup>3</sup>.

### Key Point

**Engaging people who use services and their carers is at the heart of effective commissioning. Commissioners also need to engage with citizens in the wider community to define outcomes that reflect the needs, preferences and aspirations of people who will use services in the future, and their carers.**

### WHAT IS STRATEGIC COMMISSIONING?

- 2.3 Commissioning involves a wide range of strategic activities, covered in detail in the final section of this guide. These include:
- agreeing strategic outcomes and priorities;
  - understanding and forecasting needs, and reviewing these regularly;
  - analysing the factors which impact on market supply and demand;
  - appraising all the options;
  - taking a long term view of which services and wider supports will deliver the best outcomes;
  - taking strategic decisions about how needs will be best met in terms of preferred models of intervention, care and support;
  - deciding the balance to be struck between prevention, early intervention and more intensive supports;
  - developing sound financial frameworks and financial management systems;
  - developing positive relationships with providers so that they are involved and informed in decisions about services;

1 Taken from *Making Ends Meet – a website for managing the money in social services* (SSI, Audit Commission publication) [www <http://www.joint-reviews.gov.uk/money/commissioning/2-21.html>](http://www.joint-reviews.gov.uk/money/commissioning/2-21.html)

2 The Scottish Public Finance Manual defines the duty of best value in public services as: *“To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development”*.

3 Public bodies have a legal duty to promote equality for disabled people, gender and race equality. This includes services provided by external contractors.

- providing and/or purchasing appropriate services which meet agreed standards and deliver required outcomes;
- having contingency plans to deal with assessed risks and unforeseen challenges;
- having exit strategies for services which no longer meet needs or deliver best value, taking full account of the impact on people who use services and their carers, and developed in close consultation with them and their advocates; and
- conducting an equality impact assessment for all relevant policies and commissioning decisions in line with legal requirements.

### Key Point

**We should see commissioning as a cross-cutting activity and not a sectional or specialist function. It links strategic and financial planning with assessment and care management. It involves making decisions about how to use resources most effectively to achieve desired outcomes for people.**

- 2.4 In evaluating your performance, some of the questions you will need to ask include:
- Are the current mix of services and supports achieving the intended outcomes for people who use services and carers?
  - Does the current mix of services and supports represent value for money?
  - Could we achieve the same or better outcomes more efficiently and effectively?
  - What changes do we need to make to in-house and purchased services in order to deliver best value and get good outcomes in the future?
  - Are we effective in engaging with people who use services and their carers, the wider community and our strategic partners?
  - Do we have written commissioning strategies that communicate our strategic intentions for the short, medium and long terms?
  - Have we produced written purchasing intentions to inform and guide business planning by providers?
  - Are our purchasing and contracting arrangements compliant with all relevant legislation and guidance (including equality legislation) and fit for purpose?
  - Do we engage well with providers, and promote their capacity to deliver good quality, sustainable services that are flexible and responsive to people's needs and preferences?

### TERMS USED IN THIS GUIDE

- 2.5 In this guide, **'strategic commissioning'** is the term used for all the activities involved in assessing and forecasting needs, agreeing desired outcomes, considering options, planning the nature, range and quality of future services and working in partnership to put these in place.
- 2.6 Strategic commissioning is **not** just about purchasing services from external providers, although this is an important element of the commissioning process.

2.7 We use the term **'statutory partners'** to mean:

- all relevant council services, including education and housing;
- NHS Boards and Community Health Partnerships (in some areas, Community Health and Care Partnerships);
- other local statutory agencies, such as the police, the reporter to the children's panel, the courts and other parts of the criminal justice system;
- other local councils with whom strategic agreements and partnerships have been/could be formed;
- the care regulator and other regulatory and scrutiny bodies;
- relevant central government organisations and agencies; and
- the Scottish Prison Service.

2.8 By **'strategic partners'**, we mean:

- all relevant statutory partners with responsibility or interest in the services being examined;
- people who use services and their carers and their representative organisations;
- advocacy organisations;
- community and voluntary organisations; and
- existing and potential service providers across all sectors.

2.9 We use **'market conditions'** and **'social care markets'** to mean how the purchasers and providers of social care do business with one another. As in all markets, there are different combinations of purchasers and providers, interacting differently in all the service sectors and sometimes differently within the same authority, as, for example, between urban and rural areas in what are sometimes termed different **'market segments'**.<sup>4</sup>

#### Key Point

It is important that social work as the lead agency promotes a positive culture of engagement and consultation with a wide range of partners and stakeholders. This involves making sure that we help existing and potential partners to understand their roles and responsibilities when they are involved in strategic planning and commissioning.

2.10 It is helpful if you have explicit written arrangements for engaging with and involving different partners and stakeholders. It is good practice to incorporate the following in commissioning policies and procedures:

- a statement of commitment to the widest possible engagement, communication and consultation with all strategic partners;
- links to relevant priorities in the single outcome agreement agreed by the council and its community planning partners;

4 Making Ends Meet – Managing Money in Social Services  
(website <http://www.joint-reviews.gov.uk/money/commissioning/2-21.html>)

- principles for ensuring that engagement of partners is fair and transparent e.g. through agreeing mechanisms to involve the different stakeholders and their representatives;
- a clear statement of respective roles and responsibilities, recognising the expertise and contribution of all strategic partners, including providers;
- arrangements to make sure that provider involvement is kept separate from procurement decisions and the allocation of funds. This will help to avoid conflict of interests or unfair treatment of existing and potential providers; and
- arrangements for monitoring and reviewing the effectiveness and cost of strategic partnerships, including obtaining feedback from the full range of agencies which are, or could be, involved.

- 2.11 By **'whole systems approaches'** we mean taking a broad view across the full range of responsibilities of councils (social work, education, housing, community safety, leisure/recreation etc), the NHS, the police, the reporter to the children's panel, and the criminal justice system. A whole systems approach considers the impact of all services on outcomes defined in commissioning strategies, and the impact decisions taken by one partner will have on the demand and supply of services provided by other partners.
- 2.12 We use the term **'joint commissioning'** for the process by which two or more organisations act together to co-ordinate the strategic commissioning of services, taking joint responsibility for implementing joint strategies. Departments within a council, for example social work, education and housing services, may jointly commission services. This may also involve key strategic partners such as the NHS or the police. You may also work in partnership with other councils. In order for joint commissioning to be effective, all partners need to have in place:
- joint arrangements for the involvement of people who use services, their carers, advocacy organisations and service providers;
  - formal partnership agreements, which are supported by sound joint governance and accountability arrangements;
  - jointly agreed strategic plans;
  - effective joint leadership arrangements;
  - joint commissioning policies and procedures;
  - broad agreement about roles and responsibilities;
  - a joint financial framework which includes funding agreements and commitments;
  - joint financial planning, reporting and accountability arrangements; and
  - joint performance management, reporting and accountability arrangements.
- 2.13 We use the term **'people who use services'** to mean adults, young people or children who are current or future recipients of care services and/or wider supports including those who are involuntary recipients of services. The term **'carer'** means a relative or friend who provides unpaid care and support.
- 2.14 We use **'personalised approaches'** to mean approaches which focus on the individual in a child centred or person centred way, giving them the greatest possible choice and control over their care and support. We want to emphasise that personalised approaches should be taken in all social work services and settings. It is important for commissioners and providers to develop measures to evidence this.

2.15 Commissioning takes place at different levels, ranging from agreeing and arranging services and wider supports to meet the needs of individuals through to strategically commissioning services to meet the current and predicted needs of particular care groups or the whole community. It is important that commissioning strategies set out how services will deliver personalised responses and support people to make choices and to actively control and direct their services, if they wish to do so.

### PREPARING TO DEVELOP A COMMISSIONING STRATEGY

2.16 Before you begin to develop a commissioning strategy, you will need to consider what preparation you require. You will have to bring together a range of staff from different teams, including research and information, those involved in service planning and development, operational managers, finance and contracts teams. Project management skills will also be important. You will need to make clear links with existing service planning structures to avoid duplication or confusion. You should keep in mind that some of those who need to be involved might not initially think of themselves as having an important role in the strategic commissioning of services.

2.17 Your preparation is likely to include:

- defining the areas for consideration, including the needs of people waiting for services as well as the needs and intended outcomes of and for those currently receiving services;
- checking that you have effective planning structures and processes in place for the group to be considered;
- getting approval and commitment within the governance structure of strategic partnerships;
- devising a work programme and timeline (we suggest you start with a broad outline and refine this as the tasks can be more accurately defined);
- initial engagement with strategic partners and stakeholders; and
- visioning exercises (if you consider that there is not already a clear vision owned by all strategic partners).

### CARE GROUP COMMISSIONING STRATEGIES

2.18 In the early stages of strategic commissioning, it is likely that commissioners will start by looking at the needs of particular care groups, such as children and families, older adults, people with a learning disability etc.

2.19 This guide focuses mainly on care group strategies, since the findings of inspections to date show that this is the stage most councils are working to develop, and the one where improvement is most pressing.

