

Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

Contents	Page
Overview	2
Strategic commissioning – the ‘ten steps’	4
The strategic commissioning process	5
Risk Log	8

April 2009 v 3

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

Overview

This document sets our framework to deliver strategic commissioning. It describes the roles and responsibilities of the Haringey Strategic Partnership as it executes its responsibilities in identifying activities and interventions to be funded by the Area Based Grant that directly contributes to the delivery of Local Area Agreement (LAA) outcome measures and the longer term benefits articulated in our sustainable community strategy.

Strategic commissioning is an activity that will over time span the whole of work of Haringey Strategic Partnership. The primary purpose of Haringey Strategic Partnership is, through understanding of the local community it serves, to generate new and more effective ways of intervening to support local people in improving the quality of their lives. Strategic commissioning for outcomes is a process through which the partnership will translate this commitment into action. For the purpose of this document strategic commissioning is defined as:

The cycle of assessing the needs of people and communities in Haringey, designing effective services and support, influencing the market to secure services, monitoring and reviewing the impact of commissioned services.

The definition recognises the four key elements of a strategic commissioning that is - **analyse**, **plan**, **do** and **review**. The commissioning cycle (the outer circle in the diagram) should drive the procurement/purchasing and contracting activities (the inner circle). However, the purchasing and contracting experience must inform the ongoing development of commissioning. Essentially, commissioning of services is the context within which purchasing and contracting takes place.



Strategic commissioning is not solely contracting or procurement although this is an important element of the process, and more importantly, it is not competing for funding but working together to invest public resources where they can make a clear impact.

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

This requires the leadership of the HSP Board and partners in creating an organisation which has the culture, capacity and processes to make decisions based on evidence, design actions and interventions based on a detailed understanding of the issue and of local circumstances, to set clear expectations and outcomes and then performance manage these in an accountable, transparent and equitable way.

The framework adopts the following principles:

- Putting the needs of people and communities in Haringey first, ensuring that they are engaged in the commissioning activities.
- Look for opportunities to invest in the preventative agenda, addressing inequalities.
- Commission evidenced based interventions and services that correlate to improving local outcomes.
- Use open, transparent and equitable processes
- Comply with EU and UK procurement and contracting law and adhere to Council and other lead partner regulations
- Adopt local compact best practice

The implementation of the framework will require adherence to the principles above and the disciplines and governance arrangements below:

- New commissioning initiatives will focus on the delivery of key LAA outcomes
- Future funding allocations will be based on the direct impact a proposal will have on achieving priority LAA outcomes
- Thematic Boards will own and be accountable for delivery plans for the achievement of LAA outcomes
- Thematic Boards will have properly constituted and functioning performance and commissioning sub group/arrangements to handle commissioning, contract monitoring and performance issues
- Wider challenge of proposals is undertaken
- De-commissioning should take place when interventions/services are not meeting need or have become less relevant to current/future requirements
- Strict conflict of interest procedures are applied throughout the commissioning process
- Performance Management Group (PMG) maintains a strategic oversight by approving the allocations to fund commissioning proposals.
- Medium term financial planning operates to establish future requirements to maintain an investment pipeline.

As this framework is being introduced part way through the LAA period, it is recognised that a significant investment will have already been allocated and hence the introduction of the framework will be phased: to allow a pragmatic transition; to establish learning; and undertake further refinements.

The HSP wishes to acknowledge the excellent work of our neighbours - Team Hackney who have developed a strategic commissioning framework from which we have heavily borrowed – our gratitude is sincerely expressed. The framework takes the four generic elements of **analyse, plan, do** and **review**. and breaks them down into ten steps to follow when applying the strategic commissioning framework, see overleaf.

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

Strategic commissioning – the ‘ten steps’

