Commissioning public services evidence review: Lessons for Australian public services

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As head of health and social partnerships at the Health Services Management Centre, she also led a programme of research and development that had a national and international reputation. Based on a strong record of research and academic publications, Helen is active in terms of teaching, policy advice and knowledge transfer work to aid translation of research expertise into practice.

Helen has authored, co-authored or edited twelve books on these topics in the last five years and has also published in journals such as Public Administration, Public Management Review, Social Science and Medicine and Evidence and Policy. Helen is co-editor of the Journal of Health, Organization and Management and Australian Journal of Public Administration.
Executive Summary

THE CONCEPT OF COMMISSIONING, NOW ENTERING THE LANGUAGE OF THE AUSTRALIAN PUBLIC SERVICE, IS BEING CITED AS A KEY AIM FOR A NUMBER OF FEDERAL AND STATE REFORM PROCESSES.

Despite being an unfamiliar term in the Australian context, commissioning has been a firm part of the UK public service agenda for about 20 years.

This does not necessarily mean there is a substantial evidence base concerning this agenda, but there are some lessons from the UK experience that can inform attempts to adopt a commissioning approach in Australia.

This report analyses commissioning evidence from the UK and other national jurisdictions, and derives four lessons from 16 findings:

LESSON 1. ‘A ROSE IS A ROSE’ AND THAT’S IMPORTANT IN THIS CONTEXT

Finding 1: Clarity about ‘commissioning’ is important in building and sustaining relationships between providers and government agencies.

Finding 2: Commissioning is more than just an extension of the outsourcing agenda. It’s a way to think about public services strategically.

Finding 3: Commissioning is a process with multiple components and can operate at different levels. It involves both technical and value-based decisions.

Finding 4: There are a range of different terms that are used interchangeably with commissioning and a number of different forms of commissioning in literature. Using the term commissioning in the wrong context may mean that this concept loses value in the longer term.

LESSON 2: THERE ARE BEST PRACTICES, BUT NO SILVER BULLET

Finding 5: There is a lack of evidence to demonstrate that across-the-board commissioning approaches positively impact efficiency, quality of services or outcomes of services. Impact has typically been where organisations have clearly stated their objectives early in their commissioning processes.

Finding 6: There is ‘no one way’ to do commissioning. Processes that are appropriate to the local context need to be designed.

Finding 7: Although the size of commissioning organisations is a crucial decision, there is no ideal size. Public service economies will likely comprise a complex patchwork of different commissioning arrangements.
LESSON 3. APPROPRIATE COMPETENCIES, DATA AND INCENTIVES MATTER

Finding 8: Workforce skills are crucial to commissioning success and yet are often lacking in practice. Commissioning organisations need to think carefully about the competencies needed to fulfil their various functions.

Finding 9: High quality leadership is essential to drive commissioning approaches. Leaders need to be adept to political sensitivities and manage multiple relationships.

Finding 10: High quality, timely and appropriate data is crucial. However, commissioning organisations often lack the right sorts of data and struggle to analyse it in practice. Investing in data collection and management functions is critical to inform decision-making processes.

Finding 11: Incentives matter and if they do not align with commissioning aims then it will be difficult to achieve change in practice. An important task for commissioners is to influence ‘upwards’ to ensure that the wider context supports their commissioning aims.

Finding 12: Commissioning is both a technical and relational function, involving many value judgements and political astuteness.

LESSON 4. COMMUNITY ENGAGEMENT IS CRITICAL

Finding 13: Commissioners require a good understanding of local community needs to make good decisions. This is more than just a technical exercise and involves understanding the individuals and communities that will access services.

Finding 14: Competition and choice can be important mechanisms in driving change but only in particular sorts of circumstances. Good quality market management and consumer support need to be in place to support these mechanisms to work in the ways intended.

Finding 15: Community engagement is crucial in building trust between partners and encouraging closer working relationships. It also builds the legitimacy in commissioning organisations that’s necessary to make difficult decisions.

COMMISSIONING IN AN AUSTRALIAN CONTEXT

If commissioning is to be more than just a fad or passing fashion then we need to think critically about this concept and the most appropriate way to operationalise it in our localities. It may not be the answer, but its political salience, vocabulary and framework may be helpful to public services when embarking on processes of reform.
Introduction

OVER THE LAST FEW YEARS THE TERM COMMISSIONING HAS MOVED FROM BEING RELATIVELY UNKNOWN IN AUSTRALIA TO ASSUMING A CENTRAL ROLE IN PUBLIC SERVICE REFORM PROCESSES AT BOTH STATE AND NATIONAL LEVELS.