2.20 You should have commissioning strategies for all the main care groups, and these should cover all priority sub-groups. For example:

- a commissioning strategy for children and young people should cover priority groups such as looked after and accommodated children, children in need, young care leavers, young carers, children with disabilities, children affected by addiction, and should cover prevention and early intervention; and

- a commissioning strategy for older adults would be expected to cover promoting health and wellbeing of older people as well as the range of housing and support they require. It should address the needs of priority groups such as physically frail older people, older people with dementia, older people with functional mental illness and issues affecting older people from black and minority ethnic communities and older people with a sensory impairment.
- 2.21 Commissioning strategies should take account of the geographic considerations relevant to your local area, including the needs of people living in rural or disadvantaged areas. They should also cover equality duties and consider the needs of socially excluded or hard to reach groups or communities.
- 2.22 You should have **'delivery plans'** to support your commissioning strategies. Delivery plans should meet **SMART** objectives. By this, we mean plans should be Specific, Measurable, Achievable, Relevant and Time-limited.

### OVERARCHING COMMISSIONING STRATEGIES

- 2.23 As commissioning activity develops, it is important to work progressively towards an **'overarching commissioning strategy'**. This should promote coherence and consistency in commissioning across the different care groups. It will assist strategic partners to assess and take decisions about the relative priority given to different groups within the community, as well as the balance of investment in prevention, early intervention and supports that are more intensive. Overarching commissioning strategies should align with service and community planning and single outcome agreements.
- 2.24 We recognise that overarching commissioning plans and strategies are likely to exist where councils and partnerships already have well developed commissioning arrangements.

### PROCUREMENT

- 2.25 It is mandatory that all public procurement, including the purchase of social care services, complies with the guidance in the Scottish Procurement Policy Handbook<sup>5</sup>. This defines **'public procurement'** as the acquisition, whether under formal contract or otherwise, of goods, services and works from third parties by contracting authorities. The handbook also summarises key aspects of the equality and public sector duties.
- 2.26 The Scottish Procurement Directorate (SPD) published guidance<sup>6</sup> in August 2008 on the requirement to advertise social care contracts and to award such contracts through open and fair competition. The guidance underlines the need for contracting authorities to have a strategy for the procurement of social care services that recognises the need to maintain the quality and continuity of services and addresses the concerns of vulnerable people who use services. The guidance also advises contracting authorities "to exercise extreme caution when considering the appropriateness of an e-auction as part of the evaluation process for social care contracts".
- 2.27 During 2009, the Joint Improvement Team (JIT) and the Scottish Procurement Directorate (SPD) are jointly leading the preparation of guidance and good practice materials on social care procurement. You can get updates on this work from the Joint Improvement Team website<sup>7</sup>.

5 Public Procurement Reform Programme "Scottish Procurement Policy Handbook". The Scottish Government. December 2008

6 <http://www.scotland.gov.uk/Resource/Doc/116601/0065310.pdf>

7 <http://www.jitscotland.org.uk/action-areas/commissioning/procurement/>

- 2.28 In this guide, we use the terms procurement and purchasing interchangeably to refer to the public procurement of social care services.
- 2.29 A service is termed as **'directly provided'** or an **'in-house service'** if a council employs and manages the staff who deliver the service. This can be the social work service or another council department, or jointly with another statutory agency.
- 2.30 **'Joint purchasing'** is where two or more agencies co-ordinate the actual buying of services to meet needs, either at a community or at an individual level.

### COMMISSIONING TIMESCALES

- 2.31 We use **'long term'** to mean looking ahead at least 10 years in commissioning strategies. By **'medium term'**, we mean looking ahead at least three years and by **'short term'**, we mean looking ahead at least one year.
- 2.32 Strategic commissioning involves taking a long term view of the needs of the whole community. Commissioners should be planning **at least** 10–15 years ahead, assessing what mix of services and supports will best meet predicted needs and preferences, as well as delivering best value. A long term approach is essential for sound decision making about investments in assets and workforce planning. It is good practice to revise commissioning strategies regularly, ideally at least every three years, making any adjustments necessary in the light of changing circumstances and updated equality impact assessments.
- 2.33 To complement the long term approach, good practice suggests that commissioning strategies should have detailed three year delivery plans and one year action plans. Delivery plans should include a statement of purchasing intentions, which should cover at least three years ahead, and ideally five years.

#### Key Point

**Social work services should develop statements of purchasing intentions in consultation with key stakeholders, and publish these to assist the business planning of all providers, including the council's own in-house services.**

- 2.34 Your long term strategy will not have the same level of detail as your short and medium term plans. However, it is essential that along with your strategic partners, you remain clear about your long term strategic objectives. Otherwise, there is a risk that short term investment or disinvestment decisions will undermine the outcomes you and your partners are committed to achieving.

#### Key Point

**Any major commissioning decisions which you take in the short or medium term must be able to be tested against the impact on the outcomes and priorities you have agreed for the longer term.**

## THE COMMISSIONING CYCLE

- 2.35 Most models of commissioning emphasise its cyclical nature, with strategic commissioning providing the context for procurement and contracting. The example shown in Figure 1 (over the page) is adapted from a model produced by the Institute of Public Care (IPC) and is widely used. The IPC model links the commissioning and purchasing/contracting cycles, and is relevant across public care services such as health, education, social care and housing.
- 2.36 A key principle of the model is that the commissioning process should be equitable and transparent, and open to influence from all stakeholders via an on-going dialogue with people who use services, their carers and providers. Outcomes for people are at the centre of the model.
- 2.37 The model is based upon four key performance management elements - **analyse, plan, do** and **review**. The model requires that each of the four elements receive attention, and all are kept in balance.

### Key Point

The commissioning cycle (the outer circle in the diagram) should drive purchasing and contracting activities (the inner circle), and these in turn inform the ongoing development of strategic commissioning.

- 2.38 For each of the main commissioning strategies, it is good practice to programme a regular cycle of analysis, planning, doing and reviewing. Ideally, this should occur every three years, allowing the revision of short, medium and long term planning assumptions and objectives. If there has been no revision of a strategy for over three years, the assumptions underpinning your medium and long term objectives risk becoming out of date.
- 2.39 In between major reviews, the frequency with which you repeat the cycle (or parts of it) will depend on the scale of what you commission or decommission, your assessment of the risks involved, and the level of uncertainty or change you have to deal with. At a minimum, you will find it helpful to programme a series of annual reviews to allow you to record progress, changes, and agree any required adjustments.



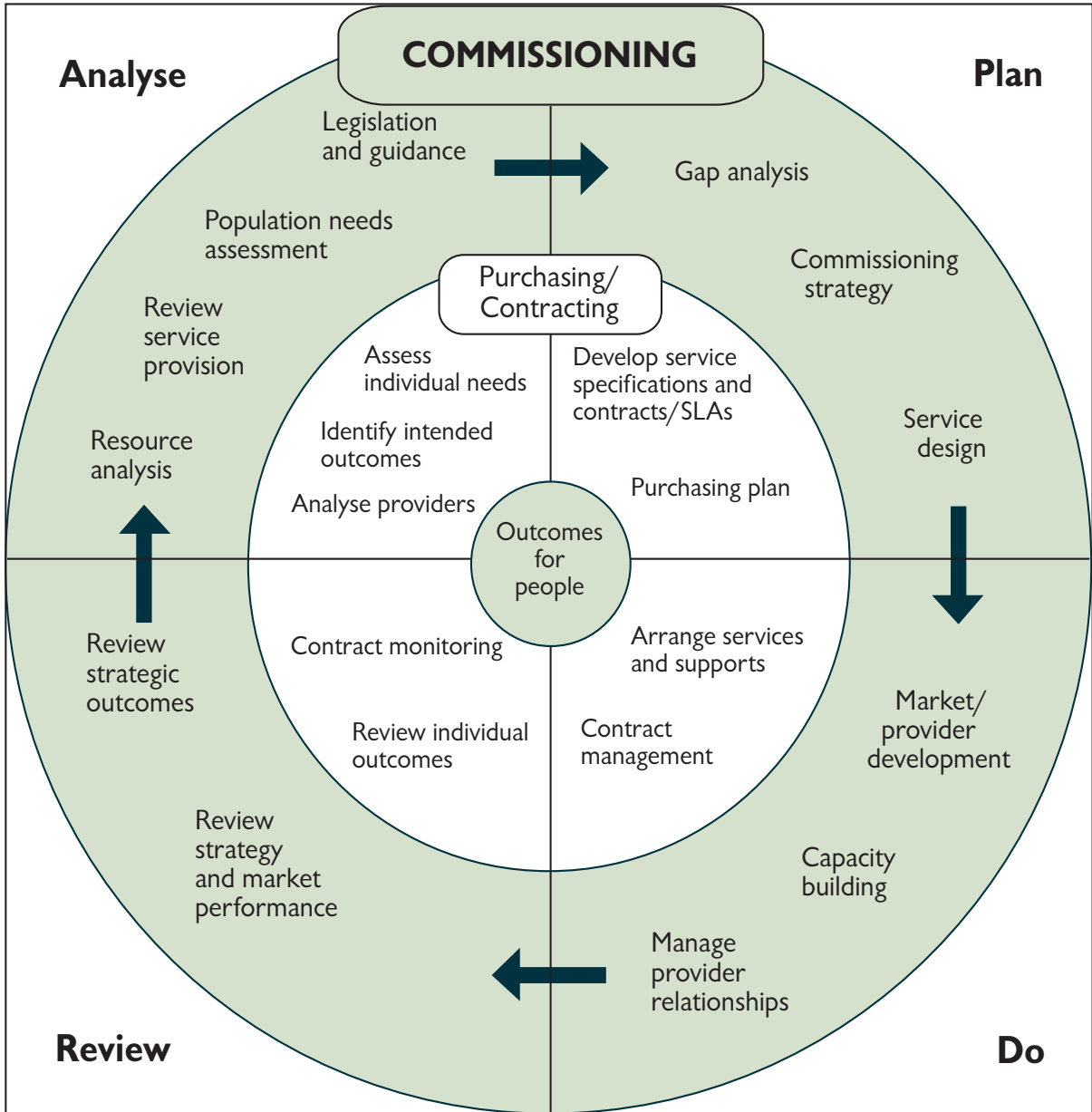


Figure 1 – Joint Commissioning Model for Public Care (based on IPC model)

