



# The Good Commissioning Guide

A GUIDE FOR GLOUCESTERSHIRE

Produced as part of the Better VCS Commissioning Project



## Better VCS Commissioning

In 2009 NHS Gloucestershire commissioned the VCS Assembly Team to manage a one year project to develop better VCS commissioning in the county. The project was carried out by Resolve Consultancy with guidance from a steering group involving members of the Compact Group and commissioners.

The project has researched best practice in VCS commissioning locally and nationally and held a series of workshops for both VCS organisations and commissioners across the county to identify the key issues in VCS commissioning.

The project has produced:

- This Good Commissioning Guide for Gloucestershire
- A new Compact Commissioning Code for Gloucestershire which sets out standards for good practice in VCS commissioning. The Compact Group will oversee the implementation of the Commissioning Code.

The Resolve Consultancy team for this project are now working together as Reshenia Consulting. For more information see [www.reshenia.co.uk](http://www.reshenia.co.uk)

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The Gloucestershire VCS Assembly Team is a service of Gloucestershire Association of Voluntary and Community Action [www.gavca.org.uk](http://www.gavca.org.uk)

### **The Good Commissioning Guide**

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## Icons used in the Guide:



Gives a link to information elsewhere in the Guide, or refers you to further reading. All the links and other sources of further information are also listed in Appendix 2.



Indicates some additional information about local organisations or external policy issues relating to commissioning.



Indicates an example to illustrate good practice.

Jargon and unfamiliar terms used in the commissioning process are defined in the margin of the page on which each word appears first. All definitions are also listed alphabetically in the Glossary (Appendix 1).

# Introduction

## The Good Commissioning Guide: A Guide for Gloucestershire

Commissioning is playing an ever larger part in the way local authorities and other public sector bodies make decisions about the services they support, and in the way voluntary and community sector (VCS) organisations provide a wide range of services for local people. And yet, commissioning is one of the least understood processes around!

### Who's it for?

The Good Commissioning Guide is aimed at anyone new to commissioning, including:

- People in any public sector organisation working in commissioning teams, community development teams, or as grants officers
- Elected members of local authorities, lay members of health trusts, and people involved in strategic or governance roles with commissioning organisations or partnerships
- People working in a voluntary or community organisation (VCO) who want to get involved in commissioning, or tendering for a public sector contract
- Trustees or management committee members of a VCO
- People who use services and members of local communities

### Aims of the Guide

The Good Commissioning Guide aims to:

- Help everyone understand the four stages of the commissioning cycle
- Give information about local commissioning practices and examples of good commissioning practice, some of which are drawn from Gloucestershire
- Develop a common understanding of what good commissioning is in Gloucestershire
- List useful sources of further information about commissioning

## The voluntary and community sector (VCS)

A broad term that describes organisations including charities, voluntary organisations (with paid staff, volunteers, or a mix of both), community organisations, social enterprises, and faith organisations. Generally, voluntary and community organisations (VCOs) are value driven, and they re-invest any surpluses to further their social, environmental or cultural objectives. They are independent of the formal structures of government. It may also be called the Third Sector.

Not everyone is going to get involved with all the stages of commissioning, and the Good Commissioning Guide will help you to decide if and when it is relevant for you. A shared understanding of commissioning will enable commissioners to design the best processes for the specific commissioning task; and it will enable VCOs to understand how to be involved with the commissioning cycle.

### Good commissioning in Gloucestershire

The Guide sits alongside the Compact Commissioning Code for Gloucestershire.

[http://www.gloshub.org.uk/compact\\_commissioning.html](http://www.gloshub.org.uk/compact_commissioning.html)

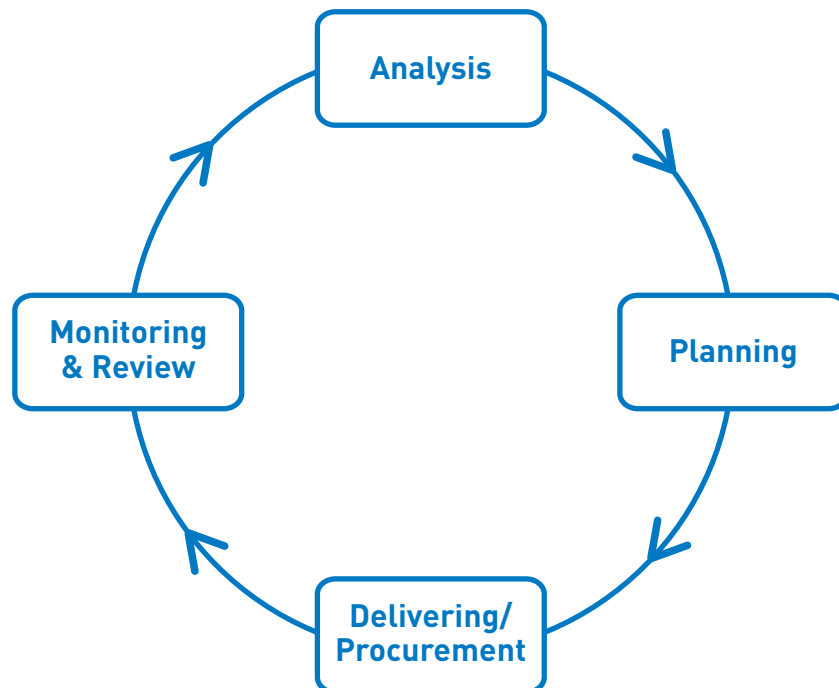
It has been developed by people in Gloucestershire as a response to requests from both VCS and public sector organisations for clear information about commissioning.



[http://www.gloshub.org.uk/compact\\_commissioning.html](http://www.gloshub.org.uk/compact_commissioning.html)

### What is commissioning?

Commissioning is usually represented as a four-stage cycle:



The stages of the commissioning cycle involve:

- analysing local needs
- planning services on the basis of the analysis
- implementing the plans by sourcing services from providers
- and then reviewing the progress, and seeing the change which results from the action

Because it is a cyclical process, the Review stage leads back to the Analysis stage, and the process starts again.

**The Good Commissioning Guide** will take you through each stage, outlining:

- the main features and processes that should take place
- some of the jargon you're likely to hear
- case studies and examples of how commissioning works in practice
- links, so you can get more information

## Levels of commissioning

Commissioning can take place at three different levels:

- **Strategic commissioning:** This is generally county led – either by the County Council, Health Trusts, or by partnerships or consortia working across the county
- **Locality or district based:** This is the commissioning of services that are provided in a specific locality, or local services, for instance those commissioned by District Councils
- **Individual:** This is where services are commissioned by or for an individual service user (**Individual Commissioning**)

The Good Commissioning Guide focuses on strategic and locality level commissioning.



**Individual Commissioning**

**Purchase**  
pay for

## Who are the commissioners?

Commissioners are the people who purchase public services. Most will be from public sector organisations. The main commissioning organisations in Gloucestershire include:

- Gloucestershire County Council
- The six District Councils
- NHS Gloucestershire
- Gloucestershire Probation Trust, HM Prison and Gloucestershire Constabulary
- Housing authorities, Registered Social Landlords/ Housing Associations

Commissioners may be from a single agency; a partnership of public sector organisations formed specifically to enable effective commissioning; a Joint Commissioning body or Strategic Partnership such as a Children's Trust; or a Thematic Partnership within the Gloucestershire Conference.

Strategic decisions are made through the Gloucestershire Conference. VCS representation in strategic partnerships is supported via the Gloucestershire VCS Assembly.



The Assembly

<http://www.gloshub.org.uk/assembly.html>





**The Gloucestershire Conference** is the body through which all of the strategic partnerships work together. It is made up of:

- Gloucestershire Strategic Partnership
- Community Strategy Executive Board
- Accountable Bodies Group
- 5 Thematic Partnerships
- 6 District Local Strategic Partnerships
- Sectoral Partnerships (including the Voluntary & Community Sector Assembly and Local Government Association)
- Individual organisations and businesses

Who work together through the Gloucestershire Conference structure to:

- Agree a long-term vision and success measures for Gloucestershire
- Translate that vision into medium-term targets and delivery plans, and deliver improvements for the people of Gloucestershire
- Monitor the work of the partnership
- Examine key issues affecting the delivery of public services in Gloucestershire.

<http://www.gloucestershire.gov.uk/index.cfm?articleid=3987>

All specific commissioning strategies should be available on the websites of each commissioning body.

## Lead Professionals

Trained lead professionals working with children and young people with a Common Assessment Framework (CAF) who have the opportunity to access a budget to support meeting the identified needs. [www.glooucestershire.gov.uk/caf](http://www.glooucestershire.gov.uk/caf)

**Personalisation** is the term used to describe the national agenda to reform the social care system to give people more choice about the support they receive. The system places people at the centre of the process and allows them to choose the services they use and the manner in which they receive support.

## How can I find the relevant commissioner?

Good commissioning is supported by good relationships between people in VCOs and commissioners. So, how do organisations find out who to speak to about the commissioning of their services?

Different people and teams within these organisations are responsible for actually doing the commissioning. Commissioners will be one of the following:

- In a commissioning team or working for a commissioning authority (**GlosHub: [www.gloshub.org.uk](http://www.gloshub.org.uk)**)
- Lead Professionals
- Responsible for enabling personalised budget holders to access services (**Individual Commissioning <http://www.glooucestershire.gov.uk/index.cfm?articleid=22663>**)



**GlosHub: [www.gloshub.org.uk](http://www.gloshub.org.uk)**

**Individual Commissioning <http://www.glooucestershire.gov.uk/index.cfm?articleid=22663>**

### Who delivers commissioned services?

Organisations delivering public services are called “providers”. They may be public, voluntary, community or private sector organisations. Public sector providers should have to go through the same commissioning processes as all others (voluntary, community and private sector organisations) when bidding for commissioned contracts.

### The role of the voluntary and community sector (VCS)

The VCS has a vital role to play in the delivery of public services and in the different stages of the commissioning process.

The roles voluntary and community organisations (VCOs) can play in commissioning:

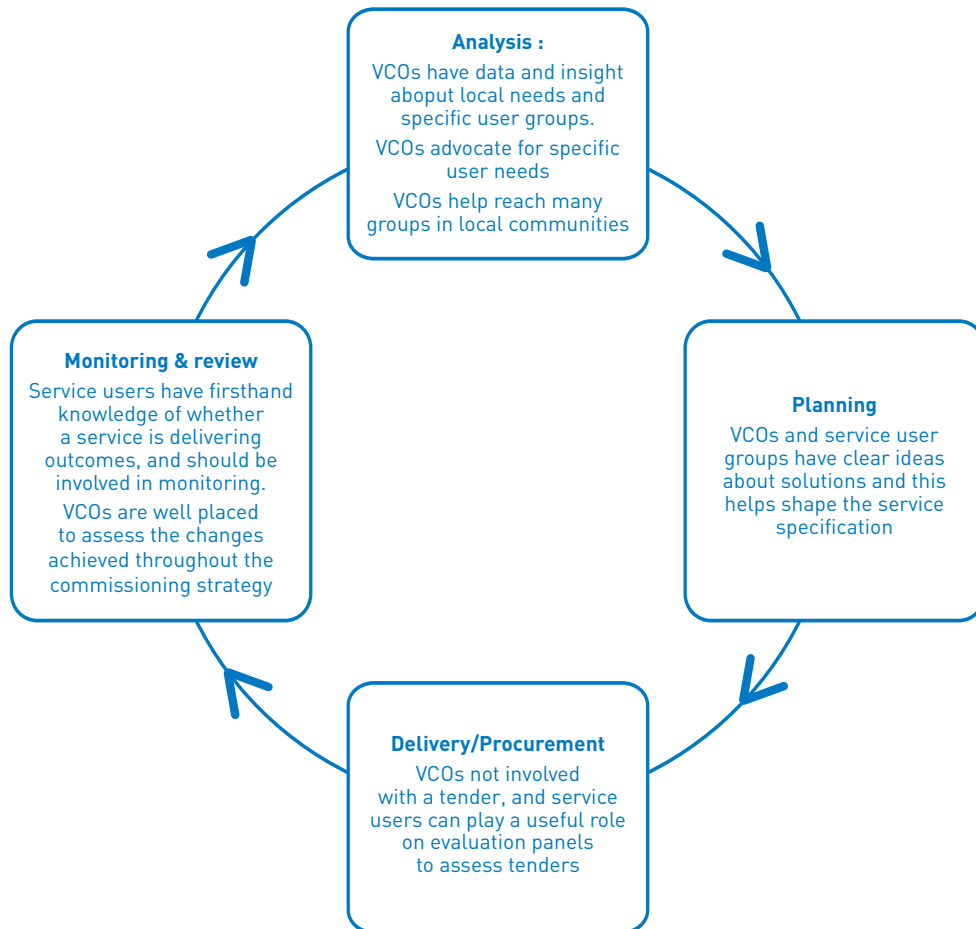
### Purchasers

Organisations that pay for the supply or delivery of public services.

