Certificate of Credit in Commissioning & Purchasing for Public Care

Module 2

Namaste
مرحبا
Willkommen
Bem Vindo
Selamat Datang
Namaste
Croeso
Bienvenue
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Welcome
Bienvenidos
أهلا وسهلا
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Croeso
добре дошъл
Benvenuti
Willkommen
Καλώς ήλθατε
Benvenuti

Working online – what we expect from you

Give yourself the space to learn and engage with the course

Respect and professional confidentiality

Raise your 'virtual hand' if you would like to contribute or ask a question

This is still a learning environment – be present, join in and contribute

Be prepared to go into breakout rooms and self manage activities and contributions

Keep your camera on where possible

Mute your microphone when not contributing to reduce background noise

Be on time for the modules and from breaks

Sessions will cover

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

Planning and Options Appraisals

Institute of Public Care Commissioning Cycle - Plan

Commissioning activity product(s) might be:

- 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?

"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?

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)

Options appraisal

“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

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.

(2009) RICS - Asset Management Best Practice: Making the Right Choices

Options appraisal - tips

- 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)

What is a risk assessment?

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

Oxford English Dictionary

Managing risk

Risk Matrix Chart

		Likelihood				
		1	2	3	4	5
Consequence		Rare The event may occur in exceptional circumstances	Unlikely The event could occur sometimes	Moderate The event should occur sometimes	Likely The event will probably occur in most circumstances	Almost Certain The event is expected to occur most circumstances
1	Insignificant No injuries or health issues	LOW	LOW	LOW	LOW	MODERATE
2	Minor First aid treatment	LOW	LOW	MODERATE	MODERATE	HIGH
3	Moderate Medical treatment, potential LTI	LOW	MODERATE	HIGH	HIGH	CRITICAL
4	Major Permanent disability or disease	LOW	MODERATE	HIGH	CRITICAL	CATASTROPHIC
5	Extreme Death	MODERATE	HIGH	CRITICAL	CATASTROPHIC	CATASTROPHIC

Risk rating:

Low risk: Acceptable risk and no further action required as long as the risk has been minimised as far as possible. Risk needs to be reviewed periodically.

Moderate risk: Tolerable with further action required to minimise risk. Risk needs to be reviewed periodically.

High risk: Tolerable with further action required to minimise risk. Risk needs to be reviewed continuously.

Critical risk: Unacceptable risk and further action required immediately to minimise risk.

Catastrophic: Unacceptable risk and urgent action required to minimise risk.

Risk Rating for this incident

☐ LOW RISK	☐ MODERATE RISK	☐ HIGH RISK	☐ CRITICAL RISK	☐ CATASTROPHIC
Acceptable with periodic review	Tolerable with periodic review	Tolerable with continuous review	Intolerable	Intolerable

Equality Impact Assessments

- Requirement of Equality Act 2010
- Public authorities must have due regard to several equality considerations when exercising their functions
- Opportunity to ensure better decisions made on robust evidence
- Ensure decision-making includes consideration of actions that might help to avoid negative impacts on particular protected groups

Example from Devon County Council

Devon CC YouTube clip 2019

https://www.youtube.com/watch?v=_dbuJSf1DFg

Equality Impact Assessments – just a tick box exercise?

Court of Session ruling on South Ayrshire Council, regarding closure of a day centre for adults:

“The court held that the council breached its Public Sector Equality Duty under section 149 of the 2010 Act by failing to carry out a formal equality impact assessment (EIA) to assess the effect of the policy on those persons with disabilities who relied on the service, adding that a scoping exercise which was later carried out had “all the hallmarks of a tick-box exercise” completed after the decision had been taken”.

Scottish Legal News, January 2020

Key questions to ask

- 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?

Breakout groups

Move into Breakout groups.

Consider:

- What is your approach to Business cases/planning
- Risk Assessments
- EIAs
- How well do you do them, what are your strengths and weaknesses?

Fitness for purpose checklist

- 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

- 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

- Prepare and present a 3 minute summary of your outline business case

Prioritisation – a key commissioning skill!

"Today's top priority is to prioritise our priorities"

Prioritisation Tool (e.g.)

Essential Elements

Strategic Fit	Financial Benefit (Return on Investment	Wider Benefit	Confidence
Fully Aligned	Very High (>50%)	Very High	Successful (100%)
Strongly Aligned	High (>0%<50%)	High	Probably (75%)
Generally Aligned	Moderate (0%)	Moderate	Feasible (50%)
PartiallyAligned	Low (<-50%>0%	Low	Doubtful (25%)
Weakly Aligned	Very Low (>-50%)	Very Low	Unachievable (0%)

Self Assessment & Review

Review

Prioritisation Tool Key Design Principles

- Transparency
- Evidence-based
- Accountable
- Equitable
- Consistent
- Accessible
- Re-usable

"The tool offers a platform not only to holistically capture data and intelligence to support prioritisation activities, but also to support the emergence and development of a framework to evaluate projects and outcomes going forwards – perhaps at both a local and regional level"

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