## THEMES FOR SELF-EVALUATION

2.40 In this guide, we suggest four themes for self-evaluation, based on the commissioning cycle.

Theme	Description
Theme 1: Analyse	This theme is about drawing meaningful conclusions from available data and from projections, including data from people about their needs, preferences and the extent to which the service is delivering intended outcomes. Analysis is one of the most important activities in the commissioning cycle. Poor analysis of past or future trends will result in flawed commissioning decisions and wasted resources.
Theme 2: Plan	This theme is about working with strategic partners to make short, medium and long term decisions about how services need to change and how this will happen. Planning involves being clear about the options available to you in terms of investment and service redesign, and consulting on how to achieve the best outcomes and best value. Plans should result in SMART commissioning strategies.
Theme 3: Do	This theme is about the implementation of your strategic commissioning plans. It involves maintaining a strategic overview of what you are trying to achieve, as well as effectively commissioning/decommissioning services, and implementing sound procurement arrangements.
Theme 4: Review	This theme is about taking an evidence based approach to monitoring and reviewing progress, and making adjustments in the light of changing circumstances. You will need to review whether you are achieving the objectives of your commissioning strategy, as well as the effectiveness of procurement arrangements. Feedback from people who use services and their carers, and other strategic partners is an essential element of the evidence you need to review your progress.

# 03

HOW TO USE THE SELF-EVALUATION MATERIAL



### 3. HOW TO USE THE SELF-EVALUATION MATERIAL

- 3.1 You should start the preparation for your self-evaluation by referring to the guidance contained in SWIA's guide to supported self-evaluation. It recommends that you adopt a systematic approach and outlines a self-evaluation process, which we recommend you follow.
- 3.2 For self-evaluation to be effective, the focus must be on improvement and delivering better outcomes for people who use services. Here are some of the key points from SWIA's guide to supported self-evaluation that you should remember when taking a closer look at strategic commissioning:
- the self-evaluation material is not prescriptive – it is for councils to decide how to use the guide. You may wish to take this decision in discussion with partners;
  - agree beforehand how you will manage sensitive findings, including a system to let senior managers know of any concerns that suggest immediate action may be necessary;
  - high-level scans and the results of previous external scrutiny should help pinpoint which areas need a closer look;
  - reliable self-evaluation uses a range of evidence to support conclusions;
  - reliable self-evaluation involves benchmarking inputs, outputs and outcomes with comparator organisations;
  - use the key features and self-evaluation prompts to direct your evidence gathering and the analysis of your performance;
  - use the illustrations to help you decide where your performance sits on the six-point scale; and
  - the essential features, and the themes as a whole, will not have identical weight and therefore contribute differently to the overall rating. Use well informed judgement.

#### DECIDING TO TAKE A CLOSER LOOK AT STRATEGIC COMMISSIONING

- 3.3 For many councils, the decision to take a closer look at strategic commissioning will be prompted by the challenge of achieving desired outcomes and best value at a time of resource constraints and increased levels of demand.
- 3.4 A detailed evaluation of strategic commissioning may result from action following an external evaluation, such as an audit or inspection, identifying weaknesses in this area. A more detailed self-evaluation would form part of the process of agreeing what needs done and drawing up an improvement action plan.
- 3.5 You may have undertaken a high-level scan and concluded that commissioning needs examination and improvement. If your findings include some of the following, this would suggest the need for closer examination of commissioning:
- the current range and quality of services do not deliver the best outcomes for people who use services and their carers, or will not meet future needs;
  - you believe that directly provided or purchased services are not achieving best value;
  - you do not have clear written commissioning strategies and purchasing intentions;
  - you have identified significant gaps or oversupply in provider capacity (or anticipate these in the future);

- the way you do business with providers makes it difficult for them to deliver or sustain high quality services, or undermines their capacity to deliver good outcomes for people; or
- there are weaknesses in service monitoring and review and/or poor links between service reviews and care management.

3.6 We suggest that you identify and record the aspects of commissioning that you intend to evaluate, and the reasons for your decision. This will give you a checklist to help to direct your self-evaluation.

### Key Point

**When you are carrying out your self-evaluation and devising an improvement action plan you may find the guide most helpful if you think in terms of a cycle of improvement. You can decide the most useful place to start. You will have the opportunity to revise and refine things next time round.**

3.7 We recommend your self-evaluation includes a strong element of objectivity. We therefore encourage you to explore the opportunities for working together with other councils. For example, you may want to seek advice from another council with recent experience of undertaking a self-evaluation of strategic commissioning. Alternatively, you might find it useful to 'borrow' the services of an officer in another council to join your team. You may also wish to learn more from one or more councils, for example, where inspection findings or self-evaluations have suggested strong performance in some aspects of commissioning.

### Key Point

**We encourage you to adopt an open approach to your self-evaluation. It is good practice to involve your strategic partners, including representatives of people who use services and provider organisations in your self-evaluation.**

## ACTION PLANS

3.8 Section 4 gives some additional guidance on ensuring your delivery and action plans are SMART.

## SELF-EVALUATION TOOLS

3.9 Section 5 presents the four themes for evaluation in detail to facilitate their use in self-evaluation. For each theme there is:

- a short overview;
- a list of essential features;
- a series of self-evaluation prompts to assist you to assess and rate your performance on each essential feature. As noted earlier, these are informed suggestions. We encourage you to adapt the questions and to ask other questions that you think are relevant; and
- illustrations of evidence that would indicate a rating of very good (level 5) and weak (level 2) performance. These will assist you in making judgements about your level of performance.

3.10 For each of the essential features, you should:

- give a short summary of current practice;
- record your assessment of strengths and areas for improvement; and
- rate your performance on the six-point evaluation scale.

#### THE SIX-POINT EVALUATION SCALE

LEVEL	DEFINITION	DESCRIPTION
Level 6	Excellent	Excellent or outstanding
Level 5	Very good	Major strengths
Level 4	Good	Major strengths with some areas for improvement
Level 3	Adequate	Strengths just outweigh weaknesses
Level 2	Weak	Important weaknesses
Level 1	Unsatisfactory	Major weaknesses

3.11 Appendix 2 gives a more detailed description of each level of performance, taken from the SWIA guide to supported self-evaluation.

3.12 As well as rating performance on each of the essential features, you should rate your performance on each of the four themes.

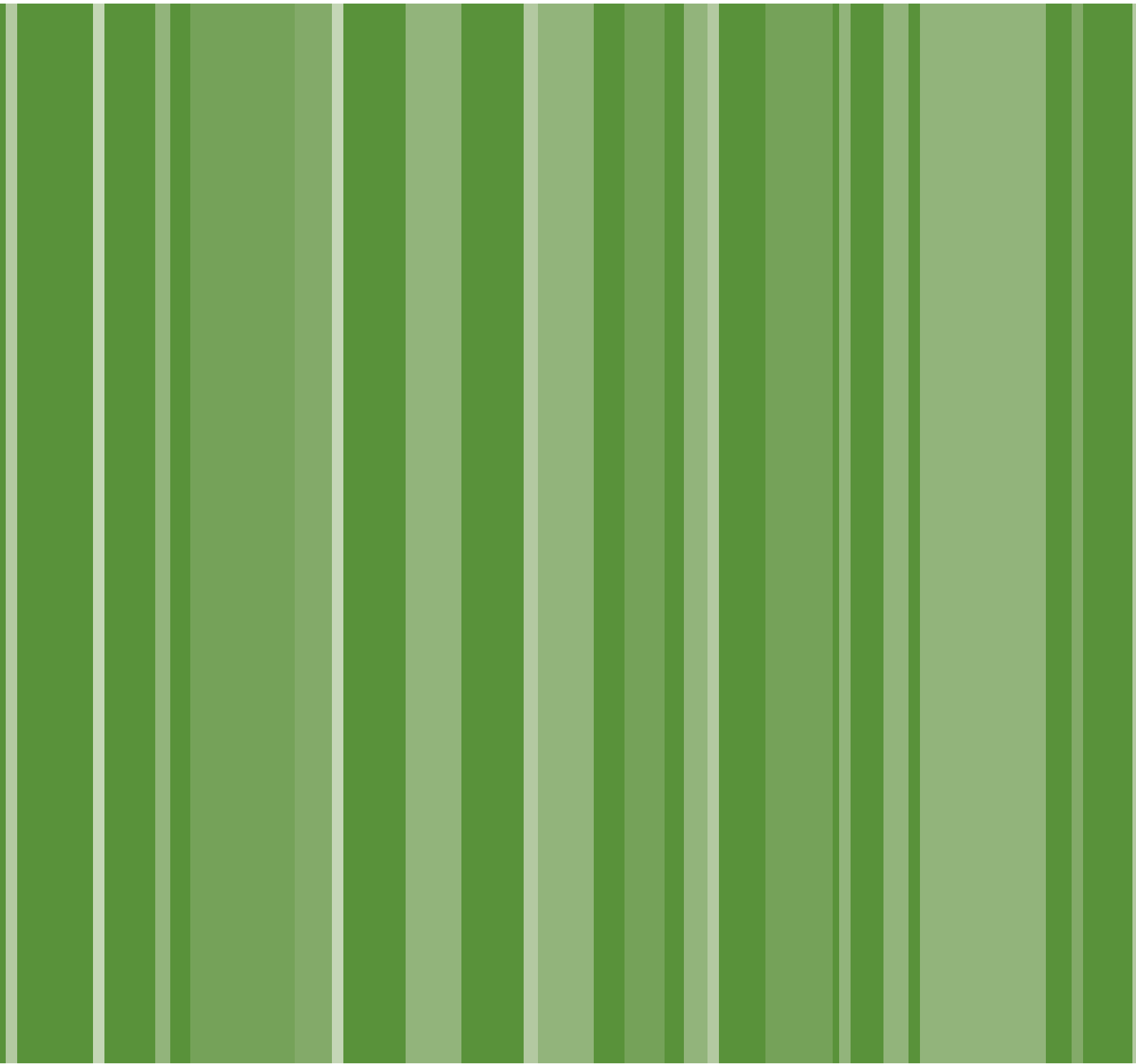
#### RECORDING YOUR SELF-EVALUATION

3.13 You can record your self-evaluation on an electronic or paper record. We suggest you use the format at Appendix 3 for your self-evaluation record. You can access this electronically on the SWIA website.