The Federal Commission of Audit report (2) recommended the improvement of commissioning within the Australian public service and the development of commissioning expertise within departments and agencies as a priority. The 2014-15 Federal Budget (3) which followed, set out the aim of making government as efficient, effective and accountable as possible. An important driver of this process has been identified as strategic commissioning. At the State level, the New South Wales government (4) argued that ‘increased competition and innovation in public service provision can deliver significant benefits, and NSW believes that strategic commissioning is the most effective way to realise those benefits (pg. 2)’. The Victorian and Queensland governments have also argued for the benefits of adopting commissioning approaches. In Victoria, Peter Shergold’s review (5) of the relationship between the community sector and state human services came to similar conclusions stating that, ‘increasingly government, having set the policy agenda and determined the budgetary allocations, needs to become the ‘strategic commissioner’ of services purchased from a public economy. In order to encourage innovation, the design and delivery of those services needs to be undertaken via increased collaboration between non-government providers and public servants’ (pg. 5). Strategic commissioning has recently been named one of the seven priority areas in the Victorian Public Sector capability strategy, indicating that it is becoming embedded in workforce skills and performance management regimes.

While commissioning has a central role in these reform processes, many still remain unsure of what this concept is and how it differs from current practice or previous reform processes.

While relatively new in an Australian context, the concept of commissioning has been used in UK public services for about 20 years. It is important to acknowledge that the Australian context is vastly different, but there is significant, though not unproblematic, literature to draw on when thinking about how to operationalise a commissioning approach and the sorts of factors that will facilitate this. This report draws on this evidence base and seeks lessons for an Australian context.

Commissioning is not a simple model. It is ‘definitionally’ fuzzy with unclear boundaries. It is a term used across many policy areas and decried for its lack of a consistent evidence base. As Rees (6) explains, ‘commissioning is a difficult topic to get to grips with because it is still in development in theory and practice, is dispersed across the public service landscape and operates at different scales between the national and local. It also differs in how well embedded it is in different policy fields, and there is little sense of common approach, shared professional standards or best practice across the public sector’ (pp. 46-47). That UK commissioning functions have been frequently reorganised makes establishing an evidence base event more difficult. The commissioning literature is incredibly fragmented and the rhetoric of what should happen is often quite different to the everyday reality. Further, this literature is dominated by UK (and more recently specifically English) perspectives and has largely (although not wholly) developed in relation to the health sector. All of these characteristics mean that care needs to be taken in drawing lessons.
Caveats about the evidence base aside, we can derive a number of lessons from this literature to inform attempts to adopt a commissioning approach in Australia.

This report interrogates the available evidence to answer questions such as: What is commissioning? How has this agenda developed? Is commissioning different to other things? What does the evidence say about the processes and outcomes of commissioning? What can we learn from the UK’s experience of commissioning?

This evidence review is intended to underpin the Melbourne School of Government’s programme of work on commissioning public services and to assist in developing evidence-based solutions for the organisations it works with. It is also intended to contribute to a more evidence-based discussion of commissioning with Australian public services.
Lesson 1. ‘A rose is a rose’ and that’s important in this context

WHAT IS COMMISSIONING?
One of the challenges inherent in the concept of commissioning is that it can mean a range of things to different people. As Gary Sturgess (7) explains, ‘the term is only now gaining currency in Australian public administration, and its meaning is not widely understood’ (pg. 15). There is no such thing as an authoritative definition of commissioning and it is used in different ways depending on the author. As Bovaird et al (8) note in a review of the different commissioning models employed across English government, ‘no standard definition… has yet emerged’ (pg. 23).

On one hand this lack of clear definition might be viewed as unimportant. After all, academics tend to be the only individuals who really get exercised by precise definitions of concepts. However, this lack of clarity does have implications in practice. It has been noted as problematic by the UK Public Administration Select Committee (9) in a review of relationships with the not-for-profit sector. Its report states; ‘If there is no common understanding of what commissioning means, that can only be a barrier to effective relationships. Government and the private and third sector need to come to a commonly accepted definition of commissioning if it is to continue to be the State’s preferred method of interacting with the sector. In particular, Government needs to convince the third sector that commissioning is something distinct from procurement’ (para 38). What this example highlights is that being clear about the meaning of commissioning is not just important for those who work within organisations tasked with delivering this agenda, but also for those partner organisations that work, or may seek to work with commissioning organisations.

As will be illustrated further in the next section, there is a range of different terms, which are used synonymously with commissioning. In an Australian context the term commissioning is already becoming a synonym for outsourcing. In this context, words that sit alongside commissioning are things like contestability, competition and contracting. Yet the UK understanding of commissioning suggests it is a broader and more expansive role than just outsourcing. Before moving on to consider definitions in more detail, an account of the historical development of commissioning in the UK is set out to put this concept and the evidence base in context.

FINDING 1: CLARITY ABOUT ‘COMMISSIONING’ IS IMPORTANT IN BUILDING AND SUSTAINING RELATIONSHIPS BETWEEN PROVIDERS AND GOVERNMENT AGENCIES.
HOW HAS THIS AGENDA DEVELOPED?