Commissioners are purchasers.

### Providers

Organisations that deliver public services.



### **“Hard to reach” groups**

These are people who typically may find services inaccessible or inappropriate to their needs.

Sometimes termed “hard to hear” or “seldom heard”.

### **Social capital**

This refers to the nature and extent of informal networks and formal organised activities, and of trust between people in communities. Where social capital is strong, it contributes to greater levels of mutual interest and respect. It enables greater participation and so supports local democracy.

VCOs play a number of roles and have a range of functions, including:

- Delivering services
- Advocating and lobbying on behalf of local communities and individuals
- Facilitating community, economic and international development
- Engaging with people in local communities, and those who may have difficulty shaping or accessing local services
- Developing new ways to meet the needs within their communities

VCOs can enable commissioners to develop a wider range of services, to develop a wider market-place of providers, and to ensure that services are delivered to “hard to reach” groups in local communities. They use their knowledge of specific needs and interests to develop niche services for people in communities with specific needs.

VCOs contribute significantly to the economy and life in the county. Working within local communities, they help to bring people together, build good relationships within communities, and help people to feel they have a valuable and active role to play. This is sometimes called “social capital”, and adds to community cohesion and local democracy.

VCOs have considerable knowledge and expertise about their areas of work, and so can contribute to the development and delivery of services through local partnerships. They can enable a more thorough commissioning process by:

- Providing information to inform local needs analysis
- Engaging with people who use services and people in communities in which services are delivered, to inform the design of local services and service outcomes, as well as service evaluations
- Arrange local consultation events and promote awareness of local or county wide strategic issues

It is important to acknowledge that VCO services may not always be the cheapest in pure cost terms, but they can deliver additional social outcomes, such as jobs for long term unemployed people, and “this saves money in the long run”.

**(Source: Third Sector magazine)**

## Gloucestershire's voluntary and community sector

Gloucestershire has a thriving VCS, made up of over 2,500 VCOs. Many are locally based; some are national or regional organisations delivering services in the county. There is probably a voluntary organisation delivering, or with the expertise to deliver, most of the services needed by each commissioner. Local VCOs can be found through Volbase.



### Volbase – Countywide VCS Database

Volbase is an extensive database of voluntary organisations, community groups, clubs and societies operating across and within localities in Gloucestershire. Volbase is hosted by Gloucestershire Association for Voluntary and Community Action (GAVCA).

<http://search.volbase.co.uk/gloucestershire/index.asp>

## VCS involvement in partnership working in Gloucestershire: The Gloucestershire VCS Assembly

VCOs may become directly involved in commissioning partnerships through their specialist role or expertise in a specific issue. The Gloucestershire VCS Assembly is also a route through which VCOs become involved in local strategic partnerships.

The Gloucestershire Assembly for the Voluntary and Community Sector (The VCS Assembly) is a mechanism for facilitating partnership working between the VCS and the public sector in Gloucestershire. Its focus is on the strategic partnerships. The VCS Assembly facilitates the involvement of VCOs in all stages of commissioning, through its nominated representatives on partnership boards.

## Service users and communities

People who use services, and live in communities in which services are delivered.



The VCS Assembly includes any VCO working in the county. The VCS Assembly Team produces information, including weekly e-newsletters; arranges training and other events; and promotes consultation about current issues.

VCOs can be members of:

- the VCS Assembly Board, which provides strategic direction to the Assembly and the work of the VCS Assembly Team
- VCS Strategic Groups: thematic groups that provide voice and representation for the sector, and can influence policy on their theme
- The County Equality Group, which provides expertise in equalities and diversity

Through the VCS Assembly, the sector has a coordinated, strategic voice, and representation on the decision-making bodies throughout the county.

<http://www.gloshub.org.uk/>

## Putting service users at the core of the process

Good commissioning starts with the needs of service users and communities. It is vital, therefore, to put service users and communities at the core of the commissioning process. This means ensuring that there are opportunities for engaging with, and really listening to and involving, groups of service users and individuals who use or are affected by services. And it means that both purchasers and providers need to be prepared to change what they are doing, or planning to do, so that services respond to the views of service users. Best practice in consultation and involvement, then, needs to be at the core of the commissioning process. VCOs are particularly good at engaging with service users and communities, and can help commissioners to do this well.



For more information:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=19383>

<http://www.participationworks.org.uk/>

<http://www.scie.org.uk/adults/publications.asp>

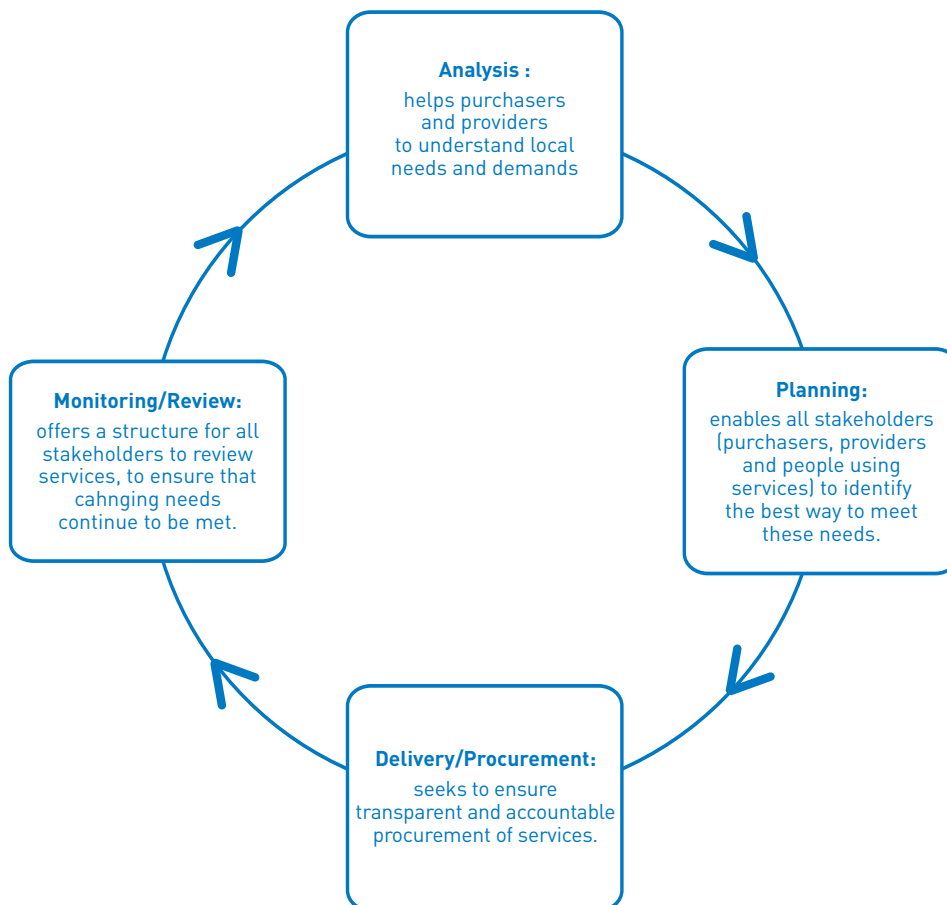
## Individual commissioning

Individual commissioning is where services are commissioned by or for an individual service user. An example is that older people are able to purchase the care and support that they need, rather than being offered day care as the only option.

Increasingly, service users, and some service providers, are also involved with individual commissioning which is being rolled out as part of the Adult and Social Care Putting People First (PPF) programme. In the Children and Young People's Strategic Partnership (CYPSP), there is also a growing level of individual commissioning, through Lead Professionals working with children and young people who have CAFs.

## Summary

There are benefits of good commissioning at all stages of the commissioning cycle:



## Personalisation

The term used to describe the national agenda to reform the social care system to give people more choice about the support they receive. The system places people at the centre of the process and allows them to choose the agencies they use and the manner in which they receive support. <http://www.gloucestershire.gov.uk/index.cfm?articleid=22663>

## The CAF (Common Assessment Framework)

A generic, multi agency assessment tool to enable shared planning to meet children's additional needs. It is aimed at early intervention. <http://www.gloucestershire.gov.uk/caf>

Commissioning can involve anyone who is involved with public services, whether they are deciding if the service is needed; paying for services to be provided; providing services; or using them. Effective commissioning is a cyclical process that:

- can help to improve services
- can deliver better outcomes for people using services and living in the communities in which services are delivered
- can deliver better value for money

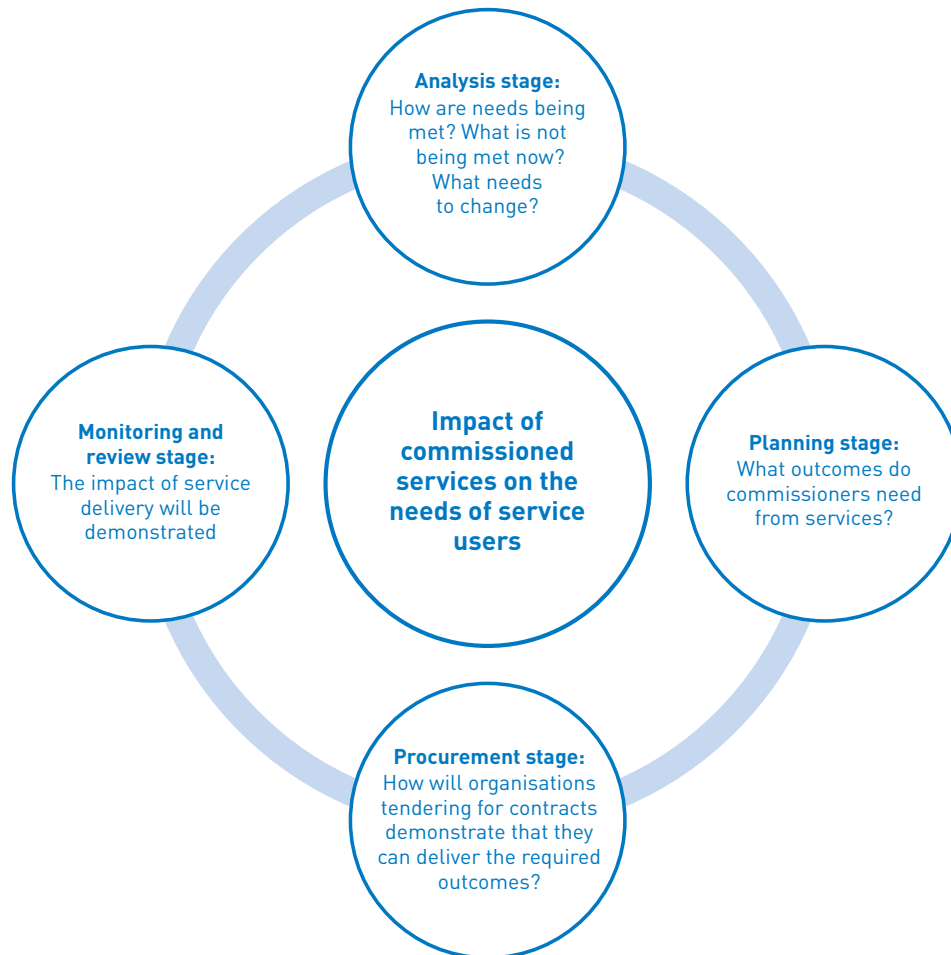
The Good Commissioning Guide explains the basic process of commissioning at each stage of the cycle. It identifies which stakeholders (commissioners/purchasers, organisations providing services, and people using services) should be involved at each stage, and how their participation adds to the process.