3.14 You should record your rationale for the conclusions you have reached in rating your overall performance on each theme, the evidence you have used to support this, and any evidence gaps you will fill at a later stage. You should agree and record your priorities for action. You can review and refine these when you reach the stage of developing an improvement action plan.

# 04

## PRODUCING AN IMPROVEMENT ACTION PLAN



## 4. PRODUCING AN IMPROVEMENT ACTION PLAN

- 4.1 The information you have gathered should allow you to undertake some further analysis and discussion, and come to clear conclusions about:
- your evaluation of your strengths and weaknesses for each of the commissioning themes;
  - your overall judgement of the effectiveness of strategic commissioning by the relevant parts of social work services;
  - whether you have identified good practice which should be formally recognised, celebrated and shared more widely;
  - areas and aspects of strategic commissioning and procurement that need to improve; and
  - ways in which improvements can be made.

### Key Point

**Your self-evaluation of commissioning is the starting point for improvement. What really matters is how you translate your self-evaluation into clear and decisive actions which result in sustained improvements.**

- 4.2 When you have completed your self-evaluation record, the next stage is to look at it in depth to start to determine priorities for attention.
- 4.3 If you have identified that a wide range of improvement actions are required, it will not be possible to address all of these at once. Instead you will need to prioritise the actions required, and postpone some actions until future cycles of self-evaluation and improvement.
- 4.4 You should give priority to improvement where your self-evaluation has identified that:
- there are risks to vulnerable people;
  - expected or planned outcomes for people are not being achieved, or the expected impact on people is not being realised;
  - you have high levels of unmet need and major gaps in the range and quality of services;
  - there is a poor balance between preventive services, early intervention and intensive supports;
  - you are not achieving best value and/or the costs of services are much higher than was planned or can be afforded;
  - you lack a range of providers capable of delivering best value in terms of good outcomes for people who use services and value for money; and
  - services could be more effective in achieving outcomes or best value if they were jointly commissioned.
- 4.5 One important consideration in planning and prioritising improvement actions is the cost in time and resources which will be required to implement them. You should identify action required to bring about long term improvements, including any prior actions you need to take to achieve these.



- 4.6 Your improvement action plan should also include addressing weaknesses which can be remedied quickly and simply. If staff, partner agencies, service providers and especially people who use services and their carers see that your self-evaluation has led to immediate actions and improvements, the effect will be positive and motivating. Such early gains will help to promote confidence in your ability and willingness to improve.
- 4.7 It is essential that all actions are part of a SMART improvement action plan, containing:
- clear targets which relate to embedding improved processes and practice into the business of social work services;
  - clear timescales stating when these targets have to be achieved;
  - realistic and accurate costings (finance, human and other resources) for each planned improvement action, and sources of additional funding where appropriate;
  - details of how you will train employees to deliver improvement actions, and work in new ways;
  - clear lines of accountability for project and actions plans; and
  - an appropriate project management framework.
- 4.8 The draft improvement action plan should include dates for review and completion and should allocate managers and staff responsibilities for specific tasks. To generate maximum understanding and ownership, a rigorous timetable should be put in place for achieving a progressive set of targets.
- 4.9 Once you have identified your improvement action priorities and incorporated these into a draft improvement action plan, you should discuss your findings with members of staff and strategic partners who may be able to offer new perspectives or propose innovative approaches.
- 4.10 We recommend that councillors with responsibility for social work services and senior managers should be visible in consulting with representatives of people who use services and their carers and other interested stakeholders about plans to improve commissioning.
- 4.11 Senior managers are responsible for agreeing and finalising the improvement action plan, after consultation with stakeholders. We recommend that the improvement action plan should be presented for approval to the relevant council committee and those of partner agencies, where applicable.
- 4.12 The final improvement action plan should be integrated as closely as possible with existing social work service plans (sometimes known as service improvement plans) and operational business plans. It may be necessary to replace some targets in existing plans with those which have now emerged from your self-evaluation.

# 05

## EVALUATING PERFORMANCE



## 5. EVALUATING PERFORMANCE

### **Theme 1: Analyse (getting information and analysing data)**

Analysing data is the crucial first stage of commissioning. In evaluating your performance, you should consider to what extent you concentrate on drawing meaningful conclusions from the information available. You should ask whether time is being wasted collecting data which contributes little to what is already known, or could be found out in other ways, for example from national policy documents or well-established findings from research. Is your collection and analysis of data well focused and managed, and are all relevant areas covered? Long, medium and short term forecasting assumptions are required, and you need to ask whether these are explicit and supported by evidence.

Studies in pilot areas have identified analysis as one of the most important factors in effective commissioning, and one that frequently receives insufficient time and effort. Poor quality of analysis carries a high risk of flawed commissioning decisions and wasted resources. In good practice, you will carry out the analysis jointly with partner agencies and in consultation with providers. A key contribution to the overall analysis will be consultation with a wide range of people who use services and their carers about their needs, preferences and aspirations about the support they want in the future.

Essential features The extent to which:	Self-evaluation prompts
<p>(a) there is shared understanding about the outcomes we wish to achieve in the future.</p>	<ul style="list-style-type: none"> <li>• Do we have a comprehensive analysis of national policies and priorities, the plans of all relevant local agencies and single outcome agreements?</li> <li>• Have we collected sound evidence to support the development of our commissioning activity, based on analysis of research, good practice and benchmarking information?</li> <li>• Have we developed a clear, shared understanding of the outcomes we wish to achieve for people in this care group and sub-groups?</li> <li>• Do we have a sound understanding of whole systems approaches to meeting needs, taking a broad approach across all relevant local supports and services, with links to locality and community planning?</li> </ul>
<p>(b) we have carried out a comprehensive assessment of needs, preferences and intended outcomes.</p>	<ul style="list-style-type: none"> <li>• Have we carried out a strategic needs assessment, using relevant national and local demographic, social and health data, including forecasts and trends?</li> <li>• Are our assessments comprehensive, person centred and outcomes focused?</li> <li>• Do our assessments identify the particular needs of individuals, families and communities who experience poverty, inequality and disadvantage?</li> <li>• Do our assessments reflect cultural, gender and social diversity, including the needs of minority ethnic groups and groups who are hard to reach?</li> <li>• Are our needs assessments informed by data which we have collected and analysed from care planning processes, as well as feedback from people who use services and their carers?</li> <li>• Are our assessments informed by surveys of people who use services and their carers (using Talking Points/UDSET, or other methods) and/or the findings of wider research on the aspirations, needs and wishes of people who use services and carers?</li> <li>• Do our forecasts include long term forecasts of need and demand (looking 10-15 years ahead) as well as medium term (3-5 years ahead) and short term (1 year ahead)?</li> <li>• Have we evaluated, analysed and summarised the information we have gathered and identified any major gaps in what we know?</li> </ul>

<p><b>Essential features</b> <b>The extent to which:</b></p>	<p><b>Self-evaluation prompts</b></p>
<p>(c) we have mapped and reviewed service provision to inform future commissioning.</p>	<ul style="list-style-type: none"> <li>• Have we mapped and reviewed service provision in the light of our collective assessment of people's needs and desired outcomes?</li> <li>• Have we identified current and projected (short, medium and long term) unmet need, main gaps in services and any duplication of services provided in our locality?</li> <li>• Have we gathered a wide range of stakeholder views on the range and quality of current service provision, and gaps in services?</li> <li>• Have we a good understanding of market supply and demand and the factors likely to impact on this in the future?</li> <li>• Have we collated evidence about the quality and performance of existing services (both in-house and externally purchased), based on the findings of the care regulator, our care planning processes, contract monitoring and feedback from people who use services and their carers?</li> <li>• Have we identified provider strengths and weaknesses (including in-house provision), consulted with existing and potential providers, and identified opportunities for improvement?</li> <li>• Have we analysed current and future provider capacity and identified gaps and potential over-capacity?</li> </ul>

