

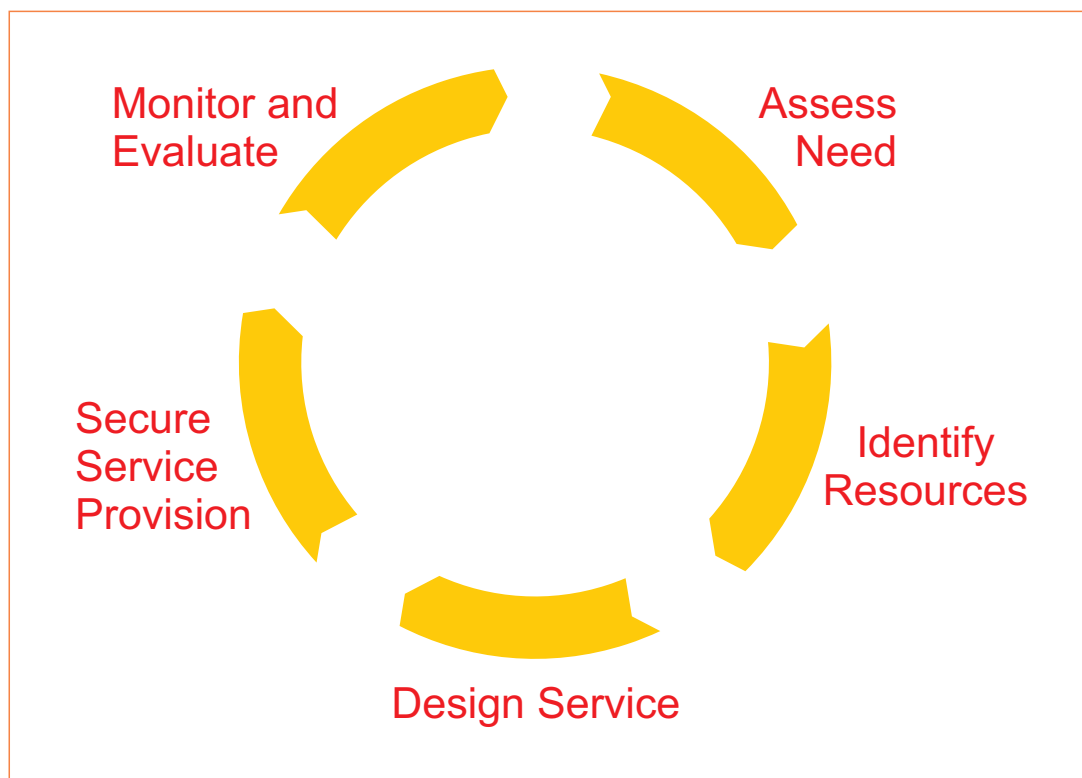
Commissioning

About Commissioning and Procurement

Commissioning and procurement are terms which are being used more and more frequently, particularly in relation to public services. But what is meant by commissioning and procurement, and what opportunities do they present for micro-providers?

What is Commissioning?

Commissioners are sometimes described as people or organisations that buy services. Whilst commissioning may result in buying a service, the term actually describes the whole process of identifying a need and then securing an appropriate service to meet that need. Commissioning is generally considered to be a cycle:



Public sector bodies such as Councils frequently commission services to meet identified needs. This could range from securing good value deals when buying stationery or arranging vehicle hire to providing quality care services or recycling centres. When public bodies reach the point of securing a service according to the budget available, it may be through a variety of methods including:

- Delivering the service themselves (also known as in-house provision)
- Procuring a service from an external source
- Providing a grant to a delivery organisation
- Through individual budgets, provided to service users so they can buy the services they require

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What is Procurement?

Procurement is the process of purchasing a service by entering into a contract. Public service procurement ranges from agreeing large multi-million pound contracts to arranging small contracts with local providers.

The way a service is procured depends on the value of the service. For example, Doncaster Council has a clear set of contract procedure rules which outline the process that should be taken when purchasing goods and services. At the present time they are:

Value	Process
Under £30,000	3 quotes, followed by written confirmation
£30,000 - £156,000	3 written quotations
Over £156,000	Full EU competitive tender.

A competitive tender process is where the specification of the proposed service is advertised and a number of organisations are able to bid to win the contract to deliver the service. When a contract value is above a certain threshold, the intention to procure the service must be advertised across the whole of the European Union in the OJEU journal (Official Journal of the European Union).

Doncaster Council's contracts are advertised on the SCMS contract management system (<https://scms.secure.alito.co.uk/>).

The Council's full contract procedure rules are included in the Council Constitution which is available on the Doncaster Council website (www.doncaster.gov.uk).

Monitoring

If you receive money through a grant or contract, you will be required to undertake monitoring of your activities and provide evidence of your achievements to the funding body. Depending on the grant/contract length, this may be at the end of the funding agreement or at fixed intervals throughout, for example every 3 months.

As part of the original agreement, you will have consented to deliver specific outputs or outcomes. You will therefore need to set up robust monitoring systems and ensure that you collect all of the necessary evidence required to demonstrate delivery of those outcomes. Make sure that you and the funder have agreed in advance how monitoring will take place and what forms of evidence are acceptable. If you fail to deliver the agreed outcomes, the funder may claw back some or all of their money.

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Commissioning Through Personal Budgets

In terms of social care and the personalisation agenda, you can see the various stages of a commissioning cycle taking place by looking at the process involved.

- 1) **Assessing need.** Local authorities become aware of someone with social care needs through a referral, for example from the individual, their family or their doctor. An assessment is completed to understand how the current circumstances affect the person's independence and to identify what level of support is required. Eligibility to social care funding is established as is the users ability to contribute.
- 2) **Identify resources.** The assessment of need will help to identify how much support is required and how much money will be needed to secure that support.
- 3) **Design service.** The service user then creates a support plan. The support plan includes proposals for the type of activities, services or other support the individual wants to put in place to meet their needs, in line with the available budget.
- 4) **Secure service provision.** The service user, or care manager if that is what the service user prefers, arranges an appropriate provider and pays for the product or service.
- 5) **Monitor and evaluate.** The service user and their support worker will monitor how successful the service is, for example whether it is meeting the needs of the individual, whether those needs have changed over time and whether it is providing value for money. When these factors are reviewed, the cycle starts again.

Opportunities for Micro Providers

There are two main opportunities for micro-providers to be commissioned through local public services:

- directly by bidding for a contract individually, as part of a consortium, or as a sub-contractor of another bidding organisation.
- by supplying a service that is purchased by a resident using their personal budget

Doncaster Council is currently developing an e-marketplace, which will enable small providers to advertise their services to service users with personal budgets. The marketplace, which is expected to be implemented in Autumn 2011, will allow service users to know about and choose from a wide range of goods, services, suppliers and providers when they are determining how best to use their personal budgets.



Want to talk to someone?

If you're starting a new micro-enterprise, free advice is available. Voluntary and Community Sector Organisations call the Social Enterprise Team at Doncaster CVS on telephone number 01302 343300. Private business start-ups call Doncaster Chamber on telephone number 01302 341000.

To discuss the e-marketplace call Doncaster Council on 01302 737826.