

# **Certificate of Credit in Commissioning & Purchasing for Public Care**

## **Module 2 Session 1**

# Welcome back...

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## Working online – hints/tips

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Everyone enters on mute. Mostly stay on mute so we are not all talking at once



Use the chat to ask questions and make comments. This will be a dynamic learning experience



Turn on your video camera, please!  
Unless you have a shaky connection! In that case, switch off your video



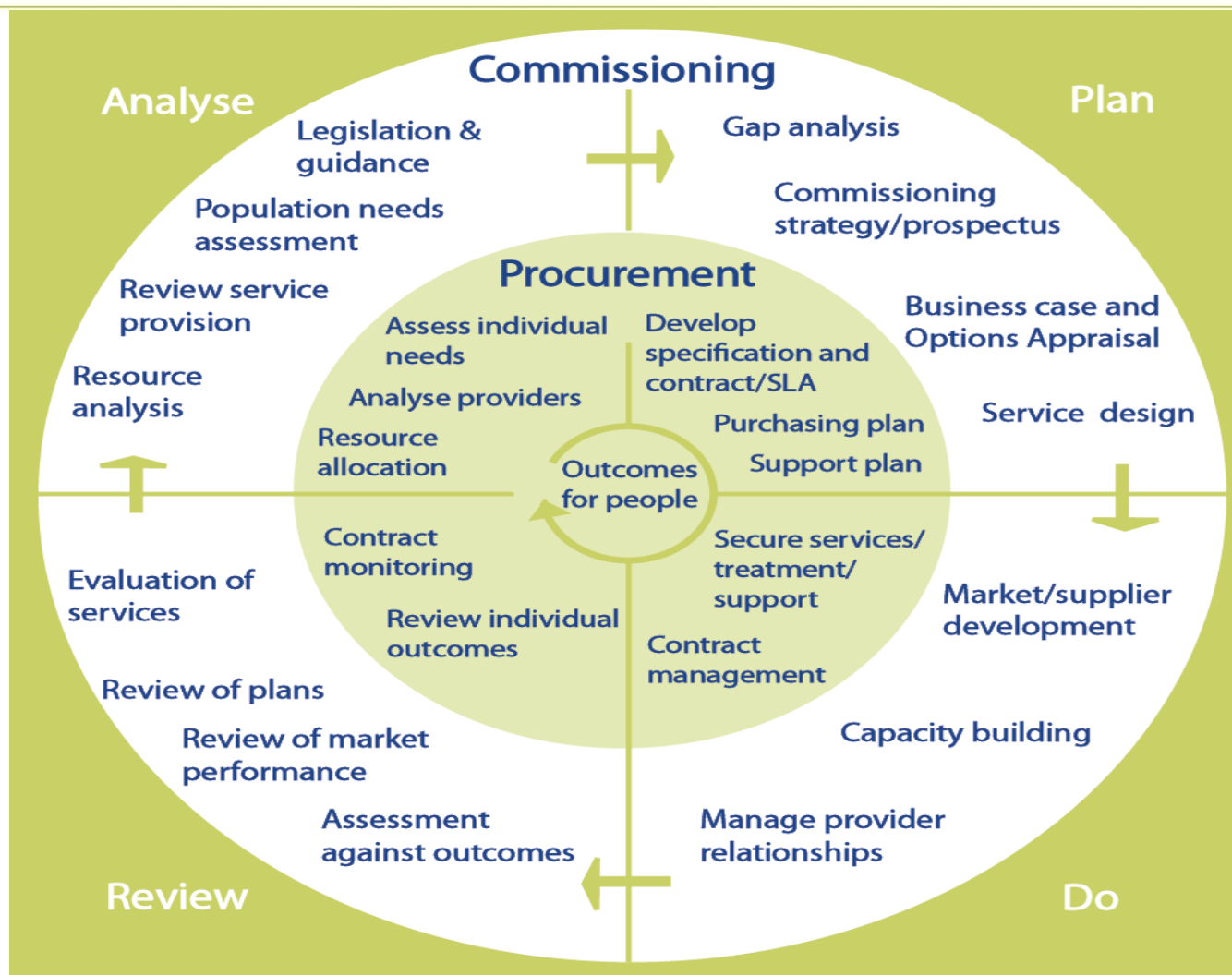
You will be going into breakout rooms, be prepared to be in rooms with 6 - 8 people