<p><b>Essential features</b> <b>The extent to which:</b></p> <p>(d) with our strategic partners, we have fully analysed the range of options for achieving our agreed outcomes for this group of people and its sub-groups.</p>	
<p><b>Self-evaluation prompts</b></p>	<ul style="list-style-type: none"> <li>• Have we examined a broad range of alternatives for meeting the needs and desired outcomes for people who use services and their carers, taking into account:             <ul style="list-style-type: none"> <li>• a range of different models of care and support?</li> <li>• the findings of research?</li> <li>• the benchmarking of inputs, outputs and outcomes with comparator organisations, and internally between different teams and units?</li> <li>• evidence of what delivers the best outcomes in terms of quality and value for money?</li> <li>• the scope for effective prevention and early intervention?</li> <li>• evidence of good practice locally and elsewhere?</li> </ul> </li> <li>• Have we fully considered and made the most of the potential of technology, equipment and different housing options when deciding what our options are, in consultation with strategic partners?</li> <li>• How can we demonstrate that our options are based on sound evidence for what works well and delivers good outcomes for people and for the wider community?</li> <li>• Have we fully appraised all the options available to us, with a clear cost/benefit analysis of the range of options in terms of value for money and the outcomes we wish to achieve from the different models of care and support?</li> <li>• Does our option appraisal include directly provided services as well as services we currently commission?</li> <li>• Will the services we commission be able to adapt to changing needs and desired outcomes?</li> <li>• Have we consulted widely when carrying out option appraisals and documented the findings of consultation?</li> </ul>

<p><b>Essential features</b> <b>The extent to which:</b></p>	<p><b>Self-evaluation prompts</b></p>
<p>(e) we have developed a sound analysis of the resources needed to support future commissioning of services.</p>	<ul style="list-style-type: none"> <li>• Have we developed a good, shared understanding of the costs of different types of intervention, support and care?</li> <li>• Have we a clear analysis of the costs (including unit cost analysis) of the full range of services, supports and interventions?</li> <li>• Have we developed good systems for internal and external benchmarking, with clear links to our analysis of market supply and demand?</li> <li>• Have we a clear, objective analysis of financial and other resources (including buildings and accommodation) currently deployed across all agencies to meet the needs of the care group?</li> <li>• Do we have a robust resource analysis to support future commissioning, including an analysis of future resource requirements?</li> <li>• Have we agreed a set of realistic assumptions about future resource levels?</li> <li>• Have we analysed the current and future workforce requirements across all relevant agencies and sectors associated with the options we have identified for future service provision?</li> </ul>
<p>(f) we have analysed the risks involved in implementing change or continuing with existing models and levels of service.</p>	<ul style="list-style-type: none"> <li>• Do we have models that allow us to forecast the impact of possible changes associated with different options, including continuing with the current level and mix of services?</li> <li>• Is there a clear analysis of risks associated with the different commissioning options, including financial risks and the risks associated with failing to achieve our outcomes?</li> <li>• Have we analysed relevant workforce risks?</li> </ul>

## Illustrations for Theme 1

### Very Good (Level 5)

- Analysis and recording of outcomes is well developed.
- There is comprehensive evidence to support decisions about future commissioning of services for adults, children and families, and criminal justice. This includes:
  - person centred and outcomes focused needs assessments;
  - analysis of market supply and demand;
  - the findings of benchmarking and best value scrutiny;
  - research and good practice, and
  - information from care planning, as well as feedback from people who use services and their carers.
- There is a good understanding of the needs, preferences and desired outcomes of sub-groups within the community, including black and minority ethnic groups and those who are socially excluded or hard to reach.
- Data is reliable and there are good systems for improving data collection and data quality.
- Service mapping has been undertaken and there is a clear analysis of the range and quality of services and any service gaps or duplication.
- All relevant options for meeting future needs have been fully analysed, in terms of outcomes, costs, benefits and risks.
- There is a sound analysis of financial and other resource requirements and a good understanding of costs.

### Weak (Level 2)

- Thinking on outcomes is poorly developed.
- Information systems are underdeveloped and there is limited sharing of information across partner agencies.
- There is little systematic analysis of the current and forecast needs of the care group and its sub-groups.
- There has been no benchmarking of services to inform future commissioning.
- Information from care planning and review systems is not collected and analysed to inform future commissioning.
- Feedback from people who use services and their carers is unsystematic and findings are not well analysed and collated.
- Decisions about future service commissioning are ad hoc and based on untested assumptions.
- There is a poor understanding of market supply and demand and the business environment needed to ensure service quality and sustainability.
- There is limited understanding of gaps and duplication in services.
- Staff do not fully understand unit costs and the costs of care packages and as a result the service allocates resources unfairly.
- Systems for identification and appraisal of options are poorly developed.
- No equality impact assessments exist, and policies are outdated.



### **Theme 2: Plan (deciding actions in the short, medium and long term)**

Planning is the second stage in commissioning. To evaluate this theme, you will need to ask whether you have established strategic partnerships, reached agreements about how to involve people who use services and their carers, and how to involve and consult with other partners, including provider organisations.

You should ask if your planning activity has been informed by the findings of the analysis carried out at Theme 1. Are there any significant gaps that future stages of the commissioning cycle will need to address? Do plans concisely set out decisions about implementing service changes or leaving services unchanged? Do plans set out the rationale for these decisions? Do plans identify who is responsible for taking action on the plan, within what timescale?

In good practice, strong, cohesive partnerships will be in place with other relevant agencies and planning will be joint and carried out in consultation with people who use services, carers and provider organisations. There will be a strong focus on achieving personalised approaches in all services and settings.

Consider the extent to which you have comprehensive and up-to-date strategic plans that are widely available in accessible formats. A key element will be the involvement of people who use services and their carers in planning, and clarity about how their views and preferences have influenced final plans. Do comprehensive written commissioning strategies and implementation plans support strategic plans? These will set out agreed options, showing how you will achieve desired outcomes and how you will achieve best value.

Effective commissioning strategies will define joint activity between agencies and set out what will be the responsibility of a single agency. They will contain milestones for the short, medium and longer terms. Delivery plans will set out how the service will lead and manage the implementation of commissioning strategies, and set out how it will monitor and review performance.

Essential features The extent to which:	Self-evaluation prompts
<p>(a) we have strong strategic partnerships that drive the strategic commissioning of services.</p>	<ul style="list-style-type: none"> <li>• Have we strong partnerships with strategic commissioning partners?</li> <li>• Are partnership structures and appropriate governance arrangements in place to oversee the development and implementation of strategic commissioning?</li> <li>• Is there a commonly understood and shared vision for the particular care group which commands the commitment of all partner agencies and other stakeholders?</li> <li>• Does the shared vision include a commitment to personalised approaches that are person/child centred?</li> <li>• Is there is a clear, unambiguous statement about the responsibility of the commissioning agencies for meeting the needs of the relevant care group, including areas of joint responsibility?</li> <li>• Have we defined the roles of the partnership agencies, reaching clear agreements specifying what services we will commission jointly, and what will be commissioned by a lead agency on behalf of the partnership?</li> <li>• Have we agreed what services we will provide directly and what we will procure externally, based on considerations of outcomes for people, quality and value for money?</li> <li>• Have we established a framework for consultation and clear consultation processes with people who use services and their carers, and relevant local organisations, including providers?</li> </ul>
<p>(b) we have clear policies to guide strategic commissioning services.</p>	<ul style="list-style-type: none"> <li>• Is there an agreed set of policies, approved by elected members and implemented across all social work services, to ensure that a consistent approach is taken to strategic commissioning across all social work and jointly commissioned services?</li> <li>• To what extent do our policies and procedures demonstrate compliance with relevant legislation and guidance, both in relation to national policies for different care groups and national legislation and guidance in areas such as best value?</li> <li>• Do our commissioning policies reflect the principles of best value, equality, fairness and transparency?</li> <li>• Do our policies and procedures set out the roles and responsibilities of social work services and our strategic partners, based on consultation and engagement with them?</li> </ul>

<b>Essential features</b> <b>The extent to which:</b>	<b>Self-evaluation prompts</b>
<p>(c) we have developed written commissioning strategies for the relevant care group and sub-groups within it.</p>	<ul style="list-style-type: none"> <li>• Have we agreed, consulted on and published our strategic plans and priorities for the relevant care group and sub-groups?</li> <li>• Have our commissioning strategies been approved at all levels of the local governance/partnership structures, and subjected to equality impact assessment?</li> <li>• Do our plans emphasise person/child centred approaches?</li> <li>• Do plans set out how we will maximise opportunities for people to control the supports and services they need?</li> <li>• Based on our analysis of options, have we consulted and agreed on our preferred models of intervention, support and care, demonstrating how these will achieve best value, meet forecast needs, and deliver desired outcomes?</li> <li>• Have we published comprehensive written commissioning strategies for all relevant care groups in consultation with all stakeholders?</li> <li>• How do our commissioning strategies address the needs of adults/children who require transitional services, and those whose needs cut across care group and agency boundaries?</li> <li>• Do our commissioning strategies look forward at least 10–15 years, as well as containing detailed delivery plans for three years and one year ahead?</li> <li>• Do our commissioning strategies and related implementation plans meet SMART criteria?</li> <li>• At a whole systems level, have we maximised the contribution of all relevant local services, to achieve an optimal balance between promotion of health and well being, support for independence, prevention, early intervention and more intensive supports?</li> <li>• Is a whole systems approach evident in all commissioning strategies, i.e. do we take account of their impact on the capacity of all partner agencies to meet the needs and achieve desired outcomes for the relevant care group and the whole community?</li> <li>• Have all the relevant agencies made firm commitments to deploy resources effectively to deliver on commissioning strategies and support better outcomes for people?</li> </ul>

## Illustrations for Theme 2

### Very Good (Level 5)

- There are effective partnerships with a high level of engagement with key partner agencies.
- Joint commissioning of services takes place where this will deliver best outcomes.
- Partnership planning has a high involvement of people who use services and their carers and features consultation with all relevant stakeholders, including provider organisations.
- Providers are positive about their level of engagement in planning.
- Agreed written policies, focused on outcomes and best value, guide the strategic commissioning of services, and these have had equality impact assessments.
- Written commissioning strategies are in place for all the main care groups, and match community needs – including those of hard-to-reach groups. These are evidence based, with links to a wide range of information and analysis.
- Commissioning strategies set out what will be commissioned, available finances and show how purchasing intentions will achieve value for money.
- Commissioning strategies reflect whole systems thinking. There is a good balance between promoting health and well being, supporting independence, prevention, early intervention and providing more intensive supports.
- Active learning from good practice and ongoing benchmarking of services informs service commissioning, with a strong focus on outcomes.

