

REPORT

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To: Supporting People in Kent Commissioning Body

2 July 2009

Subject: Draft Commissioning Framework

Classification: Unrestricted

For Decision

Summary: This report sets out a proposed growth bid process which will enable the Commissioning Body to make decisions about future commissioning of Supporting People services.

1.0 Introduction

1.1 The Commissioning Body asked the Supporting People Programme to review the approach to commissioning new Supporting People services. This was because it was felt that there needed to be a transparent decision making process, which enabled various priorities and needs to be assessed.

1.2 A 'Draft Commissioning Framework' has been attached at Appendix 1. The Supporting People approach to commissioning services is informed by the overarching aims and principles of Kent County Council's 'Commissioning for Performance' (2007). The County Council also has a role as the administering authority/contracting authority in ensuring that it adheres to its Constitution and Standing Orders. This requires officers to follow appropriate policies and procedures in commissioning and purchasing services.

1.3 The attached paper forms part of the Commissioning and Procurement Strategy to be delivered as a specific action within the development of the Five-Year Supporting People Strategy 2010-15.

2.0 Definition of commissioning

2.1 The Audit Commission defines commissioning as *“the process of specifying, securing and monitoring services to meet people’s needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors.”*

2.2 Commissioning of ongoing services is cyclical in nature and involves key processes that are guided by a shared vision and incorporate understanding needs and system capacity and monitoring and reviewing services.

2.3 Supporting People services need to be strategically commissioned by examining housing related support needs of Kent, evaluating these against supply, and within the context of a specific budget.

3.0 Current Practice and Procedure

3.1 Supporting People services will continue to be procured following strategic reviews that contain the elements described above. However, the Supporting People Programme has also received requests for funding outside of this process and from a variety of organisations. These growth bids have been dealt with on a more ad hoc basis.

3.2 This has resulted in the process becoming less transparent. The Supporting People Team has consulted with representatives of Local Housing Authorities. The draft paper attached at Appendix 1 represents the majority views on how future commissioning processes should be conducted. A summary of the outcome of consultation meetings is attached at Appendix 2.

4.0 The Proposed Commissioning Process

4.1 The Kent Supporting People programme will employ two commissioning approaches that are firmly rooted in evidenced housing-related support needs and the maximisation of value for money from support services and managing the Supporting People Programme within budget limits.

4.2 Strategic reviews

Services will normally continue to be procured following strategic reviews that are planned within the Kent Supporting People Five-Year Strategy. Such an

approach builds on and helps to implement the Five-Year strategy through:

- Developing and confirming strategic priorities
- Making decisions on how best these can be met for each client group
- Undertaking further needs analysis
- Identifying gaps in provision
- Challenging the existing configuration in services
- Working with stakeholders to ensure the right balance of services
- Involving service users in setting the direction of the programme
- Coordinating services

4.3 Annual commissioning process

This approach will provide an opportunity for commissioners to react more quickly to a local need that meets the strategic objectives and priorities of the Kent Supporting People Programme.

The use of this process will be determined by the budget. At the beginning of the financial year, the Supporting People Team will indicate in the Annual Plan whether any money is available for additional spending.

To make the process fair and transparent, all bids should be submitted at the same time rather than the Supporting People Programme dealing with them as they emerge. Proposals for service developments should only be made by members of the Commissioning Body.

The Supporting People Programme will evaluate proposals in writing and will submit the papers for consideration to the Commissioning Body which will make the decisions.

The unsuccessful bids will be discarded and new bids will be invited at the beginning of the next financial year.

The attached document includes a template for applications for funding and a procedure for evaluating new proposals.

5.0 Risks

There are a number of risks associated with this approach and the process may not meet all needs in the future. It is proposed that its operation will be kept under review.

6.0 Equality Impact Assessment

An initial screening of the commissioning framework indicates that equality impact is low.

7.0 Financial Impact Assessment

There is no anticipated financial impact of implementing the commissioning framework.

8.0 Conclusion

8.1 The proposed commissioning framework demonstrates good practice in following the overarching aims and principles of Kent County Council's 'Commissioning for Performance' (2007) and is informed by the Council's Standing Orders for commissioning and purchasing services.

8.2 The proposed processes are transparent and give all commissioners a chance to submit proposals for new services when the budget position allows. Commissioning is very much guided by the principles of evidenced housing-related support need and maximising value for money from support services.