	The Step	Description	Responsibility of
ANALYSE	One Understanding Needs	Consider the evidence base in order to understand the needs of the local community and identify the priority outcome areas and targets of the Haringey Local Area Agreement	HSP Board / Performance Management Group / Thematic Boards
	Two Setting Commissioning Priorities	Consider the baseline and direction of travel on key LAA targets and agree priorities for strategic commissioning	Performance Management Group / Thematic Boards
PLAN	Three Designing the Brief	Produce a diagnosis of the challenge demonstrating an understanding of issues to be addressed to achieve LAA targets and develop tender specifications designed to deliver the outcomes identified Consider the implications for de-commissioning of any existing services or interventions and plan the necessary change/exit strategy Review Compact compliance using Compact Proofing Check list	Thematic Boards
	Four Challenging / Approving the Brief	Challenge the diagnosis and proposed action using agreed criteria, and approve briefs to go to tender or ‘soft’ market testing	Commissioning Working Group
DO	Five Procuring	Undertake competitive tender exercise or ‘soft’ market test and make recommendations to Thematic Board on award of contract	Thematic Boards, with Strategic Commissioning Manager
	Six Approving the Contract	Approve award of contract	Thematic Boards
	Seven Contracting	Negotiate detailed SLA with successful delivery organisation	Thematic Boards, with Strategic Commissioning Manager
REVIEW	Eight Contract Monitoring	Ensure that services are being delivered and are achieving their outcomes, performance manage and take proactive steps to address poor performance	Thematic Boards, with Strategic Commissioning Manager
	Nine Evaluating	Evaluate performance against LAA targets	Thematic Boards’ Performance Management Group
	Ten Reviewing Needs and Priorities	Review LAA priorities and revise outcomes and targets through annual LAA ‘Refresh’ process	HSP / Performance Management Group / Thematic Boards

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

The strategic commissioning framework in detail

The Step	Description	Responsibility of
<p>One Understanding Needs</p>	<p>Consider the evidence base in order to understand the needs of the local community and identify the priority outcome areas and targets of the Haringey Local Area Agreement</p>	<p>HSP Board / Performance Management Group / Thematic Boards</p>
<p>The Haringey Strategic Partnership (HSP) Board and its Thematic Boards have access to a wide range of evidence which has informed the development of the Haringey Local Area Agreement (LAA). This evidence base is further enriched by qualitative information gathered through additional research and through the evaluation of programme activity. Examples include the JSNA, the Borough Profile etc</p> <p>The Performance Management Group considers the evidence on the current position on each of the LAA NIs identifying where and for whom the gap is widest and understanding the factors behind this. Where there are data gaps or information is insufficient the Performance Management Group may commission further research.</p>		
<p>Two Setting Commissioning Priorities</p>	<p>Consider the baseline and direction of travel on key LAA targets and agree priorities for strategic commissioning</p>	<p>Performance Management Group / Thematic Boards</p>
<p>Thematic Boards look in detail at the baseline measurements and direction of travel on key LAA NI targets and agree priorities for strategic commissioning. Each Theme Board has a Theme Performance Scorecard that should be used to look at trends through time and best practice with similar boroughs. It is recognised that not all LAA NIs will require activity to be strategically commissioned, as existing mainstream and other budget commitments are supporting the delivery of these. Thematic Boards also identify those partners charged with developing the Step 3 commissioning brief.</p>		
<p>Three Designing the Brief</p>	<p>Produce a diagnosis of the challenge demonstrating an understanding of issues to be addressed to achieve LAA targets and develop tender specifications designed to deliver the outcomes identified</p>	<p>Thematic Boards</p>
<p>Thematic Boards complete the LAA strategic commissioning template. This provides a robust analysis of the evidence, and an understanding of the issues to be addressed in order to achieve LAA targets. The template then requires partnerships to draft the tender specifications detailing the requirements of the contract, the deliverables and the timeframe.</p> <p>At this point strict conflict of interest procedures are applied so that thematic partnership members are not involved in the development of the brief where they or the organisation of which they are a member is perceived to be in a position to directly benefit from future commissioning and delivery.</p> <p>Thematic Boards must approve a commissioning specification at a meeting before it can proceed to the next stage. Any interests should be declared and recorded.</p>		

Haringey Strategic Partnership – Strategic Commissioning Framework
 Commissioning for: A place for diverse communities that people are proud to belong to

