

Thinking differently about commissioning – developing relational commissioning

From NCERCC Commissioning is a parenting and child care activity (2010)

Commissioning is about enhancing the quality of life of service users and their carers by:

- having the vision and commitment to improve services
- connecting with the needs and aspirations of users and carers
- making the best use of all available resources
- understanding demand and supply
- linking financial planning and service planning

Commonly agreed elements of commissioning

- a common set of values that respect and encompass the full diversity of individuals' differences
- an understanding of the needs and preferences of present and potential future service users and their carers
- a comprehensive mapping of existing services
- a vision of how local needs may be better met
- a strategic framework for procuring all services within politically determined guidelines
- a bringing together of all relevant data on finance, activity and outcomes
- an ongoing dialogue with service users and carers and service providers in all sectors
- effective systems for implementing service changes, whether of in-house or of independent sector services
- an evidence-based approach which continuously evaluates services with a view to achieving measurably better outcomes for service users and their carers
- an improving alignment with the way that other health and social care services are commissioned

These ambitions are affected by other demands imposed from outside of the parenting and child care task, 'economy, efficiency and effectiveness' or 'challenge, comparison, consultation and competition.' These parameters lead us to a definition of commissioning as procurement, purchasing and contracting and these can easily become an end in themselves and do not necessarily lead on to relational commissioning.

Other terms used to describe commissioning but which are not commissioning in themselves include:

- Procurement: sourcing, selection, securing services.
- Purchasing: buying services

- Contracting: one specific part of the wider commissioning process – the selection, negotiation and agreement with the provider of the exact legally binding terms on which the service is to be supplied.
- Commissioning: the process of specifying, securing and monitoring services to meet individuals' needs

Here the task is seen as focused attention on what people are doing, defining a problem, seeking to fix it in some way, then trying to measure or assess whether the solution has actually worked.

Petrie and Wilson define relational commissioning as

A shared identity and common value system; mutual dependence and trust; risk-sharing; a presumption of the incompleteness of the contract; a commitment to managing contractual arrangements; and to extensive communication.

Relational contracting requires

- an appreciation that personal, professional and social values influence the nature and process of the working relationship
- the importance of building relationships over time, trust has to be established or anticipated - there has to be a history and a future.
- mutual trust is greater than individual self-interest

Walsh et al ¹ see that it is the social process of contracting that is important not the contract itself. Relational contracting is underpinned by interaction, negotiation, flexibility and mutual trust rather than by sanctions and penalties, and this goes to build the 'contractual community of interest'².

There seem to be 4 connected features for effective contractual relationships³

1. Pivotal, respectful relationships between key senior staff members
2. Collaborative relationships at lower levels of staff
3. Success with difficult to meet needs cases
4. Mutual advantage

The development of relational commissioning will require the current activity of commissioning to be transformed;

- Shifting from product to learning;
- Developing explicit skills, attitudes, and abilities as well as knowledge;
- Developing appropriate assessment procedures;

¹ Walsh K Deakin N Spurgeon P Smith P and Thomas N 1996 Contracts for public services; a comparative perspective in Contract and Economic Organisation: socio-legal initiatives eds Campbell D and Vincent-Jones P Dartmouth Aldershot

² Brownsword R 2004 From cooperative contracting to a contract of co-operation in Contract and Economic Organisation: socio-legal initiatives eds Campbell D and Vincent-Jones P Dartmouth Aldershot

³ Sellick C 2006 Relational contracting between local authorities and independent fostering providers; lessons in conducting business for welfare managers Journal of social welfare and family law vol 28 No 2 June , Routledge London

- Rewarding transformative practice;
- Encouraging discussion of practice of both commissioner and provider;
- Providing transformative learning for all commissioners and providers
- Fostering new collegiality;
- Linking quality improvement to learning;
- Auditing improvement.

Thinking differently about commissioning Kings Fund (2022)

[TBAC summary \(print\).pdf \(kingsfund.org.uk\)](#)

A new ethos of commissioning.

New ideas around how commissioners can add value to local systems:

- bringing stakeholders together to make decisions;
- fostering close operational partnership between commissioners and providers;
- simplifying financial arrangements;
- and offering improvement support to providers.