### Weak (Level 2)

- Partnerships are weak or uneven. Some of the main care groups or subgroups receive insufficient attention.
- Partnership working focuses on operational issues at the expense of strategic planning and commissioning.
- Key local agencies have not been engaged in planning and commissioning activity, although their contribution will be essential to achieving desired outcomes.
- Involvement of people who use services and their carers in partnership planning is variable, with major gaps.
- There is a low priority given to engaging positively with existing and potential providers and securing their commitment to strategic decisions about future services.
- The service has not produced written commissioning strategies or these are unfinished and there is uncertainty about the status of commissioning plans.
- There is an ad hoc approach taken to commissioning and it does not link well to service and financial planning.

### **Theme 3: Do (implementing the commissioning strategy)**

Implementing the commissioning strategy is the third stage in the commissioning cycle. It involves putting in place effective delivery plans to achieve the strategy's objectives. This includes implementing financial agreements and workforce planning arrangements, consulting on and publishing your purchasing intentions, and giving effect to decisions about service development, procurement and decommissioning.

In evaluating your performance in this area, you should determine the extent to which your commissioning strategies have SMART delivery plans, identifying targets, milestones, accountabilities and review/reporting arrangements. Do you keep a clear focus on maintaining a strategic, whole systems approach to managing change and continuity, rather than a narrow focus on individual projects? You should evaluate whether delivery plans link well to your analysis of risks, and identify contingencies to deal with significant risks and uncertainties. Do you have sound and compliant business processes for service procurement and contract monitoring, and ensure that these successfully support the achievement of strategic outcomes? Is there a clear written statement of your purchasing intentions?

Effectively implementing the commissioning strategy requires effective leadership and management. This includes building strong partnerships to deliver the strategy, developing positive relationships with existing and potential providers, ensuring that there is sufficient market capacity, and ensuring that there are effective systems for measuring progress. Above all, commissioners must be able to show that people who use services and their carers attain the outcomes envisaged in the commissioning strategy in line with agreed targets and timescales. This links closely to the next theme of review.

<p><b>Essential features</b> <b>The extent to which:</b></p> <p>(a) we have established effective leadership and management arrangements to oversee the implementation of our commissioning strategy.</p>	<p><b>Self-evaluation prompts</b></p> <ul style="list-style-type: none"> <li>• Have we the right membership on decision-making structures to ensure joint groups are able to make decisions to allow the implementation of the whole strategy to move forward effectively and on time?</li> <li>• Do we ensure that we maintain a balance of effort directed to managing the implementation of the overall strategy rather than focusing mainly on the implementation of individual projects?</li> <li>• Are there clear responsibilities and accountability for implementing service developments and service decommissioning, including jointly commissioned services and service developments?</li> <li>• Have we established mechanisms to obtain the views of people who use services and their carers and representative organisations, including advocacy organisations to ensure that consultation is on-going during the different stages of strategy implementation?</li> <li>• Have we agreed performance measures for the implementation and review of commissioning strategies, including targets, timescales and milestones, with clear accountability and reporting arrangements?</li> <li>• Do we use our commissioning strategies and partnerships to drive innovation and improvement?</li> <li>• Have we established project management arrangements for major service redesign and new service developments, with clear lines of accountability?</li> <li>• Have we identified and put in place the financial management arrangements needed to support our delivery plans?</li> <li>• Are contingency plans in place to deal with risks, taking account of likely impact on people who use services and their carers as well as the capacity of other relevant services?</li> <li>• Do all implementation plans set out accountability for the management of risk, with links where appropriate to strategic risk management processes?</li> </ul>
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<p><b>Essential features</b> <b>The extent to which:</b></p>	<p><b>Self-evaluation prompts</b></p>
<p>(b) the necessary financial and workforce planning arrangements are in place to support the implementation of joint strategic plans.</p>	<ul style="list-style-type: none"> <li>• Have we put in place jointly agreed financial plans to support the phased implementation of actions agreed in commissioning strategies within agreed timescales?</li> <li>• Have we developed, consulted upon and published our purchasing intentions?</li> <li>• Do we actively support business and financial planning by all relevant providers?</li> <li>• Are the financial and other responsibilities of different agencies clearly spelled out and formally agreed?</li> <li>• Are workforce plans and workforce development action plans in place (encompassing workforce planning across all agencies and sectors) to ensure the smooth and timely implementation of actions agreed in our plans and commissioning strategies?</li> <li>• Have we established mechanisms to identify and deal with any major changes, including predicted trends, financial plans and other assumptions?</li> </ul>

<p><b>Essential features</b> <b>The extent to which:</b></p> <p>(c) our commissioning strategies are translated into effective delivery plans which support and guide implementation.</p>	<p><b>Self-evaluation prompts</b></p> <ul style="list-style-type: none"> <li>• Do we implement our commissioning strategies through delivery plans that meet SMART criteria?</li> <li>• Have we systems in place for reporting on progress, identifying obstacles and delays and ensuring we take action to deal with these or to adjust delivery plans and timescales?</li> <li>• Do we consult regularly with strategic partners and with current and potential providers to ensure that delivery plans are realistic and achievable within agreed timescales?</li> <li>• Do delivery plans cover the whole system changes we have agreed, and not just look at individual service developments or small-scale projects?</li> <li>• Can we demonstrate that our implementation arrangements have clear links to any risks we have analysed (at Theme 1) in terms of the impact on people who use services and their carers, as well as any financial risks or uncertainties?</li> <li>• Have we put in place appropriate project management arrangements for any commissioning/decommissioning projects, clearly linked to any risks we have identified?</li> <li>• Do our delivery plans include contingency plans to cover any significant areas of risk?</li> <li>• Have we identified and facilitated the market conditions that will be critical to successful implementation, in consultation with partner agencies and current and potential providers?</li> <li>• Have we consulted and taken action to make sure that any significant reconfiguration of services and/or major planned service developments can be implemented and sustained over the lifetime of the commissioning strategy?</li> <li>• Have we found ways of making sure there is sufficient provider capacity, including in hard to reach areas and for hard to reach groups?</li> <li>• Does an equality impact assessment inform our delivery plans?</li> </ul>
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<p><b>Essential features</b> <b>The extent to which:</b></p>	<p><b>Self-evaluation prompts</b></p>
<p>(d) we have clear policies and procedures for purchasing and procurement.</p>	<ul style="list-style-type: none"> <li>• Do we have written and approved policies and procedures for procurement and contracting care and support services which:               <ul style="list-style-type: none"> <li>◦ comply with all relevant legislation, directives, guidance and council financial regulations and standing orders?</li> <li>◦ make clear links between procurement and the desired outcomes of our commissioning strategies and policies?</li> <li>◦ reflect the distinctive needs of vulnerable individuals for whom services are to be purchased?</li> <li>◦ prioritise best value and delivering outcomes for people who use services and their carers in ways which meet needs and preferences?</li> <li>◦ identify an appropriate range of contracting mechanisms and provide a rationale for selecting different mechanisms, based on best value and desired outcomes for children and/or adults?</li> <li>◦ set out the principles and rationale for selecting providers, including the use of in-house provision?</li> </ul> </li> <li>• How can we demonstrate that the emphasis in our specification of services is on desired outcomes, and not just inputs and outputs?</li> <li>• Do we have formal agreements and joint policies and procedures to cover any joint procurement of services by partner agencies?</li> </ul>

<b>Essential features</b> <b>The extent to which:</b>	<b>Self-evaluation prompts</b>
<p>(e) we have effective procurement/purchasing of services and develop positive relationships with existing and potential providers in order to achieve the outcomes defined in commissioning strategies and at the individual level.</p>	<ul style="list-style-type: none"> <li>• In what ways do our procurement and contracting processes encourage providers to achieve desired outcomes for individuals and adopt personalised approaches in all service settings and how do we evidence this?</li> <li>• Do we make sure all parts of the service consistently apply procurement policies and procedures?</li> <li>• Do we have effective information systems to support service contracting?</li> <li>• In what ways do our contracts and service level agreements promote provider flexibility and innovation in the way they respond to people's needs and preferences?</li> <li>• Do contracting arrangements give sufficient weight to service continuity where this is the expressed preference of people who use services and their carers?</li> <li>• Do we ensure that people affected by service tendering or re-design have good access to advocates and that we take account of their views when making decisions?</li> <li>• Is there evidence of good communication and collaboration between commissioners and providers and a shared commitment to achieving agreed outcomes?</li> <li>• Are there regular mechanisms and systems for consulting with providers and taking their views on board?</li> <li>• Do we seek feedback from providers on their experiences of procurement and contracting processes?</li> <li>• Do we actively manage and build provider capacity in line with the commissioning strategy and delivery plan?</li> <li>• Do we encourage and promote provider learning and development, for example through offering access to joint training programmes?</li> </ul>