Raise your hand or click the hands up symbol if you want to speak in discussions



Be on time for breaks



## Sessions 1 – 8 will cover

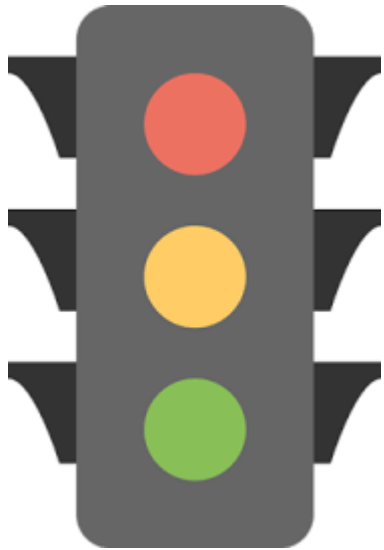
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- The national and local agenda
- Accreditation – overview
- What is commissioning and how well are we doing it?
- Needs and resource analysis
- *Planning and options appraisal* - ✓
- *Market shaping* - ✓
- Commissioning for outcomes
- Contract management and procurement
- Monitoring and review
- Person centred approach to commissioning
- Delivering change
- Commissioning skills

# Self-Assessment

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**Respond to the questions from your own perspective:**



**Consider key issues that emerge from your self-assessment.**

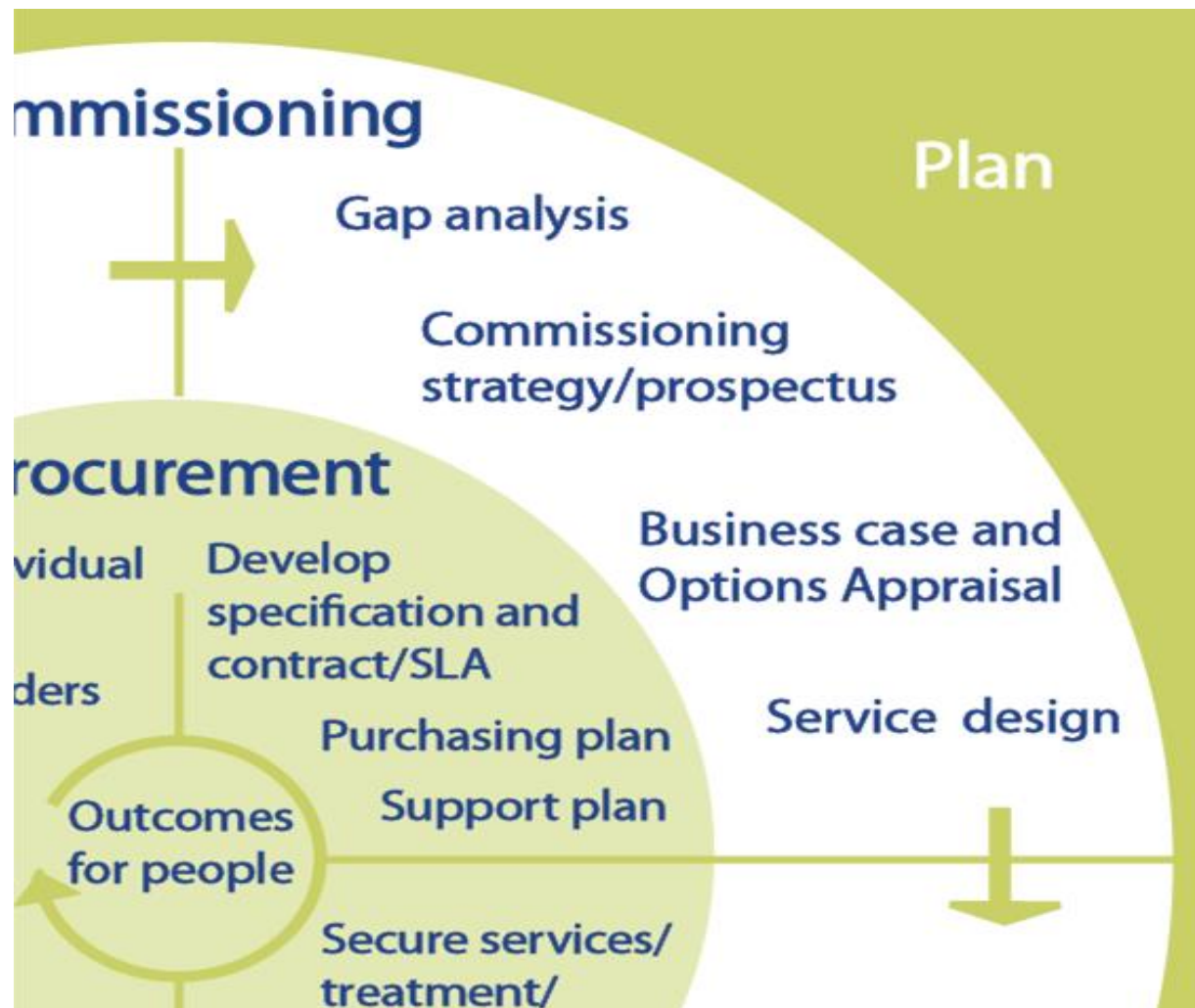
**What were the high and low points**

- **What do you do well and should continue?**
- **What should you stop doing?**
- **What should you start doing?**
  