The Step	Description	Responsibility of
<p>Four Challenging / Approving the Brief</p>	<p>Challenge the diagnosis and proposed action using agreed criteria, and approve briefs to go to tender</p>	<p>Commissioning Working Group</p>
<p>The brief is presented to the Commissioning Working Group who use the following criteria to assess the robustness of the brief:</p> <ul style="list-style-type: none"> • Is there a clear evidence base that demonstrates an understanding of the nature of the problem/s and issue/s • Is the data used recent, relevant and robust • Does the brief provide a clear statement of what will be delivered • Does the activity proposed clearly address the identified issue/s • Does the activity proposed clearly deliver specified LAA NI targets • Does the brief identify innovation • Does the proposed activity add value to existing provision? • Does the brief make the necessary links with other parts of the LAA programme • Are the resources required reasonable • Are there other funding streams that could support this work • Has the de-commissioning of any existing service/intervention been considered and planned for • Is there a clear strategy for supporting and/or mainstreaming the work post-ABG • Is it Compact compliant <p>If the Commissioning Group is satisfied that the thematic partnership has developed a good understanding of the issue and that the proposed activity directly addresses the issue it will recommend that the Thematic Board endorses the partnership to go to tender. The Performance Management Group will also be informed of the decision(s).</p>		
<p>Five Procuring</p>	<p>Undertake competitive tender exercise and make recommendations to Thematic Board Chair on award of contract</p>	<p>Thematic Boards, with Commissioning Manager</p>
<p>The framework assumes that activity will be commissioned through a competitive procurement process. The standard procurement route is to advertise a tender in:</p> <ul style="list-style-type: none"> - Supply2gov.co.uk, LBH or other Partner websites - By email to all HSP partners who can circulate it through their own communication channels and networks to include providers known to the partnership board. <p>A multi-agency assessment panel is convened to shortlist tenders and interview. Again, strict conflicts of interest procedures will be applied so that assessment panel members or the organisation of which they are a member cannot be perceived to be in a position to directly benefit from the contract. Every tender assessment panel includes a representative of the borough's community and voluntary sector.</p> <p>If Thematic Boards believe that a robust business case exists to warrant single tender action they must discuss this with the Strategic Commissioning Manager in the first</p>		

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

<p>instance. It should be noted that under the relevant Contract Standing Orders any approval for single tender action can only be given by the Head of Procurement, and this is required before any proposal is agreed by the Theme Board and the Commissioning Group. Any approval for single tender action is subject to a value for money assessment by procurement officers.</p>		
<p>Six Approving the Contract</p>	<p>Approve award of contract</p>	<p>Thematic Boards/ Performance Management Group</p>
<p>The Thematic Board receives a brief report that summarises the tender responses received, details of short listing assessment, and outcomes of tender interviews, with a recommendation on the award of the contract. To ensure an efficient process reports are circulated out and Theme/Commissioning Group members have five working days to provide comments. The Performance Management Group will be sent items for information</p>		
<p>Seven Contracting</p>	<p>Negotiate detailed SLA with successful delivery organisation</p>	<p>Thematic Boards, with Strategic Lead Commissioning Manager</p>
<p>The Lead Commissioning Manager oversees the process of negotiating and agreeing contracts with delivery agents. The detailed activities, work programme (with deadlines / delivery dates), outcomes (including details of how and when these will be measured, reported and audited) and budget for commissioned activities are negotiated and agreed as part of this process.</p> <p>Thematic Boards are engaged in this process as they have the detailed expert understanding of the required service and will lead on contract monitoring.</p>		
<p>Eight Contract Monitoring</p>	<p>Ensure that services are being delivered and are achieving their outcomes, performance manage and take proactive steps to address poor performance</p>	<p>Thematic Boards, with Lead Commissioning Manager</p>
<p>Regular contract monitoring is undertaken jointly by the nominated thematic partnership lead and the Strategic Commissioning Manager. This is done through quarterly monitoring reports and contract review meetings.</p> <p>The Strategic Commissioning Manager works with Thematic Boards to ensure that there is robust monitoring of the progress and performance against the deliverables set out in the contract. Where a delivery agency underperforms the Strategic Commissioning Manager has the responsibility to take steps to address underperformance. The emphasis of this process is to support delivery agencies to improve their performance.</p> <p>This is managed through the HSP Performance Management Framework. All Thematic Boards receive a quarterly report showing performance against agreed spend and performance targets. Exception reports then go to the Performance Management Group. The PMF includes an agreed escalation process to authorise any contract variations or terminations where required.</p>		

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

<p>Nine Evaluating</p>	<p>Evaluate performance against LAA NI targets</p>	<p>Performance Management Group / Thematic Boards Commissioning Group</p>
<p>The Performance Management Group has the responsibility of overseeing the performance of the delivery agencies in achieving the Local Area Agreement NI targets. This is managed through the Performance Management Framework, and is supported by the Council's Corporate Performance Team. All LAA NIs are incorporated into the corporate performance system, and are included as part of the corporate scorecard and the HSP Performance Report. All LAA NIs have an agreed lead delivery partner. This is particularly significant as several key NIs are not directly delivered by the Council, and protocols for information sharing and reporting are agreed with all lead delivery partners. Lead Commissioning Managers will produce evaluation reports to the Thematic Board which will consider the impact at thematic level. The Commissioning Group will make an overall evaluation of commissioning activity and advise the Performance Management Group of the relative return on investment.</p>		
<p>Ten Reviewing Needs and Priorities</p>	<p>Review LAA priorities and revise outcomes and targets through annual LAA 'Refresh' process</p>	<p>HSP Board / Performance Management Group / Thematic Boards</p>
<p>The continued development of the partnership's understanding of the needs of the community and how it needs to act in order to raise the quality of life for local people are based on an honest and open evaluation of the impact of the LAA programme on performance against the LAA NIs. The Performance Management Group leads on this.</p>		