Illustrations for Theme 3	
Very Good (Level 5)	Weak (Level 2)
<ul style="list-style-type: none"> <li>• There is clear and visible leadership of the implementation of commissioning strategies. Responsibilities are clear and delivery plans meet SMART criteria.</li> <li>• There is a culture of aspiring to excellence and promoting learning from and sharing of good practice.</li> <li>• The service values provider expertise and this contributes to learning from good practice. It seeks opportunities to promote partnership and innovation.</li> <li>• Commissioning and contracting staff receive appropriate training and there is staff capacity to carry out strategic commissioning and procurement.</li> <li>• There is effective financial and workforce planning to support commissioning strategies.</li> <li>• The service builds provider capacity to ensure the sustainability of services.</li> <li>• There are fully compliant written policies and procedures for procurement and contracting of social care.</li> <li>• An appropriate range of contracting mechanisms is used to achieve strategic objectives.</li> <li>• Providers receive good written and up-to-date information about assessed needs and desired outcomes and relevant information about risks.</li> <li>• There is good involvement of people who use services and advocates or representative bodies in activities such as preparing service specifications, establishing outcome measures, interviewing and selecting providers.</li> </ul>	<ul style="list-style-type: none"> <li>• Management arrangements for implementing commissioning strategies are weak and implementation plans are not SMART.</li> <li>• There is insufficient capacity to carry out commissioning and procurement of social care services.</li> <li>• Measurement of outcomes does not inform the implementation of commissioning plans.</li> <li>• Financial plans do not link well to commissioning plans and the financial and workforce implications for different agencies are unclear.</li> <li>• Providers have little or no information to guide their business planning and there are significant gaps in provider capacity for some groups or in some areas.</li> <li>• Policies and procedures for procurement and contracting are not in place, or do not comply with current requirements.</li> <li>• There is an incomplete central record of the number and volume of contracts and service level agreements and some providers do not have contracts or service level agreements.</li> <li>• Providers do not routinely receive written information about assessed needs or desired outcomes. Risk assessments are not communicated and this exposes employees in provider organisations or the public to unnecessary risk.</li> <li>• The service uses external providers on a spot purchase basis to fill gaps in directly provided service. Contract value and contract terms make it difficult or impossible to deliver sustainable, quality services.</li> </ul>



#### **Theme 4: Review (assess the impact of strategy implementation and make the necessary adjustments)**

Review is the final stage of the commissioning cycle. It is about ensuring that you know what progress you are making with strategy implementation, identifying and dealing with risks, obstacles and unforeseen challenges, taking corrective action to keep your strategic objectives on target, reporting your progress and agreeing any adjustments you need to make.

The delivery plans drawn up at Theme 3 should contain explicit arrangements for review, with clear links to your analysis of risks. You should also have a programme and timescale for carrying out a major review of your commissioning strategy, ideally every three years, during which you revisit the commissioning cycle in full.

In good practice, review is the means by which you actively manage your delivery plans and associated risks, in line with the overall direction of your strategy. The frequency and level of review should reflect your analysis of risks.

You should consider the extent to which review activity makes an effective contribution to implementing your delivery plans and keeping them on track in the face of changing circumstances. It is also important to consider the extent to which your review focuses on progress in meeting overall strategic objectives. It is important to demonstrate that you have an outcome-based approach to monitoring and review as opposed to concentrating merely on inputs and outputs.

Do you regularly update and review strategic risk assessments? Responding to changing risks and uncertainties is a key part of strategic review activity. Do you carry out major strategic reviews of the commissioning strategy in order to keep it updated and relevant? Do major reviews include scrutiny and review of best value in the deployment of social work and partners' overall resources?

To what extent can you show that you consult and involve people who use services and carers in reviewing the operation of delivery plans and major strategic reviews? Purposeful equality impact assessment is a key part of the review process, a legal duty, and a valuable tool to ensure the effective delivery of services to all parts of the community.

Reviews should have a basis of sound evidence, including findings from regular monitoring and contract reviews covering both in-house and purchased services, as well as evidence from care management processes. Effective review activity includes regular written reports to relevant management/partnership groups, and there should be evidence of adjustment of delivery plans in the light of changed circumstances. Monitoring and review inform future cycles of analysis, planning and commissioning and the progressive refinement of delivery plans.

<b>Essential features</b> <b>The extent to which:</b>	<b>Self-evaluation prompts</b>
<p>(a) we have an evidence-based approach to monitoring the implementation of our commissioning strategy and related procurement activity.</p>	<ul style="list-style-type: none"> <li>• What systems have we implemented:               <ul style="list-style-type: none"> <li>◦ for regular monitoring and review of progress in implementing the delivery plans for our commissioning strategy?</li> <li>◦ for periodic major revision of the commissioning strategy?</li> </ul> </li> <li>• Do we regularly report progress in delivering our commissioning strategy using agreed performance measures and reporting arrangements, with a clear focus on the outcomes we are committed to achieving?</li> <li>• Can we evidence that we regularly review the operation of market supply and demand and use the information to test assumptions built in to our commissioning strategy in order to identify what adjustments are needed?</li> <li>• How do we evidence that strategic commissioning and procurement activity comply with agreed policies, procedures, legislation and guidance?</li> </ul>

<p><b>Essential features</b> <b>The extent to which:</b></p>	<p><b>Self-evaluation prompts</b></p>
<p>(b) we systematically monitor and review services.</p>	<ul style="list-style-type: none"> <li>• Can we show that when we review in-house and external services and contracts, we consult and involve people who use services and their carers? Do we record and take on board their views when improving services?</li> <li>• How can we demonstrate that there are effective links between service monitoring and care management systems, in particular systems for reviewing individual care plans?</li> <li>• Can we show that we make good links between service monitoring and care planning?</li> <li>• How well do our monitoring and review systems inform us about how well providers (including in-house services) promote personalised approaches, innovation and flexibility in meeting preferences and needs?</li> <li>• Can we evidence systems to bring together relevant data on finance, activity and outcomes of our services and contracts, and show that these are regularly analysed and reported?</li> <li>• Do we liaise effectively with the care regulator to ensure that we avoid duplication between regulation and contract monitoring, and respond appropriately to any issues arising from regulation and inspection?</li> <li>• Can we show that in monitoring services we make effective use of information held by other agencies?</li> <li>• Can we show that we have an agreed schedule for reviewing contracts and service level agreements, and that we ensure that we regularly carry out, write up and report on reviews?</li> <li>• Can we show that we scrutinise and report on the performance of in-house services as well as services purchased from external providers?</li> <li>• How do monitoring systems build and promote continuous improvement and quality assurance by providers?</li> <li>• Do we regularly bring service providers together to promote learning and improvement from service reviews?</li> <li>• Can we evidence learning and improvement in the quality of services because of service monitoring and review?</li> <li>• Do we take account of up-to-date equality impact assessments when monitoring and reviewing services?</li> </ul>

Essential features The extent to which:	Self-evaluation prompts
(c) the frequency and level of review activity is proportionate to our risk analysis.	<ul style="list-style-type: none"> <li>• Are review arrangements set out in delivery plans for our commissioning strategies, with clear links to our analysis of any risks and uncertainties?</li> <li>• To what extent can we show that monitoring and review of our delivery plans is proportionate and focused on any risks we have identified in relation to outcomes for people who currently use services or people who will in the future?</li> <li>• To what extent can we show that the level and frequency of review activity is proportionate to changing financial, workforce and other risks and uncertainties?</li> <li>• Do we review and update our contingency plans in the light of changing circumstances which affect the needs and resources on which our delivery plans are based, and changing assessment of risks?</li> </ul>
(d) we review the impact of our commissioning strategy and make any adjustments necessary.	<ul style="list-style-type: none"> <li>• Can we show that we collate information from care planning and reviews of contracts or service level agreements, and use it to assess whether we are achieving agreed outcomes for the care group?</li> <li>• Is there ongoing consultation with people who use services and their carers, partner agencies and other relevant stakeholders when reviewing the implementation of commissioning strategies?</li> <li>• Can we show that we regularly review the overall impact of the strategy (using measures defined in our commissioning strategy), assess whether we are on target to achieve agreed outcomes and use this to inform the next stage of commissioning?</li> <li>• Do we adjust commissioning strategies to take account of the findings of best value reviews?</li> <li>• How do we make sure that our strategy implementation adheres to agreed targets and timescales?</li> <li>• How do we make sure that we review changes in legislative requirements, national and local priorities and community needs in the light of new information?</li> <li>• Can we show that we periodically review the effectiveness of our commissioning partnerships, including scrutiny and governance arrangements, to ensure these are fit for purpose?</li> <li>• Can we demonstrate how the findings of service and strategy reviews inform successive stages of analysis and planning?</li> </ul>



#### Illustrations for Theme 4

##### Very Good (Level 5)

- The service makes sure it complies with commissioning and procurement policies.
- There are effective arrangements for the regular monitoring and review of all services.
- Service review processes have strong links to care planning.
- Contracts staff avoid duplication by consistently using inspection reports and data held by the care regulator.
- Existing and potential providers are involved in strategic reviews.
- Ongoing benchmarking of quality and costs across all sectors and across care groups helps ensure best value.
- The service uses performance and outcome measures to review the effectiveness of strategy implementation.
- Partners regularly review and update commissioning strategies and delivery plans, involving people who use services and providers.
- Review processes include updating risk assessments and strategic risk management plans.
- The service regularly reviews partnership working arrangements and ensures they are fit for purpose.