- **Be prepared to share your views**



# Planning and Options Appraisal





# Commissioning activity product(s) might be...

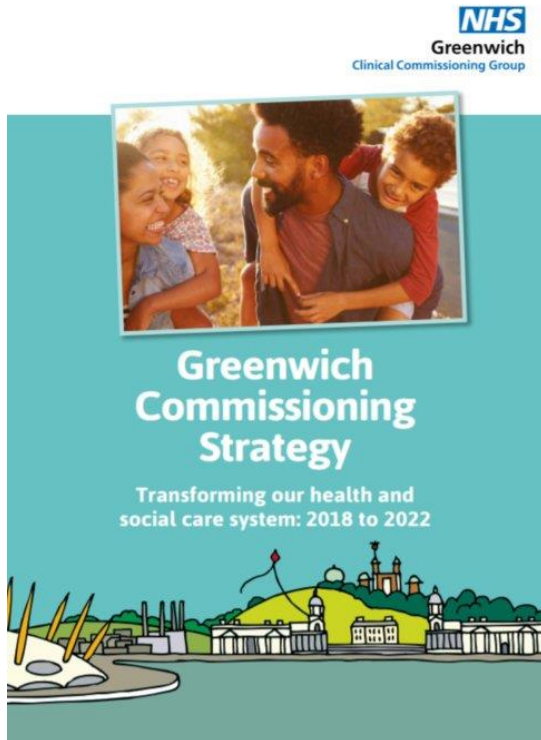
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- **Commissioning strategy**
- **Business case**
- **Options appraisal**
- **Risk assessment**
- **Equality Impact Assessment**
- **Market position statement (MPS)**
- **Others?**

# What is a commissioning strategy?

It is a statement....

...of how you are going to effect change in the overall configuration of services across a market to meet the needs of the client group.



# What is a Business Case?

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**“The business case provides justification for undertaking a project... its purpose is to obtain management commitment.”**

*(APM Body of Knowledge 5th edition)*

**Two key types of business case:**

- **Outline Business Case (OBC)**
- **Full Business Case**

# What is a Business Case?

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## Outline Business Case (OBC) ➡ Full Business Case

- sets out the preliminary thoughts regarding a proposed service
  - should contain the information needed to help the organisation make decisions regarding the adoption of the project
  - should state envisaged outcomes, benefits and potential risks associated with the proposal
- (Assoc of Colleges UK 2012)*
- a management tool, developed over time as a living document as a proposal develops
  - summarises research and analysis needed to support decision making in a transparent way and summarising objectives, the key features of implementation management and arrangements for evaluation

*(NHSE 2013)*

# How do you use business cases?

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- How are business cases used in your area?
- What are the key elements you would expect to see in a business case which includes an options appraisal?

# Options appraisal

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***“The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made.”***

**HM Government: Green Book**

# Options appraisal

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**An effective option appraisal will include an assessment of:**

- **Project costs, benefits and risks;**
- **Whether the project benefits are worth the cost and the risk;**
- **The best option that will deliver the desired outcomes, at the right time, at an acceptable cost and level of risk;**
- **Whether there is adequate baseline information to allow a post-project evaluation to be carried out; and**
- **The future of the project.**



## Options appraisal – tips

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- **Ensure evidence-based and beware of bias**
- **Make a realistic appraisal of risks, benefits and costs**
- **Include reference to the financial implications of options**
- **Where appropriate, use a recognised methodology e.g.**
  - **Cost benefit analysis (CBA)**
  - **Social Return on Investment (SROI)**
  - **Multi-criteria Analysis (MCA)**

## Exercise - options appraisal

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**In your breakout groups:**

- ☐ **Read through the allocated methodology in the IPC paper**
- ☐ **Prepare a short summary of your allocated methodology to feed back to the whole group**
- ☐ **Bring the method 'to life' by applying it to a commissioning scenario you're familiar with**

# What is a risk assessment?

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**“A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking”.**

