



Commissioning and Sourcing Alternative Service Delivery Models

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WHEN THE SALAMI'S GONE

SOLACE guide to
commissioning and sourcing

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Commissioning: the state of play

- Commissioning is moving mainstream
- Dominated by a market model (but need not be!)
- Practice across the public sector is uneven
- Lack of a systematic evidence base
- No standard model
- Government support:
 - Open Public Services White Paper
 - Commissioning Academy



Source: Department of Health (2006)



Making commissioning work (1)

The SOLACE Guide's **ten key conditions for success**:

1. **Sound, shared methodology**: agreeing, ideally with your key local partners, a commissioning methodology that provides a shared language and framework for collaboration.
2. **Organisational competencies and capacity**: ensuring that the organisation is equipped with the resources, skills and attitudes needed for effective commissioning.
3. **Challenging scope**: being clear about the scale of the issues you intend to tackle within your commissioning programme.
4. **Change and programme management**: putting in place the support needed to deliver effective commissioning projects.
5. **Co-production and insight**: engaging citizens and communities in the commissioning process, underpinned by deep customer insight.



Making commissioning work (2)

6. **Space for innovation:** encouraging innovation and fresh thinking at every stage of your commissioning projects.
7. **Evidence and logic:** underpinning your commissioning projects with sound evidence and a logical model of change.
8. **Political leadership:** providing a governance framework that enables elected members to drive the commissioning process and exercise effective democratic control.
9. **Financial realism:** ensuring that there is a sound return on commissioning exercises and that the realities of public finances are understood.
10. **Clarity on sourcing policies:** adopting explicit (and reliable) policies on how sourcing decisions will be made.



Sourcing: overview of main options

Make	Buy	Share	Divest
<ul style="list-style-type: none">• In-house transformation• Continuous improvement• Arms-length company	<ul style="list-style-type: none">• Outsourcing to private sector• Outsource to third sector• Private-sector joint ventures	<ul style="list-style-type: none">• Shared services• Shared management• Public sector joint ventures	<ul style="list-style-type: none">• Transfer to community• Mutualisation• Devolve to district or parish• Closure

These categorisations are not entirely discrete. For example, services that are 'divested' (such as mutuals) or 'made' (such as arms-length companies) will operate under a contract and will share some of the characteristics of an outsourced arrangement.



We need to make rational choices

- **Think strategically:** the choice of service delivery model should be driven by an evaluation of what is most likely to deliver the required outcomes.
- **Explore the choices:** the choice should be informed by a thorough option appraisal that involves stakeholders.
- **Validate the business case:** the business case must be realistic and capture the full cost of change.
- **Realise the benefits:** the 'benefits map' needs to be documented and managed.
- **Build new partnerships:** new service models depend on creating new relationships and supporting culture change.
- **Invest in change:** commissioning, capacity-building and new models cannot be done overnight and 'on the cheap'.



Trends and opportunities

- The language of commissioning and decommissioning will become the 'default', but resources for effective commissioning will be stretched.
- The Autumn Statement will worsen many authorities' 'graphs of doom', leading to:
 - More closures and divestments.
 - More shared services, outsourcing and trust conversions.
- There will be opportunities:
 - Engaging with, and influencing, public health commissioning.
 - Making the case for the impact on economic growth.



Keep in touch!

- The Guide can be found on the SOLACE [website](#)
- Let us know about your commissioning and sourcing news:

info@activistgroup.co.uk