8.3 The first approach continues with the current practice of procuring services following strategic reviews of services. The second approach depends on monies being available for new services. This will be identified in the Annual Plan and will trigger an invitation for growth bids to the commissioning partners.

8.4 Whatever we determine we will have to re-review the process following the strategic review of investment, and the first annual bidding process to ensure that it is working effectively, efficiently, and transparently.

8.5 The Core Strategy Development Group endorsed the proposed methods of making growth bids and clarified the respective roles of Core Strategy Development group and Commissioning Body: the Core Strategy Development Group is also attended by providers for who discussion of growth bids would represent a conflict of interest. However, the Core Strategy Development Group will play a crucial role in identifying gaps in services and ratifying the needs analysis. In effect, this scopes bids. The bids converting identified need into proposed services will go straight to the Commissioning Body.

9.0 Recommendation

The Commissioning Body is asked to;

(i) Agree the proposed methods of dealing with commissioning new services

as set out in paragraph 4 of this report

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Background Information:

Commissioning Body, 10 September 2007, Item 8, Commissioning Framework

Kent County Council, Commissioning for Performance, 2007

Appendix 1: Draft Commissioning Framework and Process

Appendix 2: Summary of outcome of consultation meetings with district/boroughs

Appendix 1: Draft Commissioning Framework and Process

SUPPORTING PEOPLE

IN KENT

DRAFT COMMISSIONING

FRAMEWORK AND

PROCESS

June 2009

INTRODUCTION

This document outlines the commissioning framework and the process for commissioning new Supporting People services and as such forms part of the strategic commissioning and procurement framework to be delivered as an action under developing the Five Year Supporting People Strategy 2010-15.

Supporting People in Kent follows the over-arching aims and principles set out in Kent County Council's 'Commissioning for Performance' handbook. The key objectives of commissioning Supporting People services are to:

- **Commission services based upon evidenced housing-related support needs and meeting the strategic objectives of the Supporting People partnership**
- **Maximise value for money from housing related support services and managing the Supporting People Programme within budget limits. Best value is defined as “the optimum combination of whole life costs and benefits to meet the customer’s requirement”.**

1.0 COMMISSIONING

1.1 The Audit Commission defines commissioning as “the process of specifying, securing and monitoring services to meet people’s needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors.”

1.2 This definition distinguishes between strategic commissioning and simply contracting for individual services and defines it as a series of whole systems processes that are guided by a shared vision and incorporate understanding needs and system capacity and monitoring and reviewing services.

1.3 Strategic commissioning, then;

- Sets the broad direction against a shared vision which is backed up by agreed patterns for investment
- Involves more than services provided by one organisation
- Involves considering population needs; understanding the elements that might be in a whole system
- Understanding capacity and considering optimum ways to meet needs
- Is best seen as a set of interconnected processes, structures and behaviours designed to work with methods to draw in diverse funding streams
- While alongside there is a process to relate investment decisions back to needs and methods to achieve measurable outcomes

2.0 LEGAL CONTEXT

2.1 Kent County Council commissions and procures services according to its constitution which is based on the Local Government Act 1977 (Section 135) and contains Standing Orders that Officers are required to follow in purchasing services. The rules contained in the orders provide for transparent and auditable procedures and protect the legal position of the council in respect of compliance with European Union and UK law and in contractual dealings with external suppliers and contractors. Supporting People is governed by these rules.

3.0 COMMISSIONING FRAMEWORK

3.1 The Supporting People commissioning framework is based on the Council's 'Commissioning for Performance' policies and procedures that are rooted in the following values:

- Delivering value for money
- Measurable outcomes
- Quality ratings
- Market management
- Evidence based approach

3.2 In essence, the key drivers for strategic commissioning are:

- Public involvement
- Common set of values
- Strategic plans
- Identification of need and mapping current provision
- Identification of gaps and shortfalls, duplication and overlap of commissioned services

3.3 Within this commissioning framework, the following structures exist and are encompassed within the commissioning process:

- A range of business plans from all stakeholders and decisions to procure services would be seen to meet with those plans
- A clear commissioning strategy that is ongoing and strategic in nature, incorporating robust and equitable service monitoring plans
- Process for taking forward new service developments
- Effective evaluation process examining proposals against strategic plans, needs analysis and available resources
- The process is seen to promote flexibility, diversity and fairness
- The proposal includes an appraisal of the options offered by both the Supporting People Team and all stakeholders
- Shifting of focus of services towards prevention within a set and agreed eligibility criteria

4.0 COMMISSIONING PROCESSES

4.1 Supporting People in Kent employs two commissioning processes that meet all the requirements of commissioning framework. Both processes are underpinned by evidence of need, are tied to strategic priorities and make the process of dealing with growth bids transparent to the commissioning partners.