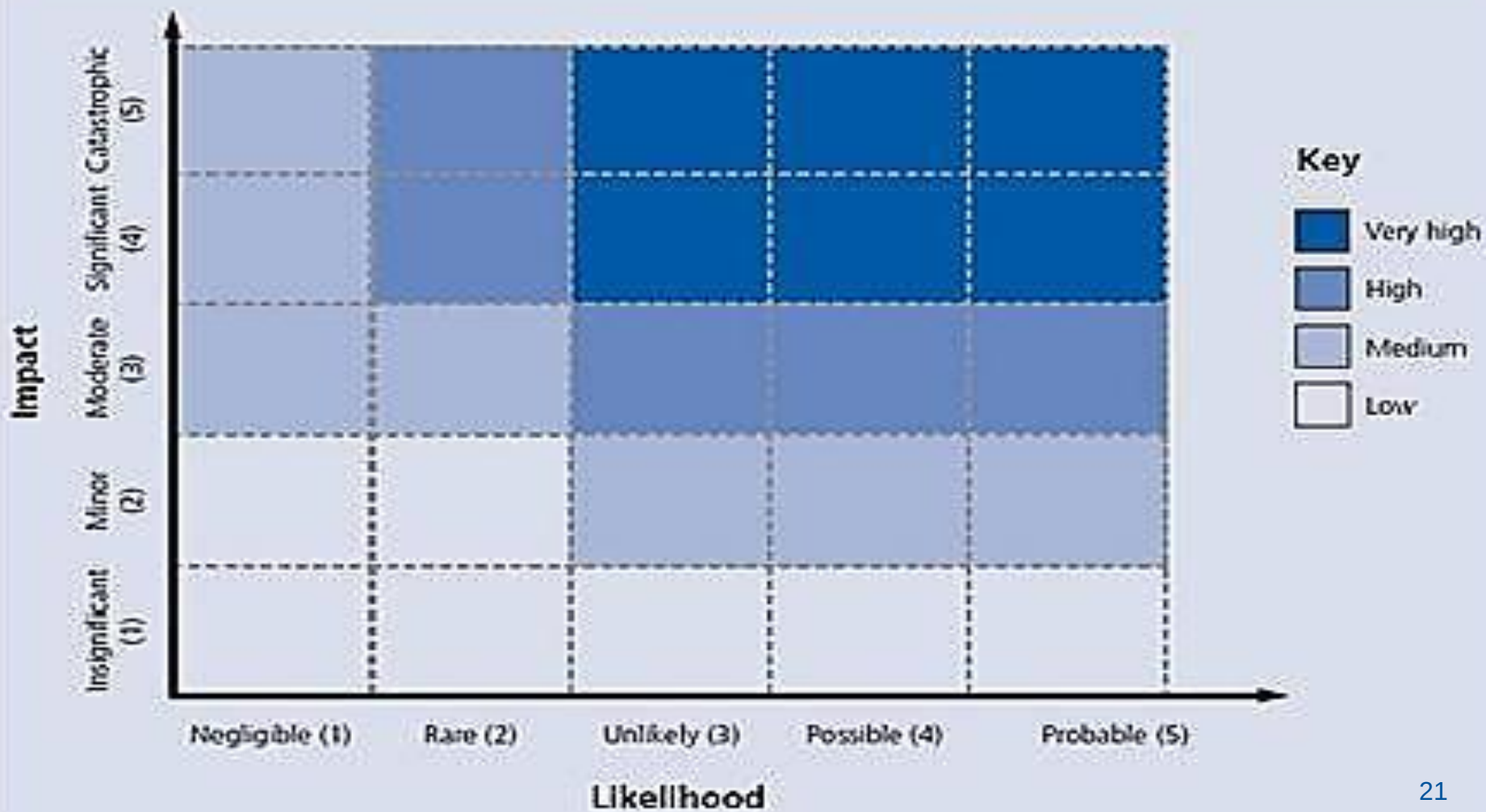
**Oxford English Dictionary**

## Key risk assessment questions to ask

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- What is the effect on the provider?
- What is the impact on other services?
- How will this impact on children, young people, families, service users and carers, and to what extent?
- Will this effect the working relationship between the provider and the Council?
- Will this alter the current market place?
- What will be the impact of doing nothing?
- What would be the effect of doing this now v introducing a phased approach?

## Manage risk



# Fitness for purpose checklist

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- Is the business need clearly stated?
- Have the benefits been clearly identified?
- Is the reason for and benefits of the project consistent with the organisation's strategy?
- Is it clear what will define a successful outcome?
- Is it clear what the preferred option is and why?
- Where there is an external procurement is it clear what the sourcing option is?
- Is it clear how the funding will be put in place?
- Is it clear how the benefits will be realised?
- Are the risks faced by the project explicitly stated and are there plans to address them?