Good commissioning, and the delivery of effective public services, is enhanced by the active involvement of the VCS, and the Guide highlights the critical roles that the sector can, and should, play throughout the commissioning cycle.



# Commissioning for Outcomes

Traditionally commissioning has been focussed on what goes into a service, rather than what comes out. Now, there is a growing emphasis on outcomes throughout the commissioning cycle:



## Outcomes

The real life improvements brought about by the work; the changes that happen as a result of the commissioned service; the impact and change. Outcomes can be at an individual, social, community or organisational level.

Commissioning for outcomes involves:

- Shifting the focus from activities to results
- Moving away from counting the quantity or number of services given, to measuring the impact that those services have achieved
- Placing service users at the heart of service delivery: this is because outcomes demonstrate what is changing, and how this makes a difference, to the people benefiting from services

**Baseline**

Information that allows you to assess the position at the start of the service/project so you can assess what changes.

**Indicator**

Something that you can measure to show whether you have achieved your desired outcomes.

Setting appropriate outcomes isn't always easy, especially for people new to this approach. It's worth bearing in mind that developing an outcomes framework is most effective when it is put in place from the start of service delivery. So, it's worth putting some time and thought into this process early on in the commissioning process, and paying attention to the delivery of outcomes throughout.

**Developing outcomes**

Developing outcomes involves:

- Being clear about the rationale for the service. The first questions to ask are:
  - Why is this important?
  - What do I want to change through this?
- Setting a baseline: without baseline data, there is no way to assess the impact of the work
- Being clear about the level at which the outcomes apply: individual, service level, or strategic. Different levels and different stakeholders will be seeking different outcomes:

Individual outcomes	"Mary" had some equipment delivered and installed in her home: this enabled her to do her own cooking, and eat healthy meals
Service level outcomes	The service supported (xx number of) service users to access mobility or safety equipment that enabled independent living
Strategic outcomes	More people are able to remain living in their own homes, with decreasing levels of support

- Setting indicators that will tell you how effective the service is, and show the progress that is being made towards the service aims. It is important that these indicators measure the outcomes, or changes, that the different stakeholders have identified.

Some examples are:

Outcome	Indicator
There are higher rates of tenancy sustainment	Tenants identify problems and seek help at an early stage
A greater sense of safety in the community [in the specified area]	People [in the specified area] are more willing to participate in community activities, and be out and about more on the estate
Children develop a more positive attitude to school	Children enjoy school more They are prepared to ask for help They have more friends
Older people have opportunities for healthy living activities	Service users visit the local community centre for tea dance sessions They have access to transport to get there

### SMART outcomes

Outcomes based commissioning must be realistic. Outcomes need to be SMART:

**S**pecific, **M**easurable, **A**chievable, **R**ealistic, **T**ime-bound.

This means that indicators must be measurable. For instance, a youth project aims to achieve a measured decrease in vulnerabilities for young people. Its outcomes are about an increase in self-esteem. This can be a tricky thing to measure. The youth project uses the following indicators and measures:

Indicator	Measure
How do you feel about being you	xx% felt better about themselves
How do you cope with stress	xx% coping better
Safe adult to turn to	xx% improvement (identified adult)
Making and keeping friends	xx% improvement

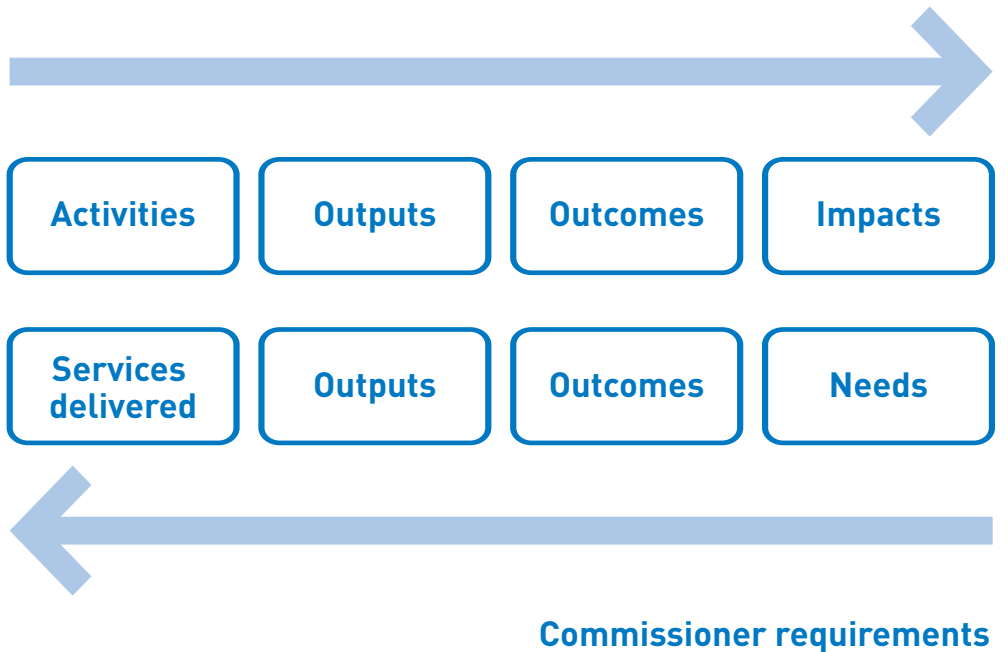
The service specification (**Stage 2: Planning**) should specify the monitoring arrangements. This will enable commissioners and suppliers to be clear about how, and how often, data will be gathered and how it will be presented. (**Stage 4: Monitoring and Review**)



### The cultural shift needed

One of the challenges with developing outcomes-based commissioning lies in the fact that commissioners and VCS providers approach the matter from different perspectives of the service delivery process. Traditionally, providers start from the point of identifying their activities, and working through to the impact that they are having. But the commissioning process starts with analysing the needs, and ends by specifying the services that will be required to meet them. This is not a problem, but it does require awareness and the development of a shared language and shared approach.

### Traditional provision



## Implications

Commissioning for outcomes should be a creative process! Once the commissioner specifies the outcomes that are required, it is up to providers to design the services that will deliver them. The role of the commissioners is then to keep a check on progress towards outcomes delivery, but the way in which services are delivered should no longer be only their domain. In this way, outcomes-based commissioning requires service providers to innovate and think differently about what they do and how they do it.

## Summary

Outcomes-based commissioning is relevant to every stage of the commissioning process.

- It enables commissioners to measure how services deliver positive social change for users, rather than measuring things like the number of service users
- It encourages providers to come up with new approaches and ideas based on their experience of what works

# The Commissioning Cycle

## Stage 1: Analysis

Good commissioning starts with a good understanding of local needs: these are the needs that the local commissioning strategy will aim to address. Because the “Analysis” stage is all about “needs”, it is sometimes called “Needs Assessment”.

**The main purpose of the Analysis stage** is to put together a clear assessment of the needs of the local population, and what services exist to meet them. It should include information about groups within communities:

- whose needs are not currently being met
- who experience poor outcomes from existing services
- whose needs are little understood

Regular analysis and review enable everyone involved to develop a clear, common shared pool of information about local needs and local services. It should show how, over time, local needs change. It should also show the impact of local services on the lives of local people and in communities.

### Who should be involved

Analysis is usually a commissioner-led process that is linked to strategic partnerships such as the Local Strategic Partnership or Local Area Agreement. It is an essential tool for commissioners to inform their commissioning strategies, which in turn inform the planning of local services. [\(DoH Guidance on JSNA, 2007\)](#) It is good practice to involve a wide range of stakeholders with knowledge of this aspect of service delivery. Front-line staff as well as people who use the services should be involved in this process. The involvement of VCOs is crucial to gain a full understanding about local needs and gaps in service provision, and to engage with isolated and marginalised groups in the community. [\(Compact Commissioning Code for Gloucestershire\)](#)



[DoH Guidance on JSNA, 2007](#)

[Compact Commissioning Code for Gloucestershire](#)

## VCOs:

- have a great deal of rich data and insight about local needs and about specific service user groups
- can act as a conduit for reaching and engaging with “hard to reach” or seldom heard communities
- can advocate for service user views



## Role of VCS: Introduction

### Service user involvement

Commissioners should find ways to involve service users, to get the best possible understanding of local needs, either directly or through VCOs. Good commissioning (including the NHS’s World Class Commissioning) policy and practice puts service users at the centre of the commissioning process, and their input is vital at the analysis stage. Well planned and managed involvement can make a real difference to the effectiveness of a commissioning strategy and the delivery of the services that are developed through the strategy, because users understand what works, what doesn’t work, and what needs to change in order to meet needs and improve outcomes.

See: The Sainsbury Centre for Mental Health has produced a guide for commissioners about this process

[http://www.scmh.org.uk/pdfs/commissioners\\_guide\\_to\\_service\\_user\\_involvement.pdf](http://www.scmh.org.uk/pdfs/commissioners_guide_to_service_user_involvement.pdf)

At its root, this element of the commissioning process must build on best practice in engagement.



[http://www.scmh.org.uk/pdfs/commissioners\\_guide\\_to\\_service\\_user\\_involvement.pdf](http://www.scmh.org.uk/pdfs/commissioners_guide_to_service_user_involvement.pdf)

Glossary

Compact Commissioning Code for Gloucestershire



## For example:

### How the involvement of children and young people influenced a service specification

A health commissioner purchased a Community Children's Health Service from the NHS Trust (provider organisation), Community Adolescent Mental Health Service (CAMHS) and a VCO. In-depth consultation work carried out by the VCO partner was influential in shaping the service at the development stage. Findings from the consultation process highlighted current practice and organisational processes that create barriers for many vulnerable children and families. The new service was designed with the core messages about what children and young people want from their health services at the forefront.

The benefit of the involvement of the VCO was that it enabled the team to reach a wider range of children and young people, and to seek their views in ways more creative than the Health Trust alone could have done. It brought to the table additional resources and expertise.

To ensure that the core messages from the consultation will be carried through into ongoing service delivery, there is a rigorous Outcome and Indicator Framework, and a requirement for ongoing participation and feedback by the children and young people who will be using the service.

### Where does the information come from?

Different people need different amounts of information: people who are putting together a commissioning strategy need more, and more detailed, information than people whose main role is to inform the strategy, or provide services that make up a part of the strategy. There are many sources for the information that makes up the Analysis stage.



You don't have to reinvent this wheel! There are many existing processes for assessing local needs. Commissioners should look at existing data sets, before setting out to gather "new" information that might already be in a different document or strategy.