Different language to describe the role, for example, being a **‘facilitator’**, **‘enabler’** or **‘connector’**. The ideas add up to a **paradigm shift in thinking about their role and how to drive improvement** in health and care services.

Changing approach to commissioning

From – Now	To – New
Care focus	Child/children focus
Provider focus	System focus
Contract enforcer	System enabler
Transactions	Relationships and behaviours
Decision maker	Convenor for collective decision making
High bureaucracy low cost	Low bureaucracy high trust
Monitoring provider performance	Monitoring system performance and improvement support
Following national guidance	Developing local solutions

- **Strategic planning is increasingly a collective activity in which system partners come together to understand available resources, explore local population needs, agree priorities and make resource allocation decisions looking across health services (and in some cases, across health, social care and wider public services).**
- **Procurement processes are being simplified** wherever possible. Areas are using **competitive procurement as a tool of last resort (or spot purchase)**. At the same time, financial arrangements between commissioners and acute providers are being simplified – through **block or aligned incentive contracts** – to tackle incentives that create tension within the system.
- Performance monitoring increasingly focuses on the performance of the local system rather than individual providers. For example, system-wide financial

reporting with a focus on cost effectiveness as outcomes as the key indicator of system performance. Monitoring and evaluation are the least developed parts of these new models of commissioning. (hence BERRI or similar)

Strong relationships among key stakeholders are central with mutual understanding between commissioner and provider leaders in local system with shared views and understanding among senior leaders that go alongside operational staff with a focus on supporting them to work more effectively with colleagues in other local organisations. Collaborative service planning - senior leaders together to discuss operational challenges, is central to how local organisations work together without being a formal decision-making meeting.

- Agreeing a set of shared values can be a useful resource when challenges arise. Tensions between stakeholders within collaborative planning arrangements are inevitable, but our case study sites found a defined set of values helpful as a way of anchoring conversations at times of difficulty.
- New collaborative commissioning approaches mean commissioning staff may need to work differently. After nearly 30 years of a quasi-market framework, collaborative commissioning requires different behaviours and involves navigating uncertainty. For some staff this can be challenging. It will require investing in organisational development.

Emerging collaborative planning approaches are yet to coalesce into a single body of thought; rather, there are a number of approaches co-existing that share some common elements.

Different terms are being used to refer to approaches in this area, including collaborative commissioning, asset-based commissioning and community commissioning (for examples, see Lent et al 2019; Burbidge 2017; Davidson-Knight et al 2017).

Some key ideas feature prominently, as follows.

- In place of measuring the technical efficiency of individual services, there is a focus on collaboration between different services to meet the full range of people's needs.
- The attitude towards frontline staff – and how they are supported – is central to these approaches. Rather than mandating staff to follow operational rules and guidelines, emphasis is placed on empowering them as autonomous professionals to use their judgement in meeting service users' needs.
- Rather than arm's-length relationships between commissioners and providers, whereby commissioners are agnostic about how services are delivered (sometimes known as black-box commissioning), these approaches envisage close, ongoing dialogue between providers and commissioners so that both partners are fully aware of operational demands.
- Instead of funding mechanisms that allocate risk to providers, commissioning approaches informed by these ideas generally develop long-term, predictable

financial arrangements that make it possible for commissioners and providers to maintain an honest dialogue about delivery.

- The value of experimentation is emphasised: operational ideas are tested, amended, rolled out or abandoned (and failure is embraced as a learning opportunity) on an ongoing basis. This is in contrast with long-term contracts that can serve to lock in particular operating models.
- At the centre of these approaches is a behaviour change process for staff who are asked to work together differently (both within commissioning organisations and with provider organisations). It involves overcoming traditional organisational or territorial demarcations and focusing on shared endeavour and mutual support.

A new commissioning ethos brings a new role as commissioner as 'the glue', 'a facilitator', 'an enabler' and 'a connector', providing 'a population-eye view' of issues, and using collaboration and collective leadership to make more effective choices about how to improve care for children. population health. This is a significant change from enforcing contracts and creating competition to enabling system-wide discussions and promoting collaboration with a mix of formal and informal.