## Develop an outline business case...

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- In relation to your targeted population group, prepare an outline business case, which:
  - Draws on your analysis of need/resources and community assets
  - Identifies your preferred commissioning option taking account of any risks and how they might be mitigated
- Present a 2/3 minute summary of your outline business case.

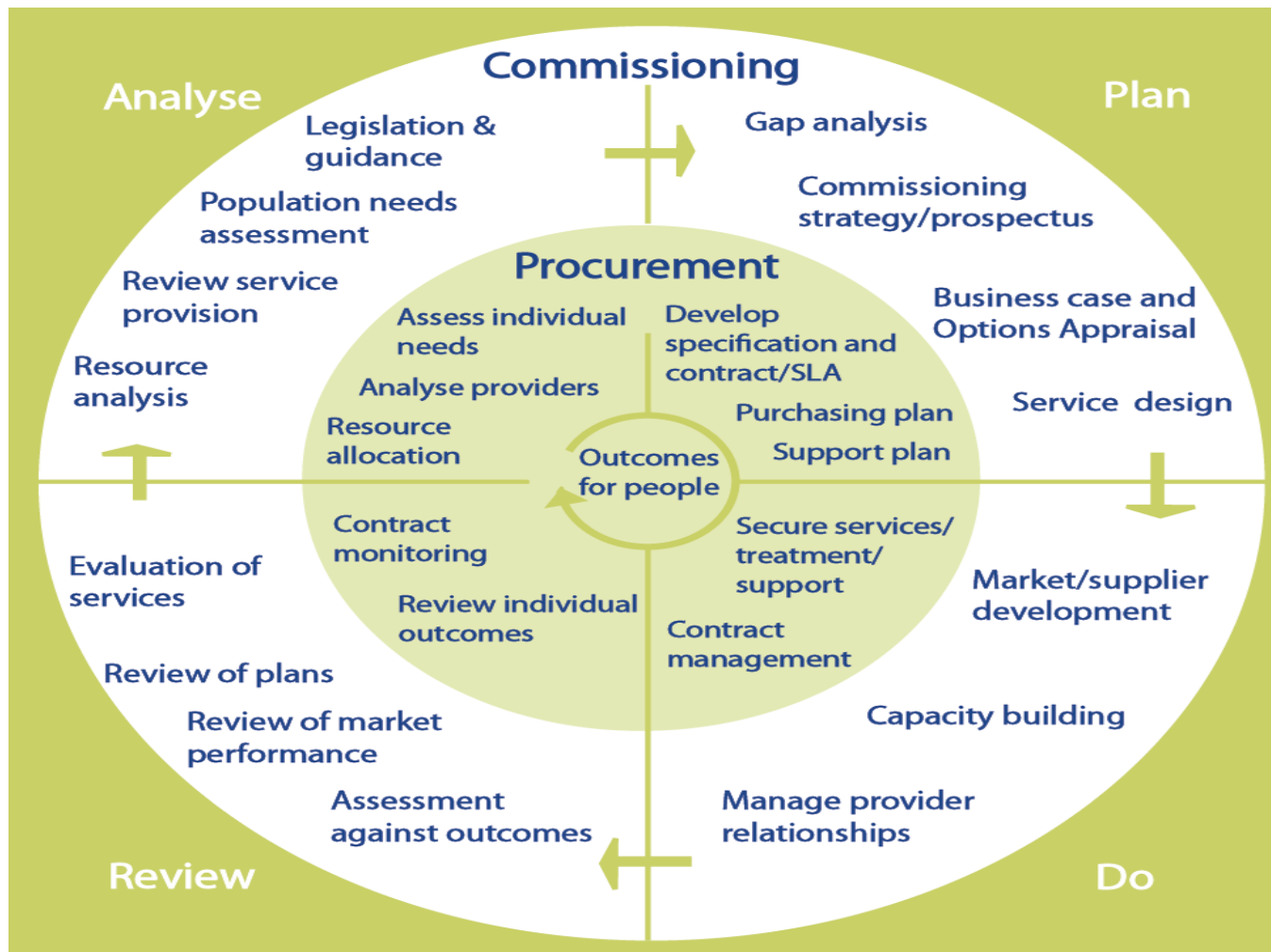
## More information

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- [HM Treasury Green Book](#)
- [Health and Social Care Information Centre](#)
- [Mersey Care NHS Trust](#)
- North West London [Integrated Care Pilot Business Case](#)
- A Practical Guide to Commissioning Services for Young People. Part 4: Business Case and Options Appraisal
- IPC: [Three techniques to support options appraisal](#)
- [IDeA Guidance Paper](#)







# Your reflections on today

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## Contact us

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