In Gloucestershire, sources include:

- The Joint Strategic Needs Assessment (JSNA)  
<http://www.gloucestershire.gov.uk/index.cfm?articleid=92706>
- Children and Young People’s Strategic Partnership (CYPSP) needs assessment
- MAIDEN (Multi Agency Information Database for Neighbourhoods): [info@maiden.gov.uk](mailto:info@maiden.gov.uk): Tel: 01452 425511
- Common Assessment Framework (CAF) data – aggregated from thousands of mini needs analyses with individual children and their families
- Service data; information from front-line staff; surveys of users (eg Gloucester Shopmobility does a regular survey of users; VCS safeguarding review and survey 2009 carried out by children and young people’s service providers; the Community Safety strategic needs assessment; Place survey; other data captured nationally through monitoring LAA target achievements)
- VCO Annual Reports

### Just numbers? The value of qualitative data

It’s not just about numbers. The statistics can tell you about “how much”, but reveal little about “how good” or what makes a difference. Statistical data also tends to focus on what’s known, at the expense of hidden needs, and the needs of marginalised groups. A good analysis will include qualitative information as well. This needs to focus on both needs and outcomes: about the difference that some services are already making to local people and how they are already meeting local needs.

VCOs already have a great wealth of data about the needs of their service users, but they may lack expertise in presenting this. Commissioners and providers need to agree how to use this information. Otherwise, useful data from VCOs may appear to be little more than a set of stories or anecdotes.

### Joint Strategic Needs Assessment (JSNA)

This identifies ‘the big picture’ in terms of the health and well-being needs and inequalities of a local population.

### MAIDEN

A comprehensive Gloucestershire data base



**Compact Commissioning Code for Gloucestershire**

## Analysis and personalisation

Decisions about individual commissioning and the purchasing of personalised services must be built on the same, robust analysis of needs, services and gaps as for all other services: the analysis is the same, but it is the process of purchasing that differs.



<http://www.gloucestershire.gov.uk/index.cfm?articleid=22121>

## Setting priorities

The final process of the Analysis stage is to set priorities. If we're honest about it, needs will always exceed resources. So, this is a critical, strategic process to determine:

- the most important issues and outcomes that the commissioning strategy aims to address
- the services that will be needed to deliver the strategy

Some priorities will always be influenced by national policy, and by the decisions set through the public agencies' corporate and community plans. Some will have to fit within the Local Area Agreement, which sets the strategic priorities for the whole Local Authority area. However, a thorough, well-conducted analysis stage will help commissioners to reach confident, informed decisions about local priorities and actions. Because it involves decisions about the allocation of resources, this stage of the process should be led by commissioners governed by appropriate and accountable boards. They should ensure the active involvement of frontline staff, partners, VCOs, users and communities.



## For example:

Bath & NE Somerset Council and NHS Bath & NE Somerset had developed a Commissioning Prioritisation Framework for Adult Health and Social Care (Draft 17.08.09). This sets out five priority groupings. In order of importance, these are:

- 1 Unavoidable: initiatives already committed to; statutory or legislative or national requirements; wider partnership priorities
- 2 Contributes to short term (1 – 3 years) financial sustainability: eg invest to save, preventative initiatives with evidence base
- 3 Contributes to national priority targets for which action is needed in the current period
- 4 Contributes to longer term sustainability and/or vision
- 5 Doesn't fit 1 – 4: not a priority

Service users and people in local communities should be, and often are, successfully involved in agreeing priorities. There are different mechanisms for this, one of which is participatory budgeting.



## For example:

### Participatory budgeting

Participatory budgeting (PB) directly involves local people in making decisions about priorities for local resources. Some PB processes focus on specific local provision, such as the design of a local playground, or the priorities for allocating Section 106 funding for a specific development. In some areas, PB processes are used to open up public debates about local priorities. One example is the London Borough of Harrow where a day-long Open Assembly was held, at which residents agreed a list of budget priorities on elements of the Local Authority budget for the following year. An ongoing panel of residents was also set up to monitor the actions taken by LA officers, and ensure implementation of the decisions taken by the Open Assembly. In Manton, Nottinghamshire, a similar process has been running for over 2 years. <http://www.participatorybudgeting.org.uk/>

## Summary

A good Analysis stage is one that is:

- robust
- draws from a wide range of data sources, both quantitative and qualitative
- has engaged and empowered a wide range of stake holders, including VCOs, service users, people living in communities, and locally-based organisations, such as Parish Councils etc
- uses a range of techniques to ensure realistic engagement of providers and service users, and draws from a wide range of existing data, such as Parish Plans, local surveys, user consultations, VCO Annual Reports, etc
- seeks to gather information about unmet need and the needs of people in marginalised groups. VCOs have a vital role to play in this.
- identifies existing services, and gaps in current service provision
- sets priorities for going forward



### **Compact Commissioning Code for Gloucestershire:**

This identifies the roles for commissioners and VCOs in the Analysis Stage

From the Analysis, the next step is to Plan the delivery.

# The Commissioning Cycle

## Stage 2: Service Planning

You've done the analysis, so you have a thorough assessment of the range of services that people need, and have set out your priorities. The second stage of the commissioning cycle is when commissioners and providers consider the different ways services could be delivered to achieve them.

Both commissioners and providers have been identifying needs and planning services to meet them for as long as services have been funded and provided. Commissioning simply offers a set of consistent processes across all services and sectors. In this way, it makes existing practice more open and transparent because it puts the process in the public domain.

It is important that VCS organisations are involved in the Planning stage. They have valuable expertise about who provides what and what works, based on their experience of advocating for service users and delivering services. While good practice guidance stresses that VCOs have a crucial role to play at this stage, many commissioners are unclear about how much involvement providers and potential providers should have in service planning and in developing possible solutions to the needs identified in stage 1.

It is also vital that service users and communities are actively involved in the service planning stage, helping to think laterally about what would best meet their needs.

### Designing services and solutions

An effective Planning stage will have a clear focus on identifying solutions that will enable commissioners and providers to meet the needs that were identified through the Analysis stage.

Planning must be realistic. It needs to match:

- **Needs:** what services are required to meet local needs?
- **Resources:** what resources (money, time, in kind support etc) can commissioners put towards these services?
- **Outcomes:** what outcomes do commissioners require from services? (**Outcomes based commissioning**)

- **Providers, or the market:** what organisations are there that provide quality services? Do we have the right providers, or do we need more/different?



### Outcomes based commissioning

In designing services, commissioners have to balance the need for cost-effective, outcomes-focused services with solutions that are locally specific and take account of local and service user needs ([Compact Commissioning Code for Gloucestershire](#)). Commissioners and VCOs should ensure that service users and people in local communities have the opportunity to influence the services that are being commissioned “in their name”, or for their benefit. They may even want to design services in which they can play a role.



### Compact Commissioning Code for Gloucestershire



## For example:

### Co-production of a mental health day care service

A consortium of VCOs in Camden (London) formed to bid for a £2 million tender to provide day-care services to people with mental health problems. Members include MIND in Camden, the Camden Volunteer Bureau, Holy Cross Church Trust (an independent, secular provider for homeless people) and Kings Cross Time Bank.

The commissioners of the service worked with providers and others to design a service specification and an outcomes-based commissioning model which placed a strong emphasis on co-production. This was in keeping with the Department of Health’s ‘recovery’ approach and the Department’s drive for greater social inclusion and service user involvement. For example, under the service ‘vision’, the tender specified that:

‘Co-production requires professionals and service managers to move out of traditional roles as “experts” and “providers” into partnership models that work with “clients” and “communities”... real and lasting changes are possible with approaches that build or strengthen



## Co-production of a mental health day care service continued

social networks and in turn motivate people to learn about and exercise their powers and their responsibilities as citizens. Networks of friends and families should also be considered positive co-contributors to success in this approach.'

In its response to the tender, the Consortium openly advocated a co-production approach to running the day-care service, led by Holy Cross Centre Trust which has a dedicated co-production and time bank coordinator. In their tender, the Consortium stated that they will:

'...achieve social inclusion and recovery outcomes according to the aspirations and needs stated by a diverse range of individual services users by:

- enabling service users to take responsibility for achieving their own goals and supporting other people in achieving theirs through co-production mechanisms like time banks, befriending schemes, mutual support groups, peer support and volunteering
- continuously developing involvement and partnership from diverse communities, mainstream and specialist service providers, thereby increasing the number of stakeholders in mental health day services across the borough.'

**The Consortium bid was successful.**

### ...and re-designing services

The Planning stage looks at what services are needed, not who will provide them. Planning should not be based on the status quo: "just because it has always been there" is not sufficient reason for it being there in the future. This stage of the commissioning process offers real opportunities for creative thinking and assessing what works – and using this intelligence to plan for services that will have a bigger impact in the future. The potential for innovation from VCOs should be considered, and evidence of projects that have achieved change should be taken into account. People who use services should be considered as experts in identifying what is needed in the future; and where appropriate, VCOs should be supported

### The market

This refers to the range of organisations that can provide the services locally that are required to deliver the commissioning strategy)

### Decommissioning

This means removing the contract from a provider who is not delivering an adequate or appropriate service; or whose service does not meet the outcomes required. If the service is monitored and does not come up to the required standard of service, it can be decommissioned within the contract period.

### Recommissioning

This is the process that happens at the end of the contract period, when a new contract is awarded. This might be to the same provider, for the same service. It can also involve changing the service, or bringing in a new service provider.

to enable them to participate. The emphasis at the Planning stage is on the outcomes that are needed, and what solutions can be developed or delivered to meet them.



### Outcomes Based Commissioning

### Knowing the market

Designing outcomes-based services, and then tendering them (**Delivery/Procurement**) involves understanding, and often developing, the market of local providers. Both commissioners and VCOs need to ensure that there is a strong market of potential providers who can deliver the local commissioning strategy.

Finding new solutions and planning new services is likely to mean change and involve decommissioning existing services. It might involve opening up the market to new providers from different sectors, including the private sector and providers from out of the local area. The market is at the heart of commissioning and yet it is the least discussed, and often overlooked, part of the process.

Knowing the market requires commissioners and VCOs to be clear about which organisations deliver specific services, and about their capacity.



### Delivery/Procurement

Local VCOs can be found through Volbase:



#### Volbase – Countywide VCS Database

Volbase is an extensive database of voluntary organisations, community groups, clubs and societies operating across and within localities in Gloucestershire. Volbase is hosted by GAVCA.

<http://search.volbase.co.uk/gloucestershire/index.asp>



## Growing the market

VCOs need to be clear about what they currently provide, what they might provide in the future, and crucially, how they can demonstrate the quality and outcomes of their provision. Commissioners need to be confident that VCOs can provide services that deliver:

- Quality
- The outcomes required in the commissioning strategy – and the ability to demonstrate this (**Outcomes based commissioning**)
- Cost effective solutions to local needs



### Outcomes based commissioning

## VCO support needs

It is important that commissioners do not limit the market to VCOs who are “tender ready”. Many local providers can offer innovative and cost-effective solutions to the needs identified in the commissioning strategy, although some may need specific support to build their capacity in order to enter the procurement arena. (**Stage 3 Delivery/ Procurement**)

Typical areas of support include:

- Financial planning, including with developing full cost recovery budgets and social accounting
- Training about procurement, bidding, and writing tenders
- Partnership working, forming consortia or sub-contracting
- Managing change, including the potential for different forms of service delivery
- Developing outcomes and demonstrating the impact of their services
- Marketing VCS services



### Stage 3 Delivery/ Procurement

### Local VCS support and development organisations

Organisations that support and develop VCOs:

<http://www.navca.org.uk/about/whatisan-lia.htm>;

GAVCA is one of the local VCS support organisations: <http://www.gavca.org.uk>

They are also known as local infrastructure organisations.

Commissioners, commissioning partnerships and local VCS support and development organisations (which are also called infrastructure organisations) can support the development of the local provider market by:

- Getting to know the local provider market
- Informing VCOs about other organisations that can help them
- Producing clear guidance about “how to do business” with the commissioning authority
- Publishing named contact points for different commissioning and procurement processes
- Enabling the service user voice to inform an understanding about the quality of provider organisations.