4.2 Strategic priorities will be reviewed, as part of the needs analysis, on an annual basis. This review will incorporate consultation with districts and boroughs to ensure that locally identified need and priorities feed into the overall Supporting People priorities.

4.3 Only commissioning partners (rather than providers) make growth bids since they hold strategic responsibility.

4.4 The two commissioning processes employed are:

1) Strategic reviews

Services are normally procured following strategic reviews that are planned within the Kent Supporting People Five-Year Strategy. Such an approach builds on and helps to implement the five-year strategy through:

- Developing and confirming strategic priorities
- Making decisions on how best these can be met for each client group
- Undertaking further needs analysis
- Identifying gaps in provision
- Challenging the existing configuration in services
- Working with stakeholders to ensure the right balance of services
- Involving service users in setting the direction of the programme
- Coordinating services

2) Annual commissioning process

This approach will provide an opportunity for commissioners to react quickly to a local need that meets the strategic objectives and priorities of the Kent Supporting People programme. The use of this process is determined by the budget. To make the process fair and transparent, all bids should be submitted at same time rather than the Supporting People Team deal with them as they come.

The first step in this process is examining finance and identify at the start of the financial year, if there is any money for growth available. In drawing up annual plans, the Supporting People Team will indicate the amount of money (if any) available for additional spending.

Commissioning partners will be invited to submit bids based on a detailed business case that includes, in addition to details about the proposed service, a description of need, linkages to strategic objectives and the Supporting People outcomes which the proposed spending would deliver. (Appendix A contains an application form for proposals for growth bids.)

Once proposals have been received, the Supporting People Team will evaluate them. The written evaluation report will be added to the proposal. The evaluation criteria will prioritise submissions according to the criteria below.

Evaluating proposals

Does the proposed spending:

- a) Meet the identified needs of a primary client-group for which Kent County Council currently has no or minimal provision at the level of the county or the district(s) – whichever is appropriate to the type of service? The need for service should have been prioritised within a strategic review, or Supporting People Needs analysis. It meets the Supporting People Eligibility Criteria.**
- b) Impact directly on any partner’s performance against one of the government targets (national Indicators)?**
- c) Impact directly on the delivery of an agreed Kent Local Area Agreement target?**
- d) Have the support of two or more commissioning partners?**
- e) Support delivery of the Kent Five-Year Supporting People strategy?**
- f) Not depend on related capital funding which has not been identified?**
- g) Not depend on related revenue funding which has not been identified?**

(Appendix B contains the procedure and timeframe for evaluating proposals.)

The Commissioning Body will consider the proposals and results of evaluations and will make the final decision. The Body will support the proposals which meet the greatest number of the outlined criteria and are within the money available.

In addition to the final agreed bid, an additional prioritised bid should be agreed as reserve in case prioritised scheme does not come off. The other bids will get discarded and new bids will be invited at the next opportunity.

The outcomes of the decisions are incorporated into relevant procurement plans and the next annual plan. Districts and boroughs can incorporate the results into their local plans as work/action points.

4.5 The respective roles of Core Strategy Development Group and Commissioning Body are as follows:

- The Core Strategy Development Group identifies need and gaps in services and ratifies the needs analysis. The needs analysis provides the framework for growth bids.
- The commissioning partners convert identified need into proposed services for which bids go straight to the Commissioning Body.

APPENDIX A Application form for proposals for new or expanded spending

Please complete this form fully if you wish to submit a bid for new or expanded spending by the Supporting People programme. Completed applications should be forwarded electronically toby

Application made by:	Organisation	Main contact names	Contact details Email – Phone –
SUMMARY OF THE PROPOSAL			
[insert text]			
Please also answer the following seven questions below:			
1. In respect of which Supporting People primary client-group the additional spending would be incurred:			
2. The district(s) where the spending would be incurred, whichever is appropriate to the type of service:			
3. The number of service users to be supported at any one time, including those who will be supported on higher levels of service within same overall capacity:			
4. The number of support hours to be delivered per service user per week and in a full year:			
5. The annual amount of the spending:			
6. The proposed start-date for the spending:			
7. The Supporting People outcomes which the proposed spending would deliver:			

