



KEY ACTIVITIES FOR SOCIAL CARE COMMISSIONING
LESSONS FROM CARE SERVICES IMPROVEMENT PARTNERSHIP BETTER
COMMISSIONING LEARNING NETWORK COMMISSIONING EXEMPLAR PROJECT
WORKSHOP HANDOUT

Handout 1 - The IPC Commissioning Approach

The IPC approach sees a key component of effective commissioning as the development of comprehensive commissioning strategy. These strategies in turn drive contracting arrangements, with systems to ensure strategies are implemented and with effective use of monitoring to assess and evaluate progress. The IPC commissioning framework (see Fig 1) shows the key activities involved in that cycle and the principles that underpin it, namely:

- All of the four elements of the cycle (analyse, plan, do and review) are sequential and of equal importance, i.e. commissioners and contractors should spend equal time, energy and attention on the four elements.
- A written joint commissioning strategy per client group (or as appropriate) should be developed, which focuses on that client group's needs across agencies.
- The commissioning cycle (the outer circle in the diagram) should drive the purchasing and contracting activities (the inner circle). However, the contracting experience must inform the ongoing development of commissioning.
- The commissioning process should be equitable and transparent, and open to influence from all stakeholders via an on-going dialogue with patients/service users and providers.

Fig 1 The IPC Commissioning Framework



The paragraphs below outline some of the commissioning activities that might be undertaken under each element of the commissioning cycle.

Analyse

This element of the commissioning cycle involves activities such as:

- Clarifying the commissioning 'territory' through reviewing legislation, guidance local/national priorities, relevant local strategies and policy statements.
- Undertaking demand forecasting activities in order to identify the current and likely future needs of the population for the relevant services.
- Mapping and reviewing service provision in order to understand provider strengths and weaknesses, and identifying opportunities for improvement or change in providers. Developing a best practice model from research and other published material.
- Identifying the resources currently available and the cost benefits of adopting certain approaches to future provision.

Plan

This element of the commissioning cycle involves activities such as:

- Starting with a quick review of the key findings from the supply and demand analysis. Identifying gaps in current information and how these may be filled.
- More detailed review of the gap between what provision is needed and what is available, and planning how these gaps may be addressed based upon the understanding of supply.
- Identifying what is not known about current supply and demand, how this may be met in the future and the use and value of the information once acquired.
- Agreeing appropriate service provision and its configuration to meet future demand. Identifying what service provision may need to be re-configured / decommissioned.
- Analysing the risks involved in implementing change and/or continuing with the status quo.
- Consulting with users/ carers and providers.
- Writing a commissioning strategy which identifies clear service development priorities and specific targets for their achievement. Indicate the impact that these may have on the purchasing and contracting agenda.

Do

This element of the commissioning cycle involves activities such as:

- Ensuring that the services needed are available or developed as planned, in ways which efficiently and effectively deliver the priorities and targets set out in the commissioning strategy. Reviewing provision based upon changes in funding availability.
- Ensuring a good mix of service providers and that there are good communications and effective relationships with existing and potential providers.
- Making arrangements to ensure service quality is delivered, including identifying the quality assurance criteria that should be included in contracts in order to ensure services meet the standards required.

Review

This element of the commissioning cycle involves activities such as:

- Monitoring the impact of services and analysing the extent to which they have achieved the purpose intended described in the commissioning strategy.
- Developing systems to bring together relevant data on finance, activity and outcomes.
- Analysing any changes in; legislative requirements, best practice and population need, reviewing the overall impact of services, and considering the effectiveness of service models across the market to respond to different needs.
- Identifying revisions needed to the strategic priorities and targets.
- Putting in place process for ensuring and analysing feedback from service users, carers and providers

The IPC Contracting Approach

Commissioning is the process of identifying needs within the population and of developing policy directions, service models and market, to meet those needs in the most appropriate and cost effective way.

Procurement and contracting is the means of purchasing a specific area of service from one or more providers. Essentially, commissioning of services is the context within which contracting takes place¹.

Plan

Devise a purchasing and contracting plan on the basis of the long term goals and aspirations of the strategic commissioning objectives (it might be expected that this would be over a one to three year period rather than the more long term time frame of ten years for the commissioning strategy). The plan needs to encompass:

- Who is best placed to provide what? What services should the LA / PCT provide and what is the rationale behind this?
- Which areas of the market need to be developed and how?
- Where will decommissioning of services be required and how will this be implemented?
- Identify how the use of direct payments and individual budgets is likely to impact on the purchasing plan.

Do

A cornerstone of implementing good purchasing has to be the quality of relationships between commissioners and providers. These will hopefully have been reinforced by involvement in drawing up and commenting on elements of the commissioning strategy. It was clear from the exemplar sites that this is an area fraught with difficulty.

For example:

- A history of poor relationships with some providers.
- Some providers not wishing to come on board with the LA agenda preferring instead to rely on individuals purchasing care with occasional LA spot contracts.

¹ Throughout this document the term commissioner has been used to mean all who commission and/or contract for a service

- Relationships with elected members rather than with officers in the local authority.
- Misunderstandings about the desire to control on both sides.
- Concern over deciding what constitutes a fair profit margin and providers not feeling that local authorities understand the risks they undertake.

From the above list it was clear that in implementing the purchasing plan the following needs to have been achieved:

- Mutual understanding of costs.
- Agreed performance monitoring.
- Initial tender promises and costings to be given developmental consideration by both sides.
- An agreed process for deciding upon future expenditure and investment.
- A clear description of the benefits of developing a contract.
- Develop an agreed approach for considering the costs of the providers risk and hence reward.

Assuming the above activities have taken place it only remains to...

- Agree the nature of the contracting arrangements between block and spot contracts.
- Review and construct tendering process that it can deliver both outcomes and outputs.
- Award contracts and Service Level Agreements

Review

Most local authorities would tend to agree their contract monitoring arrangements are not as good as they would wish. Too often the concentration is on volume of delivery for the agreed price rather than the quality of the service being delivered and the outcomes it is achieving. Activities to improve this include:

- Are there mechanisms for checking not only whether a service is delivered but is it delivered on time, for the amount of time agreed, and in the way that the service user/carer wishes?
- Has the standard of service being delivered been agreed with the service user/carer and are they involved in contributing to monitoring in a way that encourages critical comment?
- Are the terms and conditions under which the contract was awarded counter productive and is their evidence of this in deteriorating quality?
- Where does the burden of data collection and capture lie? What is the quality of data available?

Analyse

In this instance the analysis is not about conducting initiating activity as in the commissioning cycle but pulling together material from a range of individual contracts or service level agreements in order to review market performance and feed back into the commissioning review. This might involve:

- Bringing together information which describes how the market is operating and where there are pressure points now or in the future. Have there been significant changes to providers?

- Questioning whether data collection processes are good enough and reviewing potential changes that may be required to contract monitoring.
- How has performance measured up against the original outcomes for the strategy?