Office of Govt Commerce/Home Office  
[www.ogc.gov.uk/documents/Think\\_smart\\_think\\_voluntary.pdf](http://www.ogc.gov.uk/documents/Think_smart_think_voluntary.pdf)

Effective commissioning requires a strong and diverse provider base. Market analysis is essential to enable intelligent and targeted support that will improve the capacity and sustainability of the VCS in Gloucestershire.



### For example:

The Community & Adult Care Directorate set up a development fund to support increased provision of advocacy services for social care service users (older people, people with learning, physical or sensory disabilities, or those with mental health needs). The fund aimed to support the development of a greater and more diverse range of advocacy provision, by making funding available to organisations working to support the development of the County Council’s strategy on advocacy in social care.

## Shaping the service specification

The next part of the Planning stage is to shape the service specification.

The specification should specify the outcomes for the service based on the needs that have been identified in the earlier stages of the commissioning process. For this reason, it is important for commissioning partnerships to:

- Involve the relevant stakeholders, and to put service users and communities at the heart of the process
- Listen to the widest range of suggestions about solutions
- Learn from good practice in other areas
- Have a clear outcomes focus (**Outcomes based commissioning**)
- Be prepared to change as a result of consultation and service users' views



**Outcomes based commissioning**



### For example:

#### **Short breaks for disabled children and young people**

As this programme developed from the initial pathfinder pilot, the role of parents and young people has increased. There are regular consultation events with disabled and non-disabled children and young people (Ask Me 2, and Keep on Asking), and parent members of the steering groups for Transition Pathway to Adult Services, Personal Budgets and Commissioning Short Breaks. The Aiming High programme has been able to offer a greater volume of short breaks set against a 2007-08 baseline, and has changed its eligibility criteria. For example, short breaks can be used as a preventative service, and are not restricted to those threatened by family breakdown.

## Service Specification

The formal, detailed description of the required service, and critically, of the outcomes that the commissioner is looking for.

## Contract

Legally binding agreements between (in this case) a public body and a third sector or private sector organisation to provide services on behalf of the public body. A contract will specify the services to be provided and what the contractor is to be paid for providing them. It will also include provisions, in greater or lesser detail, setting out the legal obligations which are accepted by each of the parties in order to fulfil the purposes of the contract.

## Grant

A sum of money given to an organisation in anticipation of it being applied for an agreed purpose. This purpose may be very specific (e.g. to fit a smoke alarm in an old person's house) or less specific (e.g. to promote fire safety among old people).

[NAO Definitions]

## Role of the VCS & service users

VCOs and service users often have clear ideas about solutions that will work to meet local needs. VCOs can be uniquely placed to engage with people in local communities, and to facilitate their participation and so create bridges between commissioners and people benefiting from commissioned services. This is one of the ways that the VCS adds value to the commissioning process.

They should, then, contribute to shaping service specifications to ensure that they are realistic and achievable and will deliver the outcomes/change required. This does not create a conflict of interest as long as the process is transparent, in the public domain and open to all potential providers, and is clearly separated from the procurement process. It is only at the procurement stage that a conflict of interest may arise. While VCOs and service users may be involved in shaping the specification, the legal responsibility for drawing it up and for commissioning the service rests with the commissioner.



### Role of VCS: Introduction

## Which route – grants or procurement?

Good commissioning involves deciding what is being commissioned before deciding how best to commission it. There are a number of options for purchasing services: the formal procurement process is only one approach, although it is increasingly becoming the main method. **(Stage 3: Delivery/ Procurement)**

However, commissioners should also consider using grants, especially for small, or for particularly innovative or experimental, services. **(Compact Commissioning Code for Gloucestershire)** It is important that the option for grant funding is included in commissioning strategies in Gloucestershire.



### Stage 3: Delivery/ Procurement

### Compact Commissioning Code for Gloucestershire

The National Audit Office (NAO) states that “there is no hard and fast rule” for deciding when to give grants and when to go through procurement and fund services through contracts. Commissioners’ decision-making may be influenced by factors such as which one (grant or contract) is more suitable for the specific programme or service and will achieve the intended outcomes. Other factors include:

- Which route is likely to provide **better value for money**
- **The state of the market:** in a competitive market, procurement may be more appropriate, because there are a number of potential bidders. A good procurement process should encourage different approaches to delivering outcomes, and should be a fair and transparent process. If there is only one viable provider, grant-funding the service is more appropriate.
- **Whether the commissioner wants to grow the market,** by encouraging or inviting competitive bids from a wider range of organisations, including those not from the local area. In this case, procurement may be more appropriate.
- **Whether the commissioner wants to grow particular provision:** Commissioners can grant-fund VCOs to support them to increase their capacity, and the capacity of the sector in a specific area (such as reaching specific marginalised groups). This enables key local organisations to develop and to meet some of the needs within the commissioning strategy.



[http://www.nao.org.uk/guidance\\_\\_good\\_practice/third\\_sector/successful\\_commissioning/successful\\_commission\\_toolkit/sourcing\\_providers/grant\\_or\\_procurement.aspx](http://www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/successful_commission_toolkit/sourcing_providers/grant_or_procurement.aspx)

Pathways Through the Maze: Chapter 6 P 33 – 35



## **For example:**

### **Grant-making prospectus approach on the Isle of Wight**

The Isle of Wight has developed a new approach to commissioning and partnership working with the Island's VCS. This includes a new competitive grant-making process, the objective of which is to create a rolling grant-making process centred on a number of public sector commissioning Prospectuses. These will be produced annually or as opportunities arise. Through each Prospectus, the Council invites bids from the VCS to deliver sustainable commissioning outcomes. The process particularly welcomes innovation, change and creativity, as well as greater partnership between bidding organisations.

Through the Prospectuses, grants will normally be for a minimum of three years. The funding agreements have proportionate performance and reporting arrangements. The relationships between the commissioner and provider will be outcome-driven, rather than based on compliance with detailed specifications. Prospectuses also invite full-cost recovery and where needed, arrangements for payment in advance.

The Island of Wight's pilot Prospectus scheme was launched in June 2009, with the first Prospectus being published on the 30th of September 2009. Appraisal of the first bids took place in December 2009 and the first new services started in February 2010.

#### **Prospectus Home Page:**

[http://www.eco-island.org.uk/change\\_island/prospectushome.aspx](http://www.eco-island.org.uk/change_island/prospectushome.aspx)

## Summary

An effective Planning stage has a clear focus on identifying the solutions that need to be delivered to meet the needs recognised through the Analysis stage. It should bring together:

- needs
- resources
- the outcomes needed to deliver solutions that meet the needs
- what providers exist to deliver these outcomes

Commissioners:

- may need to develop the local market to ensure that the right organisation is commissioned to deliver the right services or to meet a gap in provision
- must consider the capacity and support needs of the local VCS within the Planning stage

Planning involves all relevant stakeholders drawing up clear service specifications that are not prescriptive, and allow for creative approaches to meeting local needs.

The VCS and service users have very important roles to play at the planning stage. At the same time, commissioners have to be clear about potential conflicts of interest, and to ensure clear processes to avoid this.

# The Commissioning Cycle

## Stage 3: Delivery/Procurement

Procurement is only one part of the commissioning cycle, although the two terms are often used to mean the same thing. They are very different!

- Commissioning describes the whole process of mapping, planning, delivering and evaluating services to meet local needs
- Procurement refers to the processes for purchasing services

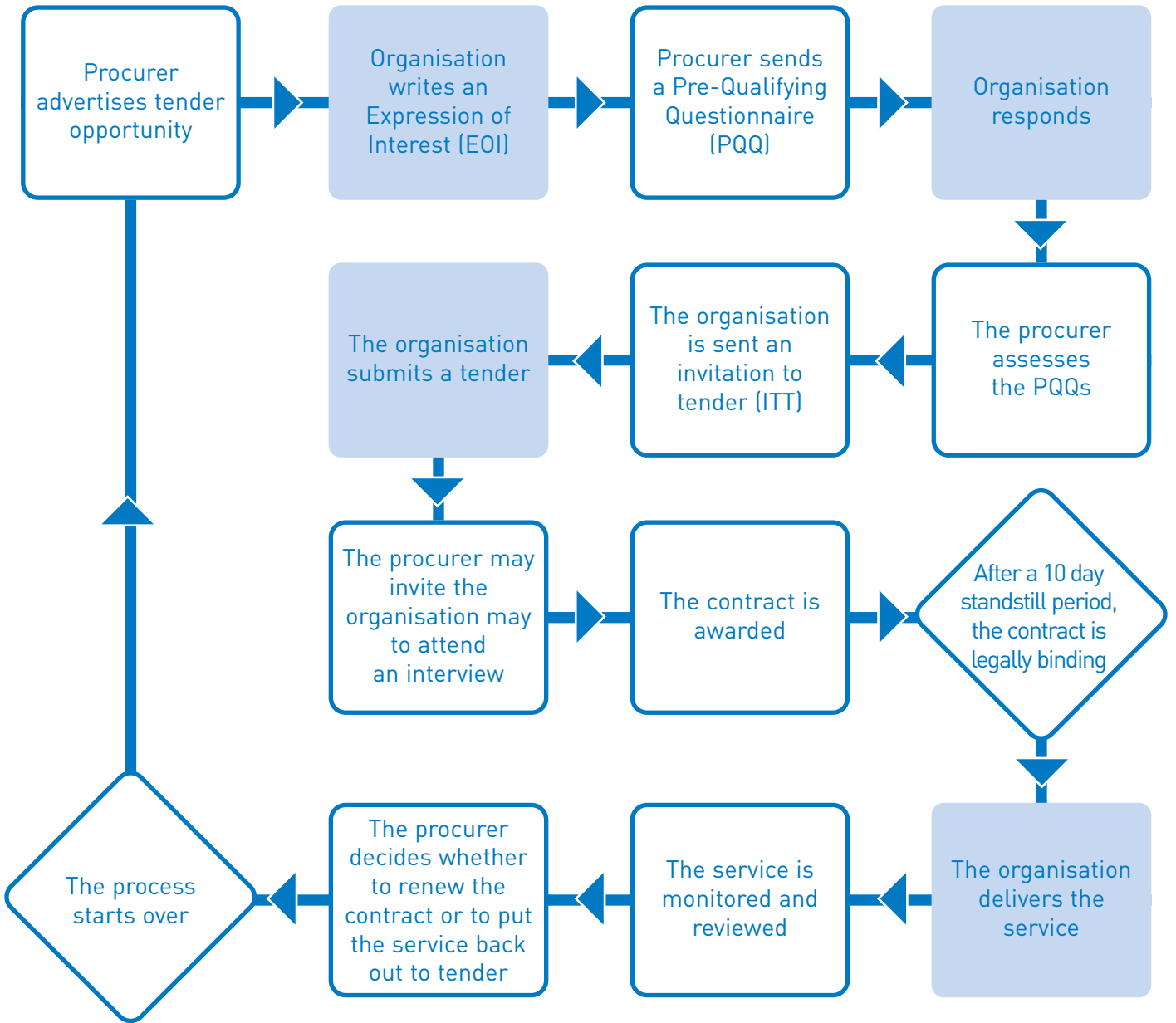
This section of the Good Commissioning Guide offers a very brief overview and the main concepts about procurement. For more detailed information, refer to the publications listed in the Links at the end of this section. The Guide does not discuss grants, although this form of funding can still play a significant role in the delivery of a commissioning strategy.