STRATEGIC AND FINANCIAL CONTEXT

**Please provide a short statement in answer to the following questions –
Does the proposed spending:**

- a) Meet the needs of a primary client-group for which Kent County Council currently has no or minimal provision at the level of the county or the district – whichever is appropriate to the type of service? The need for service should have been prioritised within a strategic review, or Supporting People Needs analysis. It meets the Supporting People Eligibility Criteria.
- b) Impact directly on any partner's performance against one of the government targets (National Indicators)?
- c) Impact directly on the delivery of an agreed Kent Local Area Agreement target?
- d) Have the support of two or more commissioning partners?
- e) Support delivery of the Kent Five-year Supporting People strategy?
- f) Not depend on related capital funding which has not been identified?
- g) Not depend on related revenue funding which has not been identified?

APPENDIX B Procedure for evaluating proposals for growth bids

Step	Timeframe
1. Commissioning partners decide which proposals they would like to support on behalf of their authorities/ agencies and secure additional support from at least one other commissioning partner	June-July (2 weeks)
2. Commissioning partners contact the Supporting People Team by email to confirm which proposals they would be submitting bids for and to identify key people who would be completing application forms	By July (1 week)
3. Named stakeholders prepare and make submissions to the Supporting People Team	By August (4 weeks)
4. The Supporting People Team receives submissions and evaluates them	As applications arrive and by September at the latest (2 weeks)
5. The Supporting People Team submits proposals and written evaluation report to the Commissioning Body	September (1 week)
7. The Commissioning Body decides which proposals should be implemented, based on the number of evaluation criteria met and the total allocation available	By September (10 days)
7. The Supporting People Team informs relevant stakeholders of the decisions made	By October (3 weeks)
8. The Supporting People Team incorporates the outcomes of the decisions into the relevant procurement plans and annual plan for the next year	November

Appendix 2 Summary of Consultations with Districts and Boroughs

Commissioning approaches:

- There was general agreement that the growth bid process must be transparent and treats everybody fairly.
- Districts/boroughs also agreed that there is not necessarily a need for a completely new approach but that the existing processes need to be improved.
- Any growth bid must be based on evidenced housing-related need and the strategic objectives, priorities and desired outcomes as set in the SP strategy. However, all districts and boroughs want to see an annual review of strategic priorities as part of a needs analysis that should include consultation with every district and borough. This will ensure that changing or new local needs are captured and fed into the strategic priorities of the programme.
- Districts/boroughs preferred to have some type of growth bid timetable. Tonbridge & Malling that if the process timed properly the results could be incorporated into Local Authority work and action plans.
- There was agreement that the budget must be balanced and that any growth bids must be kept within that budget. The 5-year forecast has an important role to play.

Commissioning processes:

- There was general agreement that commissioning following strategic reviews of services should remain as one of the two routes to new services.
- There was also agreement that the second approach to commissioning should involve the following steps:
 1. Identification of monies available for growth in the annual plans at the start of the financial year
 2. Invitation to commissioners to consider and submit growth bids to the value of the identified growth money available. Shepway stated that every district/borough should be asked for their one priority. Dartford also thought that having time to consider a bid would give partners or district/boroughs the chance to look at potentially making a joint bid.
 3. The SP Team should have a clear cut role in evaluating bids according to agreed criteria. The written evaluations are to be attached to the bid which is then presented to the Core Strategy Development Group or Commissioning Body.
 4. Once the successful bid has been agreed, other bids should be discarded.
 5. However, Ashford suggested that one other bid should be held in reserve in case the prioritised one can not be implemented.
- Districts/boroughs expressed different views on which body should prioritise the bids. Some districts want the Core Strategy development Group to prioritise bids and then make recommendation to the Commissioning Body. Others want bids to go straight to the Commissioning Body.
- In addition to the described two processes, Dartford and Tonbridge & Malling took the view that there should be another process whereby sudden and urgent need could be met. Therefore, a percentage of the identified growth monies should be held back for emergency funding.

Commissioning

- With the exception of Sevenoaks, all districts/boroughs want only commissioners on the Commissioning Board to make growth bids. There was a clear view that providers should not make growth bids. This was seen as strategic responsibility of Local Housing Authorities. Sevenoaks expressed the view there might be difficulties with districts/boroughs as commissioners where council stock had been transferred to LSVTs.
- Tunbridge Wells raised the possibility to have LSPs support for bids Tunbridge Wells' body has a housing subgroup. However, it was acknowledged that this is not the case everywhere.