Barriers and enablers to implementing a new approach to commissioning

Enablers of change

Effective collective leadership and long-established relationships

- A history of collaboration and well-established relationships between system leaders.
- Leaders who role-model the behaviours they want to see in the system in the way they collaborate as a senior team.

Clear vision

- An agreed vision for ways of working to which senior leaders from across the system are fully committed. The vision provides an important backstop when organisations inevitably revert to siloed behaviours in pressured situations.
- Willingness to take risks to achieve that vision, including pushing forward with an approach despite challenges such as potential conflicts of interest.

Local geography

- A relatively 'closed' nature of the system enables providers and commissioners to effectively collaborate to bring about change.
- Co-terminosity with the local authority enabled collaboration across health and social care.
- A strong sense of local identity and attachment to 'place'.

Finance and performance issues

- Financial and performance difficulties in some cases created the initial impetus to start to work differently as a system.
- More recently, strong performance and a good reputation frees these commissioners from interference by national bodies and empowers them to challenge national requirements and guidelines.

Investment to support change

- External support – including coaching for leaders, facilitation support for collaborative decision-making structures and transition funding to support the development of new initiatives.
- Investment of staff time and resources in the development of relationships and organisational development.

Barriers

- Tight finances, which dragged organisations back to focusing on their bottom line rather than system needs.
- Linked to this, national NHS bodies continuing to regulate organisations rather than systems, which sometimes led to siloed behaviours during system-wide discussions.
- Providers are often working with a range of CCGs who are working in different ways and using different contract and payment approaches – this is complicated for them in terms of organising their services and administering their contracts.
- Bringing independent, voluntary and community sector providers into the collaborative decision-making approaches, when there are multiple small providers in an area.
- Ingrained behaviours that have developed over years – for example, more combative approaches to contract negotiation and performance management, and focusing on organisational interests above system needs.

Implications for systems, policy and practice

- Local systems need to invest in developing relationships and changing ingrained behaviours. Relational commissioning requires strong relationships between commissioners and providers from all sectors.
- These relationships will not develop well without investment in organisational development and the commitment of staff time to relationship-building. Moving away from the market requires a change in the culture within commissioners and providers that has been built up over the past 30 years – a challenge that should not be underestimated.
- Agreeing a set of behaviours that will underpin partnership working, principles and behaviours, is a useful first step, a crucial fall-back when difficult decisions had to be made and organisations were (inevitably) tempted to revert to protecting their organisational interests. Pooling sovereignty and being comfortable with giving up power – along with a commitment to transparency and consensus decision-making processes – were key

underpinning behaviours in all sites. Back-up arrangements were also important where consensus could not be reached – for example, a voting

- Change will not happen without effective experienced motivated leadership, role-modelling and senior-level commitment across the system. They are times when it is required to confidently push forward with local solutions rather than looking to national bodies for guidance.
- Collaboration depends on relationships, and systems should focus first on the areas most amenable to change. Collaboration can breed collaboration, so success in addressing one ‘collaboration frontier’ and particularly amenable issues across that frontier may breed further success in future in areas that are less amenable to change.
- New procurement approaches and local incentives can be adjusted to support rather than inhibit collaboration approaches to support a more relational way of working. However, these were a fall-back; the main way change happened in these systems was through partners having a different type of conversation, rather than through detailed contract development and enforcement activity
- Expect double running in decision-making and assurance processes.
- A system-wide approach to recruitment can help embed new ways of working. Our case studies show that staff roles are changing as the commissioning philosophy evolves. Some commissioning staff are also becoming more of a ‘system’ rather than ‘organisation’ resource and the skills needed by finance staff in particular are changing. Thinking about system needs when recruiting new staff is a key part of embedding and spreading the approach.
- Planning skills and the ability to look at population rather than organisational needs remain important. As system-wide approaches develop, it is important that local systems do not forget the importance of commissioning skills in local planning. Commissioners can bring a unique population focus and skills in planning, service procurement, cross-sector pathway design and monitoring that remain essential.
- Share good practice widely.
- Share feedback. Complete the commissioning from IROs, SWs, children, family
- Direct relationships with providers rather than representative body.
- Local collaboration between commissioners and providers at place level brings significant benefits.