### **Procurement: an overview**

The procurement process is led by the commissioning body, but not necessarily the lead commissioner. Many of the decisions about the procurement process may be made by the commissioning authority's procurement department rather than the person or people who have been involved with the earlier stages of the commissioning process. Once the procurement process begins, it follows a fairly standard set of procedures:



Overview of a typical procurement process:



□ The procurer      ■ The organisation bidding for the contract

Adapted from Love Your Tender (p 74)  
<http://www.childrenengland.org.uk/resourcessupportingsmallorganisations/750>

## A few of the terms, or what's a PQQ anyway?

As is the case with legal processes, there is a lot of jargon for the different elements of the procurement stage. Very brief definitions of some of the key terms are:

- **Expression of Interest.** This is exactly what it says. There may be a pro forma, or it can be as simple as an email asking to be sent the tender documents
- **Pre Qualifying Questionnaire (PQQ).** This is the initial questionnaire seeking information about organisations that want to tender. It usually asks for information about the organisation's financial status, legal compliance, policies, procedures, etc. PQQs are scored and only some suppliers will be asked to bid in the second round.
- **Invitation to Tender.** Successful completion of a PQQ will lead to an Invitation to Tender (ITT). This will contain the contract or service specification (**Planning**), terms of the contract, pricing document, evaluation criteria and other related documents to be completed and submitted to a defined timetable.



### Planning

## A legal process

Both commissioners and VCOs need to be clear about when a formal procurement process, as distinct from the wider commissioning process, begins. This is because the procurement stage is subject to a set of specific and detailed requirements, governed by European Union (EU) law, and there are restrictions about how much contact and discussion can take place among stakeholders within this competitive stage of the process. This is very different from the earlier stages of commissioning, when discussion and the sharing of information and ideas adds to the process.

Procurement processes should be clear, consistent and based on good practice (**Compact Commissioning Code for Gloucestershire**). They should be proportionate to the value of the contract. The basic rule is that the larger the sum of money involved, the fuller, more detailed and more rigorous the procurement process needs to be. The diagram above shows the full procurement process. A small contract (one that

has a low financial value) may not require, for example, the PQQ stage, or the PQQ might be rolled into the tender itself.



## Compact Commissioning Code for Gloucestershire

### How is the contract valued?

This is usually calculated by estimating the total amount that will be paid over the duration of the contract. So, if the contract is for service provision for three years, costing £33,000 per year, the contract value will be £99,000.

### Pricing and full cost recovery

Contracts are awarded on the basis of either:

- Lowest price. In this case, the lowest priced tender wins. No other element of the tender may be taken into account.
- The “most economically advantageous tender” (MEAT). Factors other than or in addition to price, such as quality, technical merit and running costs can be taken into account.

VCOs have to be careful in calculating their costs, because contract values run for the full period of the contract. This involves working budgets on the basis of “full cost recovery”.

“Full costs” include the direct costs of the service and a proportion of the provider’s running costs and overheads. These may include: “premises and related costs; central functions, such as human resources; governance and strategic development; provision for inflation and depreciation; and regulatory costs.” Overheads should include the costs of managing and supporting volunteers. These principles are included in the Compact:



<http://www.thecompact.org.uk/>

<http://www.gloshub.org.uk/compact.html>

### Full cost recovery

“The principle that when a third sector organisation provides a service for a public body it should be able to recover all the costs of delivering that service.” (National Audit Office)

### The Compact

The longstanding agreement that sets out shared principles and guidelines for effective partnership working between government and the VCS in England. <http://www.thecompact.org.uk/>

### The Gloucestershire Compact

To support and improve partnership working between the sectors. <http://www.gloshub.org.uk/compact.html>



## Understanding costs

### Commitment from Government:

Funding bodies have an interest in ensuring that organisations can manage and administer their activities effectively. Support functions are vital to achieving this.

Government undertakes to:

- Recognise that it is appropriate to include relevant overhead and administrative costs in applications
- Accept the recovery of costs associated with volunteering, such as managing volunteers and reimbursing expenses
- Be consistent across sectors when requesting cost breakdowns from organisations

### Commitments for the third sector

- Ensure they have a robust and clear understanding of the relevant overhead and associated costs to include when applying for resources

<http://www.thecompact.org.uk/files/140472/filename/thecompact.pdf>

Commissioners should regard VCO assessments of their full costs no differently from the way they regard the finance elements of tenders from private sector organisations, whose overheads include an element of company profit as a matter of course.



**NAO Successful Commissioning Tool Kit:**

[http://www.nao.org.uk/guidance\\_\\_good\\_practice/third\\_sector/successful\\_commissioning/successful\\_commission\\_toolkit/delivering\\_to\\_users/full\\_cost\\_recovery\\_fcr.aspx](http://www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/successful_commission_toolkit/delivering_to_users/full_cost_recovery_fcr.aspx)

**Love Your Tender: Template for Calculating Unit costs**

<http://www.childrenengland.org.uk/upload/Activity%201%20-%20calculating%20your%20unit%20cost.pdf>

**ACEVO FCR tool kit**

[http://www.fullcostrecovery.org.uk/main/fcr\\_toolkit.php](http://www.fullcostrecovery.org.uk/main/fcr_toolkit.php)

## **Role of VCOs and service users in procurement**

Procurement is a commissioner-led process and VCOs that have an interest in tendering have no role at this stage, apart from making realistic decisions about their capacity to deliver the tendered services, and then bidding for them (or not).

It is good practice for commissioners to involve VCOs who do not have an interest in the specific tender in the evaluation of bids. For example, the VCS Assembly Team might offer an overview; or representatives (who are not involved in tendering for this specific contract) from the Children and Young People's Strategic Partnership (CYPSP) might be involved in evaluating tenders.

Service users can, and should, be involved in procurement when proposals are evaluated, as happens with the CYPSP.

While it is good practice to draw from a wide range of views, this is only one element of evaluating proposals. It is vital that commissioners and representatives from procurement units are clear about this role, and the limits to it. This includes clarity about whether the status of VCO and service user involvement is to make decisions, or to make recommendations.

## Summary

The procurement process is a distinct stage of commissioning. Procurement is led by the commissioning body, but not necessarily the lead commissioner. Once the procurement process begins, it follows a fairly standard set of procedures.

### Commissioners:

- need to be clear when the procurement process starts, because the scope for dialogue with VCOs is much more limited at this point
- should ensure that procurement processes are proportionate to the value of the contract
- must accept the full cost recovery budgets from VCOs
- should involve VCOs and service users in the evaluation of tenders, as long as they are not involved in tendering for this specific contract

Commissioners should also consider grant funding where this is a more appropriate method for securing services delivering the right outcomes.

### VCOs:

- should be clear about how they calculate their costs, and develop budgets on the basis of full cost recovery
- should participate in processes to evaluate tenders, as long as there is not a conflict of interest; and support service users to participate in the evaluation of tenders where appropriate

# The Commissioning Cycle

## Stage 4: Monitoring and Review

By the fourth stage in the commissioning cycle, the services in the commissioning strategy are up and running, and it is important to assess the impact of the services, and the strategy.

Monitoring and review are separate processes:

- Monitoring is about the service
- Reviewing is about the strategy

### Monitoring

Monitoring is the process of collecting information about how each commissioned service is being provided. Two different types of information are needed for effective monitoring:

- Output data: this is mainly quantitative information and includes performance indicators, achievement of milestones and financial monitoring
- Outcomes data: this gathers qualitative information about the impact of the service

### Output data

Addresses the question “what are we doing?”

### Outcomes data

Addresses the question “are we doing any good?”



[Commissioning for Outcomes](#)

### Proportionate monitoring

Monitoring should be proportionate to the size and scale of the contract ([Compact Commissioning Code for Gloucestershire](#)). The amount of monitoring that is reasonable for a small commissioned service will be different from that required by a large one. Commissioners and providers need to negotiate and agree the scope of monitoring data, and how this will be gathered as part of the process of awarding the contract. The National Audit Office sets out the process for “Intelligent Monitoring”, which it describes as “the term we use for putting into practice the principles of good monitoring and for avoiding the pitfalls of poor practice in monitoring.”

This sets out some principles for proportionate monitoring. For funders, it:

- Helps to ensure value for money
- Shows how the recipient spends the money
- Demonstrates the impact of the funding

For providers, monitoring enables them to:

- Demonstrate the work they are doing
- Learn and develop

It is important for funders and providers to understand, and budget for, the costs of monitoring and reporting; and to be clear about the requirements and timescales for monitoring returns. Realistic monitoring needs to be built into the contract and service delivery from the outset.



[http://www.nao.org.uk/guidance\\_and\\_good\\_practice/toolkits/intelligent\\_monitoring.aspx?alreadysearchfor=yes](http://www.nao.org.uk/guidance_and_good_practice/toolkits/intelligent_monitoring.aspx?alreadysearchfor=yes) ]

**Compact Commissioning Code for Gloucestershire**

## Monitoring systems

A good monitoring system will measure both outputs and outcomes (**Commissioning for Outcomes**). It needs to be clear about:

- What's needed: what information do we need to know that this service is successful? What will tell us if we are being successful/making a difference; and what will tell us what we can do better? How can we use existing data, or information that we collect already, such as "Compliments and Complaints" information?
- Why is it needed: to ensure that the monitoring system will be effective and proportionate, it is worth asking why each element of information is necessary: what will it tell us? Do we really need to ask/collect this information?
- When is it needed: what is the time-scale for all this? What is a reasonable period over which to collect data? Over what period of time do we expect to see changes?
- How will it be used: what are the issues about the sensitivity and/or confidentiality of the data?





## Commissioning for Outcomes

### Monitoring and performance management

What happens if a service is not performing well, or well enough? These issues also have to be negotiated and agreed before the start of the contract. Some of the issues that commissioners may need to address are:

- How do you know if performance is unacceptable?
- What determines your approach to poor performance?
- Who deals with poor performance?
- What is the link between payment and the achievement of objectives?
- Will the commissioner support organisations to improve their services where this is needed? How will this support be negotiated?

There are no simple or quick ways of dealing with these issues. Commissioners need to be clear about their process for setting milestones, and developing and monitoring action plans if providers are not delivering according to the contract.

### The role of service users in monitoring and review

Service users have a vital role in project monitoring: after all, they will know better than anyone about the impact of the service. It is imperative that monitoring arrangements include mechanisms for gathering the views of the people who use or benefit from commissioned services. This needs to include outcomes-based data about perceptions and changes, not simply data about the numbers of people attending or participating, and whether or not they had a good time! In setting up the monitoring arrangements, commissioners and providers need to address the mechanisms they will use to include the views of service users.

### Milestones

The identifiable steps within the project that need to be taken and that demonstrate that the project is delivering towards its objectives.

### 360 degree review

Looks at the question from all angles, by gathering views from all stakeholders

### Review

The commissioning role includes an ongoing assessment of:

- who is using what services
- how this compares with the issues identified through the needs analysis
- what has changed as a result of the investment made through the whole of the commissioning strategy and for whom (both improved and got worse)
- what needs remain, or are now, unmet, and how will this be addressed in the future

Commissioners need to use the information produced from project monitoring to inform the review of the strategy as a whole. It is good practice to use an inclusive, “360 degree process” and to be open and accountable about the process of strategic review.

While the review process will be led by commissioners, it must also engage with VCOs and service users as equal stakeholders.



### For example:

#### Using Impact Assessment to inform commissioning:

A Housing Association (HA) invests in a range of VCO services to add to the support offered to its residents. These services are commissioned strategically, in accordance with its priorities for neighbourhood involvement. Following a review of some of the services, the HA developed an outcomes framework. This set out common measures to assess the impact of all of its neighbourhood services, including those delivered by the HA itself. The assessment that was carried out using the Impact Assessment Tool showed which services were making the greatest difference. As a result, the HA reviewed its commissioning strategy and changed some of its investment.

## Summary

Monitoring assesses the impact of the services that have been commissioned on the people and communities for whose benefit they have been commissioned. It assesses what has changed/is changing as a result of this investment.

