

Beyond big contracts: commissioning public services for better outcomes



- Focus of study: Future of Public Service Commissioning & Delivery
- The commissioning environment is increasingly complex
- Broader context tricky: rising demand, financial constraint and changing patterns of social need
- Commissioning - with the social sector - is a big opportunity to improve outcomes, control cost & meet need
- But are commissioners & providers well set up to do this?



Trend 1: Outcomes

Question: "What do you think best summarises the term 'outcome'?"
Answer: "What the service user values."

- 81% of frontline workers report an increase in outcome commissioning
- Most expect to increase knowledge of outcomes by results
- BUT - many highlighted a lack of insight into community need and demand, and a lack of co-production
- Payment mechanisms fail to meet the complexity of people's needs

Trend 2: Risk and innovation

"The great danger is we end what's going to be exciting risk taking, and just end up to get the risk-averse relationship risk..."

- Risk is being transformed downwards: central > local gov, prime contractors > sub contractors
- Social sector brings worried about cost recovery in contracts (RPM), and access to upskilling capital (TMA)
- Managing risk allows focus and resource - of determining ventures & relationships
- Commissioners & providers reported that risk is spreading over innovative

Trend 3: Relationships

Collaboration brings together two or more separate organisations. It provides a basis of trust, agreement in delivery, often sharing joint values and resources.

- New collaborations in the social sector to improve service coordination emerging
- 50% of providers think they've needed to collaborate to win future contracts
- BUT - relationships are being broken and reformed - commissioners are becoming less connected to smaller and social sector providers
- Distance between commissioner's & the community is growing and is seen as a big problem
- Coordination of services only possible where there are services to coordinate

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collaborate

at London South Bank University

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- **But are commissioners & providers well set up to do this?**

Trend 1: Outcomes

Question: "What do you think best summarises the term 'outcome'?"

Answer: "What the service user values."

- 81% of frontline workers report an increase in outcome commissioning
- Most expect an increase in the use of Payment by Results
- **BUT - many highlighted a lack of insight into community need and demand, and a lack of co-production**
- **Payment mechanisms fail to meet the complexity of people's needs**

Trend 2: Risk and innovation

"The word innovate is over-used. What you're doing is incentivising risk taking, and you need to get the risk-reward relationship right..."

- Risk is being transferred downwards: central » local gov
prime contractors » sub contractors
- Social sector orgs worried about cost recovery in contracts (80%), and access to upfront/working capital (78%)
- Managing risk skews focus and resource - undermining services & relationships
- Commissioners & providers reported that *risk is squeezing out innovation*

Trend 3: Relationships

Collaboration brings key skills together from often disparate organisations. This provides a 'best of breed' approach to delivery, often offering great value and excellence.

- New collaborations in the social sector to improve service co-ordination emerging
- 95% of providers think they will need to collaborate to win future contracts
- **BUT, Relationships are being broken and reformed - commissioners are becoming less connected to smaller and social sector providers.**
- **Distance between commissioners & the community is growing and is seen as a big problem**
- **Coordination of services only possible where there are services to coordinate!**

Beyond Big Contracts...?



**...integrated...outcome focused...relational...
...co-produced...collaborative...balanced...**