##### Weak (Level 2)

- Service monitoring is inconsistent with major gaps.
- There are poor links between service monitoring and care management.
- There are poor arrangements for consulting with people who use services and service reviews do not take account of their views.
- The service takes insufficient account of the findings or decisions of the care regulator.
- Providers frequently receive enquiries for information and visits which duplicate the activities of the care regulator.
- Provider liaison is poorly developed and communication with them is uneven or ad hoc.
- Partners are unable to measure progress against targets and milestones.
- The implementation of the commissioning strategy is not kept under review and there is a lack of clarity about what is to be achieved.
- Partnership arrangements do not work effectively, yet the service has not reviewed or adjusted these.



## APPENDICES

## APPENDIX 1

### LINKS TO SOURCE MATERIAL USED IN PRODUCING THE GUIDE

1. *Changing Lives – Report of the 21st Century Social Work Review* (Scottish Executive 2006)  
[www.scotland.gov.uk/Publications/2006/02/02094408/0](http://www.scotland.gov.uk/Publications/2006/02/02094408/0)
2. *Commissioning for Personalisation* (Changing Lives Service Development Group 2009)  
<http://www.socialworkscotland.org.uk/resources/pub/PersonalisationPapers.pdf>
3. Joint Improvement Team commissioning material, including
  - *Commissioning Strategy for Learning Disability Services – Capacity to Change Programme Project*
  - *Commissioning Effective Services for Older People – Capacity to Change Programme Project*  
<http://www.jitscotland.org.uk/>
4. Department of Health (DH) Care Services Improvement Partnership (CSIP) publications including:
  - *The Commissioning Ebook* – an online resource
  - *Key Activities in Commissioning Social Care – lessons from the Care Services Improvement exemplar project* (Care Services Improvement Partnership, June 2007)

CSIP as an entity ceased operations on 31 March 2009. However, its work on commissioning is being carried forward through the DH Better Commissioning programme.

More information can be found on the Better Commissioning website, which brings together most of the background material used in this guide. In addition to the commissioning ebook and commissioning newsletters, the website contains material on a wide range of topics, including outcomes based commissioning, personalisation, and material on care groups including older people, mental health and people with disabilities, children, young people's and maternity services and criminal justice services.

The Better Commissioning website can be accessed from the DH Care Networks website.

5. *Commissioning for Personalisation – a framework for local authority commissioners* (Department of Health 2008)  
[www.dhcarenetworks.org.uk/Personalisation/PersonalisationResources/Type/Resource/?cid=3241](http://www.dhcarenetworks.org.uk/Personalisation/PersonalisationResources/Type/Resource/?cid=3241)
6. *A Catalyst for Change – Tackling the long ascent of improving commissioning* (CSIP and Warwick University. Revised in 2009 in *A Catalyst for Change II* (2009) which is also on the Better Commissioning website.
7. The Institute of Public Care's *joint commissioning model for public care* was published in the Care Services Improvement Partnership's (CSIP) Commissioning eBook for community services in 2006 and can be accessed through the Better Commissioning website. It has been widely used and also adapted for use in joint commissioning.
8. *Making Ends Meet – a website for managing money in social services*. The material on this website was produced several years ago by the Social Services Inspectorate/Audit Commission joint review team. Much of it is still relevant as a useful resource on commissioning.  
<http://www.joint-reviews.gov.uk/money/homepage.html>

9. *Commissioning Standards – taken from the SSI inspection report into commissioning arrangements for community care services “That’s the Way the Money Goes” (1999).* (Department of Health) [www.changeagentteam.org.uk/\\_library/docs/BetterCommissioning/Events/Thinktanks/07032006/SSI\\_commissioning\\_standards.doc](http://www.changeagentteam.org.uk/_library/docs/BetterCommissioning/Events/Thinktanks/07032006/SSI_commissioning_standards.doc)
10. *World Class Commissioning – Competencies* (Department of Health 2007) [www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_080958](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_080958)
11. *Assessment – Commissioning* (Joint Improvement Partnership on line questionnaire) <http://www.jointimprovementpartnership.org.uk/assessments/index.asp>
12. *Joint planning and commissioning framework for children, young people and maternity services* (HM Government 2006) [http://icn.csip.org.uk/\\_library/Joint\\_framework\\_for\\_childrens\\_services.pdf](http://icn.csip.org.uk/_library/Joint_framework_for_childrens_services.pdf)
13. *Improving the quality and outcomes of services for children through effective commissioning* (Department of Health 2007) – a Self-evaluation tool for commissioners of children’s services [http://icn.csip.org.uk/\\_library/Improving\\_the\\_quality\\_and\\_outcomes\\_of\\_services\\_to\\_children.pdf](http://icn.csip.org.uk/_library/Improving_the_quality_and_outcomes_of_services_to_children.pdf)
14. *Effective Practice in Commissioning Children’s Services* PA Consulting Group (commissioned by the Department for Education and Skills) (March 2007) [www.everychildmatters.gov.uk/resources-and-practice/EP00298/](http://www.everychildmatters.gov.uk/resources-and-practice/EP00298/)
15. *Integrated Commissioning for Children’s Service* (Office of Public Management 2007) [http://www.opm.co.uk/resources/papers/children\\_bhlp/Commissioning\\_in\\_practice\\_web.pdf](http://www.opm.co.uk/resources/papers/children_bhlp/Commissioning_in_practice_web.pdf)
16. *Introduction to the public sector duties.* Equality and Human Rights Commission: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/introduction-to-the-public-sector-duties/>
17. *The Public Sector Equality Duty and Financial Decisions:* ECHR [http://www.equalityhumanrights.com/uploaded\\_files/PSD/31\\_psdandfinancialdecisions.pdf](http://www.equalityhumanrights.com/uploaded_files/PSD/31_psdandfinancialdecisions.pdf)
18. *Public sector equality duties effect on private and voluntary partnerships:* <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/introduction-to-the-public-sector-duties/how-the-duties-affect-the-private-and-voluntary-sector-and-partnerships/>

## APPENDIX 2

### THE SIX-POINT EVALUATION SCALE

LEVEL	DEFINITION	DESCRIPTION
Level 6	Excellent	Excellent or outstanding
Level 5	Very good	Major strengths
Level 4	Good	Important strengths with some areas for improvement
Level 3	Adequate	Strengths just outweigh weaknesses
Level 2	Weak	Important weaknesses
Level 1	Unsatisfactory	Major weaknesses

An evaluation of **'excellent'** will apply to provision that is a model of its type:

- Outcomes and experiences for people who use services will be of a very high level.
- An evaluation of **'excellent'** will represent an outstanding standard of leadership, management, and service delivery that others will aspire to equal and emulate.
- It will imply these very high levels of performance are sustainable and sustained.

An evaluation of **'very good'** will apply to provision characterised by major strengths:

- There will be very few areas for improvement and any that do exist will not significantly diminish outcomes and experiences for people who use services.
- Evaluations of **'very good'** will represent a high standard of leadership, management, and service delivery.
- Strengths will completely outweigh weakness, but there will be clear areas where things can get better.
- It is a highly achievable standard that all should attain.
- Services may continue 'as are'. However, there should be an intention to improve further and aim for excellent services.

An evaluation of **'good'** will apply to provision characterised by important strengths which, taken together, clearly outweigh any areas for improvement.

- An evaluation of **'good'** represents a standard of provision in which the strengths have a significant positive impact. Strengths will significantly outweigh weaknesses.
- An evaluation of **'good'** will apply to performance where significant improvement is possible and where there are important strengths to build upon.

An evaluation of **'adequate'** will apply to provision characterised by strengths that just outweigh weaknesses:

- An evaluation of **'adequate'** will indicate that people who use services have access to a basic level of provision.
- It represents a standard where the strengths have a positive impact on outcomes and experiences for people who use services.
- Most people who use services will experience a competent and professional service, but obvious weaknesses will constrain the overall quality of outcomes and experiences.

- It will indicate that the council should take robust action to fix weaknesses while building on its strengths.

An evaluation of **'weak'** will apply to provision that has some strengths, but where there will be important weaknesses:

- In general, an evaluation of **'weak'** will mean that while there may be some strengths, the important weaknesses will diminish the capacity to deliver good outcomes for people who use services.
- It will indicate the need for structured and planned action on the part of the council.

An evaluation of **'unsatisfactory'** will apply when there are major weaknesses in provision in critical aspects:

- This will require urgent investigation of the practices behind this performance and immediate remedial action; particularly where there are clear risks to people who use services or the public arising from the unsatisfactory practice.

**Self-evaluation record**

Theme 1			
Essential Features			
(a)	Brief description of current practice	Summary of strengths	Areas for Improvement
	How do you rate performance in this area?	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/>	
(b)			
(c) etc.			
<b>Overall rating for Theme 1</b>			
<b>Rationale for Rating</b>			
<i>(You should include some comment on how you have weighed strengths and weaknesses in reaching your conclusions about performance on this theme)</i>			
<b>Note of evidence available used to support your evaluation (if not already listed above) and any evidence gaps you need to fill at a later stage</b>			
<b>Priorities for Action</b>			
<i>(include areas of strong performance to be recognised and shared, as well as action needed to improve performance)</i>			



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