Commissioners and VCOs share the responsibility to ensure good monitoring systems are both set up and complied with.

Monitoring requirements must:

- be proportionate to the level of funding
- include outputs and outcomes
- be clear and relevant
- include mechanisms for managing poor performance
- include the views of anyone who benefits from the funding – service users and people in communities

Review enables continuous assessment of the commissioning strategy as a whole. In this way, it supports the development of more effective investment to meet local needs, and to adapt services as needs change.

## Conclusion

Commissioning is the whole process of deciding what public services are needed, what priorities they are accorded, and choosing what, why, how and where to allocate resources to provide services. Ultimately, it aims to achieve effective investment, which is especially important in a time of financial constraint.

Commissioning is most effective when:

- there is a genuine partnership between commissioners as purchasers, VCOs and other providers, and the people who use commissioned services or live in the communities in which they are delivered
- distinctive contributions of the different stakeholders are recognised
- it is focused on outcomes and delivering solutions for the residents of Gloucestershire

It is important to be clear about the extent and limitations of the different roles within commissioning partnerships, and the Good Commissioning Guide outlines these issues at each stage of the commissioning cycle. For example, VCOs have a great deal of information about local needs, and this can add significantly to the Analysis stage. VCOs often have clear ideas about solutions that will work to meet local needs, and this helps shape the service specification at the Planning stage. However, the process of procurement is a commissioner-led process, and VCOs have a smaller role during this part of the commissioning cycle.

Throughout the commissioning cycle, VCOs can act as a conduit for the engagement of people who use services, and particularly for people who are particularly disadvantaged or “hard to reach”. Again, it is important to be clear about the extent and limitations of the roles that people using services and living in communities can, and should, play. Commissioning partnerships should be guided by the principles of good practice in participation when they assess these issues.

The Good Commissioning Guide recognises that VCOs contribute significantly to the economy and life in the county. Working within local communities, they help to bring people together, build good relationships within communities, and help people to feel they have a valuable and active role to play. VCOs help communities to develop social capital, and this adds to community cohesion and local democracy.

## Commissioning and change

As with any cyclical process, commissioning brings change. Commissioning strategies should focus on solutions and outcomes, and on effective planning to deliver publically funded services that meet proven needs in communities. The logical conclusion is that some services will be decommissioned and new ones will take their place. Effective services will change as they achieve their outcomes. Delivering in this way is a responsibility for VCOs as well as statutory sector commissioners.

The commissioning structures are also developing, and practice is evolving continually about effective commissioning practice. The Good Commissioning Guide highlights what should be: it describes good practice in commissioning, to support the development of best practice in Gloucestershire.

## Appendix 1: Glossary

The Glossary is in three parts.

**Section 1:** An A – Z listing of the definitions given in the Guide

**Section 2:** Further terms used in relation to commissioning

**Section 3:** Common terms used about involvement and participation

## Section 1: An A – Z listing of the definitions given in the Guide

**Lead Professionals:** trained lead professionals working with children and young people with a CAF who have the opportunity to access a budget to support meeting the identified needs.  
[www.gloucestershire.gov.uk/caf](http://www.gloucestershire.gov.uk/caf)

**Baseline:** information that allows you to assess the position at the start of the service/project so you can assess what changes.

**CAF (Common Assessment Framework)** is a generic, multi-agency assessment tool to enable shared planning to meet children's additional needs. It is aimed at early intervention.

**Contract:** legally binding agreements between (in this case) a public body and a VCS or private sector organisation to provide services on behalf of the public body. A contract will specify the services to be provided and what the contractor is to be paid for providing them. It will also include provisions, in greater or lesser detail, setting out the legal obligations which each of the parties accepts in order to fulfil the purposes of the contract.  
(National Audit Office)

**Decommissioning:** removing the contract from a provider who is not delivering an adequate or appropriate service, or whose service does not meet the outcomes required. If the service is monitored and does not come up to the required standard of service, it can be decommissioned within the contract period.

**Expression of Interest:** is exactly what it says. There may be a pro forma, or it can be as simple as an email asking to be sent the tender documents.

**Full cost recovery:** the principle that when a VCO provides a service for a public body it should be able to recover all the costs of delivering that service. (National Audit Office)

**Grant:** a sum of money given to an organisation in anticipation of it being applied for an agreed purpose. This purpose may be very specific (eg to fit a smoke alarm in an old person's house) or less specific (eg to promote fire safety among old people).  
(National Audit Office)

**Hard to reach groups:** those who typically do not use public services. They are often those who face extreme inequality and disadvantage in society, or are excluded from social groups and services.

**Indicator:** something that you can measure to show whether you have achieved your desired outcomes.

**Infrastructure organisations:** organisations that support VCS providers: <http://www.navca.org.uk/about/whatisanlio.htm>; GAVCA is one of the local VCS support organisations: <http://www.gavca.org.uk>

**Invitation to Tender:** successful completion of a PQQ will lead to an Invitation to Tender (ITT). This will contain the contract or service specification, terms of the contract, pricing document, evaluation criteria and other related documents to be completed and submitted to a defined timetable.

**Joint Strategic Needs Assessment (JSNA):** identifies 'the big picture' in terms of the health and wellbeing needs and inequalities of a local population.

**MAIDEN (Multi Agency Information Database for Neighbourhoods):** a comprehensive Gloucestershire data base.

**Milestones:** the identifiable steps within the project that need to be taken, and that demonstrate that the project is delivering towards its objectives.

**Outcomes:** the real life improvements brought about by the work; the changes that happen as a result of the commissioned service; the impact and change. Outcomes can be at an individual, social, community or organisational level.

**Participatory budgeting:** directly involves local people in making decisions about priorities for local resources.

**Personalisation:** the term used to describe the national agenda to reform the social care system to give people more choice about the support they receive. The system places people at the centre of the process and allows them to choose the agencies they use and the manner in which they receive support.

**Pre Qualifying Questionnaire (PQQ):** this is the initial questionnaire seeking information about organisations that want to tender. It usually asks for information about the organisation's financial status, legal compliance, policies, procedures, etc. PQQs are scored and only some suppliers will be asked to bid in the second round.



**Providers:** organisations that deliver public services.

**Purchasers:** organisations that pay for the supply or delivery of public services. Commissioners are purchasers.

**Recommissioning:** the process that happens at the end of the contract period, when a new contract is awarded. This might be to the same provider, for the same service. It can also involve changing the service, or bringing in a new service provider.

**Service specification:** the formal, detailed description of the required service, and critically of the outcomes that the commissioner is looking for.

**Service users and communities:** people who use services, and live in communities in which services are delivered.

**Social capital:** social capital refers to the nature and extent of informal networks and formal organised activities, and of trust between people in communities. Where social capital is strong, it contributes to greater levels of mutual interest and respect. It enables greater participation and so supports local democracy.

**The Compact:** the longstanding agreement that sets out shared principles and guidelines for effective partnership working between government and the VCS in England.

<http://www.thecompact.org.uk/>

The Gloucestershire Compact supports and improves partnership working between the sectors in Gloucestershire.

<http://www.gloshub.org.uk/compact.html>

**The market:** refers to the range of organisations that can provide the services locally that are required to deliver the commissioning strategy.

**VCS:** the voluntary and community sector (VCS) is a broad term that describes organisations including charities, voluntary organisations (with paid staff, volunteers, or a mix of both) community organisations, social enterprises, and faith organisations. Generally, voluntary and community organisations (VCOs) are value driven, and they re-invest any surpluses to further their social, environmental or cultural objectives. They are independent of the formal structures of government.

**360 degree review:** looks at the question from all angles, by gathering views from all stakeholders.

## Section 2: Further terms used in relation to commissioning

**Best Value** is a legal requirement of all local authorities to make sure that they deliver value for money across their services. This is implemented by carrying out reviews, consultations and monitoring of Best Value performance indicators.

**Contestability** is the process of ensuring that there is a viable market of alternative providers by reducing barriers to market entry and encouraging competition.

**Contracting** is about one agency, such as a local authority or PCT, paying another agency to deliver a service to an exact specification as laid out and agreed in a legally binding contract.

**Joint commissioning** is where two or more agencies, or different specialisms within the same agency, work together to create a clear picture of the needs of the local population, pool resources, and join up services so that they deliver better outcomes than they would on their own. This should lead to more integrated delivery and better value for money.

**KPIs** are Key Performance Indicators. KPIs are tools which help purchasers to measure the performance of suppliers against their contractual obligations. KPIs are normally detailed in the service specification document.

A **Local Area Agreement (LAA)** is a three-year 'contract' between a local area (represented by the local authority) and other partners through the Local Strategic Partnership (LSP), and central Government. It describes how the LSP will improve outcomes for people and communities and sets out specific targets that will be invested in as priority work.

**Quality assurance marks**, also known as **kite marks**, are certificates that say an organisation has been through some kind of external assessment and was able to prove that it is well-run, effective and a good investment for a funder or procurer. **PQASSO** and **Investors in People** are examples of quality marks.

**Service Level Agreement (SLA)** is the part of a contract that states what services are to be delivered. Procurers may enter into service level agreements which are actually contracts although they do not set out full contractual terms, but instead detail the services to be delivered and basic information regarding the contractor.

**TUPE** stands for Transfer of Undertakings (Protection of Employment) Regulations 1981. The purpose of TUPE is to preserve continuity of employment and to safeguard employment rights of all employees whose employment transfers to a new employer as a result of a relevant transfer.

A **unit cost** is determined by calculating how much it costs to run a service and then distributing that cost proportionately over the activities, or outputs, of the service or the number of clients served.

A **unit price** is how much a delivering organisation charges for each client served or output delivered.

**Value for money**, in the context of a procurement process, means choosing the bid that offers 'the optimum combination of whole life costs and benefits to meet the customer requirement'. This is not the lowest initial price option and requires assessing ongoing revenue/resources costs as well as initial costs.

### Section 3: Common terms used about involvement and participation

The Good Commissioning Guide stresses good practice in engaging with VCOs and people using services and living in communities. This section of the Glossary gives some of the key terms associated with this.

**Community** describes clusters of people that have relationships or associations. These can be grouped by things that they have in common: a place (eg where they live, work or study), an identity (eg ethnicity or age) or an interest (eg a sport or hobby).

**Community empowerment** is the outcome of engagement and other activities. Power, influence and responsibility is shifted away from existing centres of power and into the hands of communities and individual citizens.

**Community engagement** is the action that agencies take to enable them to consult, involve, listen and respond to communities through ongoing relationships.

**Co-production** is when communities or individual residents are active participants rather than passive recipients. They are supported to use the skills, networks and experience they have to improve local outcomes, improve local services, or to help solve a problem. Many local problems can only be solved by supporting and using communities' own resources.

**Involvement** as defined in the 'Duty to Involve' is an overarching term that covers providing information to, consulting with, and involving citizens in active ways. This can include providing people with opportunities: to influence or directly participate in decision-making; to provide feedback on decisions, services, policies and outcomes; to work with authorities in designing policies and services; to co-produce/carry out some aspects of services themselves; and to work with the authority in assessing services.

**Participation** is when citizens and communities are involved in issues that affect their lives. They play an active part in generating ideas as well as making the decisions alongside public sector partners. Examples include participatory budgeting and participative planning.

## Appendix 2: Links and Sources of Further Information

### Introduction

#### Good commissioning in Gloucestershire:

Information about the Better VCS Commissioning Project, and the Compact Commissioning Code for Gloucestershire.