Haringey Strategic Partnership – Strategic Commissioning Framework
 Commissioning for: A place for diverse communities that people are proud to belong to

Risk Log

No.	Risk	Probability	Impact	Risk Score	Risk Category (RAG)	Mitigation and Actions	Owner	Due Date / Status	Closure date
1	Leadership								
1.1	Partnership members unwilling to adopt strategic commissioning framework.	Low (2)	V. High (5)	10	Medium Risk Amber	<ul style="list-style-type: none"> ★ Clear demonstration of benefits deriving from the process ★ Tailor process to meet partnership needs ★ Phase in framework 	SK	March 2009 2009 2009	
2	Timings								
2.1	Legacy investments - framework implemented part way through LAA period	High (4)	High (4)	16	High Risk RED	<ul style="list-style-type: none"> ★ Use Pilot to commence the process ★ Each thematic group to review their committed investments ★ Consider decommissioning ★ Phasing commissioning framework for all new investments 	Theme Leads Theme Leads	March to May 2009 April to September 2009	
3.	Resources & Requirements for implementation								
3.1	Capacity of partnership to implement the system	Med (3)	High(4)	12	Medium Risk Amber	<ul style="list-style-type: none"> ★ Employ Strategic Commissioning lead. ★ Undertake pilot with Enterprise thematic partnership ★ Strengthen Commissioning Group ★ Build in learning from pilot and make refinements 	SK MC MC MC	April 2009 April 2009 April 2009 April 2009	

Haringey Strategic Partnership – Strategic Commissioning Framework
Commissioning for: A place for diverse communities that people are proud to belong to

Compact Proofing Checklist

Funding and Procurement

1. Programme design shows clear outcomes which focus on sustainability
2. Funding & service provision is based on ongoing, independent assessment of community need
3. Process is developed through a collaborative programme, engaging service users and key partners
4. Process for monitoring and evaluation is based on outcomes not process
5. Tender process minimises bureaucracy and is simplified and accessible, acknowledging the potential of the diverse VCS to deliver services
6. Acknowledge barriers faced by VCS in funding and procurement and to put in place processes/ actions that reduces the barriers as far as possible
7. Consortia and networks of local suppliers are encouraged to facilitate joint tendering
8. Processes contain clear provision for reviewing locally managed funding criteria and priorities, ensuring that disenfranchised groups are not disadvantaged by processes
9. All processes are designed to be competitive, transparent and fair
10. Processes allow for a minimum of 3 months notice of changes to agreed funding, unless there are breaches of terms & conditions
11. Processes clearly acknowledges diversity of funding needs, and allows for provision such as start-up funding, core funding and capacity building
12. Processes recommend 3 year funding, and specify prompt payment in advance where this represents value for money
13. Funding reflects the full cost of the service, including the legitimate proportion of overhead costs
14. Where match funding is required, verifiable records of volunteering are submitted and accepted as of equal status to money
15. Meaningful feedback is given to all providers following application

Contract Management

1. All parties are involved in planning and negotiating contracts ahead of agreements being put in place
2. Duration of funding arrangements are agreed ahead of time
3. Clear outcomes and targets are set for all commissioned services
4. Potential Service Providers are assessed against published pre-qualification and tender evaluation criteria.
5. All contract payments are made according to agreed payment schedule
6. Contract payments are made to organisations ahead of expenditure, where appropriate
7. Funding reflects the full cost of the service, including the legitimate proportion of overhead costs (Full Cost Recovery)
8. Risks are identified and it is agreed who will take responsibility for managing them
9. Support mechanisms are in place for organisations who have funding problems or have funding withdrawn (Note a minimum 3 months notice for withdrawal of funding is required)
10. A comprehensive explanation is given in advance to organisations where funding is to be withdrawn
11. VCS organisations use forward planning to reduce any potential negative benefit of funding being withdrawn
12. Monitoring & evaluation requirements are negotiated between funder and provider, focusing on outputs and outcomes.

Haringey Strategic Partnership – Strategic Commissioning Framework

Commissioning for: A place for diverse communities that people are proud to belong to

13. Allow for a variety of monitoring & evaluation methods

Haringey Strategic Partnership – Strategic Commissioning Framework
Commissioning for: A place for diverse communities that people are proud to belong to