[http://www.gloshub.org.uk/compact\\_commissioning.html](http://www.gloshub.org.uk/compact_commissioning.html)

National Compact Commission Guidance on Commissioning:

<http://www.thecompact.org.uk/files/103954/FileName/CommissioningGuidance.pdf>

National Audit Office: Financial Relationships with Third Sector Organisations:

[http://www.nao.org.uk/publications/0506/financial\\_relationships.aspx](http://www.nao.org.uk/publications/0506/financial_relationships.aspx)

#### Local Structures:

VCS Structures: The Gloucestershire Assembly:

<http://www.gloshub.org.uk/assembly.html>

Volbase – Countywide VCS Database:

<http://search.volbase.co.uk/gloucestershire/index.asp>

Statutory Structures: The Gloucestershire Conference

<http://www.gloucestershire.gov.uk/index.cfm?articleid=3987>

CAF in Gloucestershire: [www.gloucestershire.gov.uk/caf](http://www.gloucestershire.gov.uk/caf)

Putting People First in Gloucestershire:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=22663>

#### General Resources about Commissioning:

The NHS commissioning environment:

A guide for organisations in the third sector

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_115159](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_115159)

IDEA runs the National Programme for Third Sector Commissioning:

<http://www.idea.gov.uk/idk/core/page.do?pagelId=6583598>

NHS: World Class Commissioning: Introduction

[http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/documents/digitalasset/dh\\_107080.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_107080.pdf)

Care Network E-Book:

<http://www.dhcarenetworks.org.uk/BetterCommissioning/Commissioning-book/index.cfm>

The North West Road Map has been put together by a range of practitioners, and covers areas of commissioning practice:  
<http://www.northwestroadmap.org.uk/index.php?pageNo=369>

### **Resources about Participation:**

Participation Works (National Participation Network):

<http://www.participationworks.org.uk/>

Downloadable resources for Children & Young People's Participation from Gloucestershire County Council:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=19383>

Social Care Institute for Excellence (SCIE) has a range of resources for people working in Adult Community Care/ Adult Services

<http://www.scie.org.uk/adults/publications.asp>

Good practice in community engagement and empowerment at [www.idea.gov.uk/empowerment](http://www.idea.gov.uk/empowerment)

Resources and tools for involvement at [www.peopleandparticipation.net](http://www.peopleandparticipation.net)

### **You might also be interested in:**

New Economics Foundation: Participation work stream:

<http://www.neweconomics.org/programmes/democracy-and-participation>

Partnerships Online: <http://www.partnerships.org.uk/index.htm>

Involve: <http://www.involve.org.uk>

Participatory Budgeting:

<http://www.participatorybudgeting.org.uk/>

PB in the South West:

<http://www.participatorybudgeting.org.uk/documents/PB%20Newsletter%2011-12.pdf>

### **Involving service users in commissioning:**

The Sainsbury Centre for Mental Health has produced a short “Commissioner’s guide to service user involvement” Nov 2009  
[http://www.scmh.org.uk/pdfs/commissioners\\_guide\\_to\\_service\\_user\\_involvement.pdf](http://www.scmh.org.uk/pdfs/commissioners_guide_to_service_user_involvement.pdf)

Sainsbury Centre for Mental Health: An evaluation of mental health service user involvement in the re-commissioning of day and vocational services February 2010  
[http://www.scmh.org.uk/pdfs/service\\_user\\_involvement\\_in\\_recommissioning.pdf](http://www.scmh.org.uk/pdfs/service_user_involvement_in_recommissioning.pdf)

[This publication is mentioned in The Commissioning Cycle Stage 1: Analysis].

### **Commissioning for Outcomes**

The North West Road Map page on commissioning for outcomes has a range of links to other resources:  
<http://www.northwestroadmap.org.uk/index.php?pageNo=378>

Better Outcomes: Loose Talk and a Hard Nut:  
<http://www.solace.org.uk/documents/sfi/SFI%20-%20Loose%20talk%20and%20a%20hard%20nut%20-%20commissioning%20for%20better%20outcomes.pdf>

Social Care Institute for Excellence (SCIE) has produced a very detailed analysis of “Outcomes focused services for older people”:  
<http://www.scie.org.uk/publications/knowledgereviews/kr13.pdf>

The DH Care Network outcomes page also has a range of resources:  
<http://www.dhcarenetworks.org.uk/BetterCommissioning/Outcome-basedcommissioning/Outcomesnetwork/>

The Commissioning Support programme focused on commissioning out comes for children and young people:  
<http://www.commissioningsupport.org.uk/about-our-programme/our-programme.aspx>

It also produces an “essential reading list”:  
<http://www.commissioningsupport.org.uk/resource-bank/essential-reading-list.aspx>

Charities Evaluation Service: provides support and advice on quality and evaluation systems for the voluntary sector:  
<http://www.ces-vol.org.uk/index.cfm>

## The Commissioning Cycle Stage 1: Analysis

Gloucestershire JSNA:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=92706>

MAIDEN (Multi Agency Information Database for Neighbourhoods): [info@maiden.gov.uk](mailto:info@maiden.gov.uk)

Department of Health Guidance on JSNA:

[http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/@dh/@en/documents/digitalasset/dh\\_081267.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_081267.pdf)

Creating Excellence: Local Evidence Guide: Gives a wide range of sources for gathering needs data:

<http://www.maiden.gov.uk/Adobe/CELocalEvidenceGuide2.pdf>

Needs analysis, commissioning and procurement for housing-related support: a resource for housing related support, social care and health commissioners:

<http://www.communities.gov.uk/publications/housing/housingrelatedsupport>

Needs analysis and personalisation:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=22121>

Improving strategic commissioning in the culture and sport sector: Guidance paper 1: needs assessment IDEA 2009:

<http://www.idea.gov.uk/idk/aio/19049677>

## The Commissioning Cycle Stage 2: Service Planning

VCS Infrastructure:

<http://www.navca.org.uk/about/whatisanlio.htm>

GAVCA is the local VCS support organisation:

<http://www.gloshub.org.uk/>

Building the local provider market: See Office of Govt Commerce/Home Office:

[www.ogc.gov.uk/documents/Think\\_smart\\_think\\_voluntary.pdf](http://www.ogc.gov.uk/documents/Think_smart_think_voluntary.pdf)



Third Sector Commissioning Tool Kit: National Audit Office:  
[http://www.nao.org.uk/guidance\\_\\_good\\_practice/third\\_sector/successful\\_commissioning/successful\\_commission\\_toolkit/sourcing\\_providers/grant\\_or\\_procurement.aspx](http://www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/successful_commission_toolkit/sourcing_providers/grant_or_procurement.aspx)

Isle of Wight Commissioning Prospectuses:

Home Page: [http://www.eco-island.org.uk/change\\_island/prospectushome.aspx](http://www.eco-island.org.uk/change_island/prospectushome.aspx)

Also: [http://www.eco-island.org.uk/change\\_island/thirdsectorfundingpilotpage1.aspx](http://www.eco-island.org.uk/change_island/thirdsectorfundingpilotpage1.aspx)

### The Commissioning Cycle Stage 3: Delivery/Procurement

There is a growing number of resources about procurement. The Good Commissioning Guide refers to a key selection that cover the main issues faced by VCOs and provide accessible (not too technical) information.

**Pathways through the Maze:** NAVCA & NCVO's Guide to the Procurement Process: You can download a copy at:  
<http://www.navca.org.uk/NR/rdonlyres/FFE1ABE0-5C54-4F26-A4B4-8F30AA4801F6/0/pathways.pdf>

or order a hard copy from NAVCA: [www.navca.org.uk](http://www.navca.org.uk);  
Tel: 0114 278 6636

**Love Your Tender** is a guide to understanding contracting and being ready to tender. Produced by Children England, it is relevant to all  
<http://www.childrenengland.org.uk/resourcesupportingsmallorganisations/750>

You can download it in sections from the above page. The guide is also currently available to purchase: £20 for Children England members and £30 for non-members. Call 020 7833 3319 for further details.

### The National Audit Office (NAO) Successful Commissioning Tool Kit:

[http://www.nao.org.uk/guidance\\_\\_good\\_practice/third\\_sector/successful\\_commissioning/successful\\_commission\\_toolkit/delivering\\_to\\_users/full\\_cost\\_recovery\\_fcr.aspx](http://www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/successful_commission_toolkit/delivering_to_users/full_cost_recovery_fcr.aspx)

The Handy Guide to Tendering and Procurement, produced by Tendering for Care:  
<http://www.tenderingforcare.com/news/the-handy-guide-to-tendering-and-procurement>

**National Audit Office Decision Support Tool**

[http://www.nao.org.uk/guidance\\_\\_good\\_practice/toolkits/better\\_funding/what\\_are\\_tsos/what\\_is\\_the\\_dst\\_for.aspx](http://www.nao.org.uk/guidance__good_practice/toolkits/better_funding/what_are_tsos/what_is_the_dst_for.aspx)

This outlines the factors that influence commissioners' decision making, and some of the processes they use.

**PQQs: Developing a PQQ Tool Kit:**

[http://www.cvshounslow.org.uk/wp-content/uploads/completing\\_a\\_pqq\\_workbook.pdf](http://www.cvshounslow.org.uk/wp-content/uploads/completing_a_pqq_workbook.pdf)

**Some resources dealing with Full Cost Recovery:**

Love Your Tender has a template for calculating unit costs:

<http://www.childrenengland.org.uk/upload/Activity%201%20-%20calculating%20your%20unit%20cost.pdf>

Acevo (Association for Chief Executives of Voluntary Organisations) has produced a detailed tool kit on Full Cost Recovery:

[http://www.fullcostrecovery.org.uk/main/fcr\\_toolkit.php](http://www.fullcostrecovery.org.uk/main/fcr_toolkit.php)

Compact Code on Full Cost Recovery:

<http://www.thecompact.org.uk/files/140472/filename/thecompact.pdf>

National Audit Guidance:

[http://www.nao.org.uk/publications/0607/full\\_cost\\_recovery.aspx](http://www.nao.org.uk/publications/0607/full_cost_recovery.aspx)

**Gloucestershire Resources on funding and procurement:**

Gloucestershire Compact: Code of Practice Funding and Procurement

[http://www.gloshub.org.uk/docs/compact\\_codes/FundingProcurement.pdf](http://www.gloshub.org.uk/docs/compact_codes/FundingProcurement.pdf)

County Council Strategic Procurement Pages:

<http://www.gloucestershire.gov.uk/index.cfm?articleid=4090>

## The Commissioning Cycle Stage 4: Monitoring And Review

The resources listed for Section 2: Commissioning for Outcomes are relevant for monitoring and review. The following may also be useful:

### **Intelligent Monitoring: Practical guidance on implementing the principles of proportionate monitoring: National Audit Office:**

A decision support tool for public bodies in England

[http://www.nao.org.uk/guidance\\_and\\_good\\_practice/toolkits/intelligent\\_monitoring.aspx?alreadysearchfor=yes](http://www.nao.org.uk/guidance_and_good_practice/toolkits/intelligent_monitoring.aspx?alreadysearchfor=yes)

This guidance offers a clear, robust framework for intelligent monitoring, and offers examples and practical tools and techniques. It has the support of the Office of the Third Sector, HM Treasury and the Commission for the Compact. (2009)

### **Papers on Monitoring and Improvement from the Commissioning e-book:**

<http://www.dhcarenetworks.org.uk/BetterCommissioning/Commissioninge-book/Chapter10MonitoringandImprovement/>

and

<http://www.dhcarenetworks.org.uk/BetterCommissioning/Commissioninge-book/Chapter10MonitoringandImprovement/10.21AnsweringtheSowhatquestionMonitoringoutcomesforusersofmentalhealthservices/>

There is an increasing move towards using “Social Return on Investment” as a tool for monitoring. The following has been written for commissioners:

“Social Return on Investment: How commissioners can use SROI to achieve better results”

[http://www.sroi-uk.org/component/option,com\\_docman/task,doc\\_view/gid,74/Itemid,38/](http://www.sroi-uk.org/component/option,com_docman/task,doc_view/gid,74/Itemid,38/)