In the UK context, the concept of commissioning has been seen as a way to drive reform and to produce public services able to deliver innovative, efficient and quality outcomes for consumers and populations. The antecedents of this concept are firmly based within the New Public Management (NPM) movement, which is essentially a philosophy concerned with modernising the public sector drawing on inspiration from the private sector. This philosophy emerged at a time when the UK government was focused on not only making efficiency savings, but doing so within a period of reduced public services budgets. Various advocates differ in their descriptions of NPM (10-13). In general, however, NPM is characterised as an approach which:

- emphasises objectives and targets, and performance measurement against these;
- disaggregates traditional bureaucratic organisations and decentralises management authority;
- introduces market and quasi-market mechanisms; and,
- strives for customer-oriented services.

The NPM has influenced a wealth of public service reform processes in the UK, from the introduction of compulsory competitive tendering of goods and services previously provided by local government in the 1990s (14), to the choice and personalisation agenda (15) and the separation of purchaser and provider functions, most notably in the National Health Service (NHS) (16), but also in a range of other areas of public services (8).

Interest in commissioning first emerged in the UK as part of the compulsory competitive tendering (CCT) approach from 1980, but this intensified after the extension of CCT to a wide range of local government services after 1988 and to health services after 1991. This resulted in a mandatory split between public service planners and service purchasers, on the one hand, and the providers on the other — labelled the ‘client contractor split’ in local government and the ‘purchaser-provider’ split in the NHS (8: pg. 20). Underpinning the separation of purchaser and provider functions is the idea that if public bodies concentrate on what should be delivered (and the performance management of outcomes), then they will do so more efficiently and effectively if they are not preoccupied with the details of how this should be delivered.

Over the past thirty years, therefore, many public services have ceased to be directly provided by the NHS and local authorities, and have been transferred to a wide variety of agencies including private companies providing domiciliary care, voluntary bodies proving community-based drug and alcohol services, arms-length management organisations providing housing services, and foundation NHS trusts providing mental health care.

Outside the UK it is often assumed that the concept of commissioning was driven by a desire for more outsourcing or privatisation. This seems like a sensible assumption given that the terminology originated when CCT came on to the public policy agenda. Yet, it’s important to note that in the NHS, where the commissioning model has probably been the most prevalent, despite purchaser and provider functions being separated, that many services remained within the public sector in early commissioning approaches.

Commissioning emerged, instead, as a response to a number of interlocking aspects of reform, one of which included the aim to increase service levels by private and community partners. Bovaird et al (8) set out an account of the history of commissioning in the UK context and argue that the ‘second wave’ of commissioning that emerged from 2003 onwards had both a broader focus on a wide array of different reform agendas and was more established in the political discourse.
This second wave was often referred to as strategic commissioning. For some sectors strategic commissioning became ‘the only game in town’ and underpinned a number of policy reform processes, although the degree of traction it gained varied across different policy areas. Although often labelled a UK reform process, this model has been most prevalent in England. The Welsh and Scottish governments have actively sought to distance their systems in health, for example, from a purchaser-provider split and towards planner-purchaser structures (17). These governments reject the notion that market-based philosophies have any place in the design and delivery of public services and believe that separating purchasing and provision functions is a tactic that’s heavily influenced by private sector management styles. They have instead opted to retain a structure where the public sector is still largely the planner and funder and deliverer of services in many cases.

In a review for the New Zealand government, Mays and Hand (18) summarised the drivers for commissioning as follows:

- improve technical efficiency by allowing purchasers to select the best value private and voluntary sector provider;
- allow those charged with determining the future pattern of health services to concentrate on this task unhindered by the need to manage healthcare institutions and, at the same time, allow the providers to manage their own affairs with the minimum of unnecessary interference;
- act as a counterweight to decades of professional dominance of service specification and to challenge traditional patterns of resource allocation and sectional interests (active purchasing rather than passive funding or bureaucratic planning);
- improve allocative efficiency by permitting purchasers to negotiate a new balance of services with providers;
- encourage providers to respond more accurately and effectively to the needs of individual patients in order to retain contracts from purchasers;
- facilitate clear lines of public accountability for the performance of the purchaser and provider roles in the health system;
- clarify providers’ costs and the amount spent in each service area by comparing the services and costs of each provider;
- make priority decisions more explicit (quoted in 19: pg. 2)
What this summary illustrates is that commissioning is not just simply an attempt to extend the outsourcing agenda, but also to think about services in a more strategic way. It arose in a context where patterns of service delivery and resource allocation were often determined by past practice and proved difficult to alter due to the power of some influential professional groups. Having set out a brief account of the drivers of commissioning, this paper now moves on to consider some ways this concept has been defined.

**FINDING 2: COMMISSIONING IS MORE THAN JUST AN EXTENSION OF THE OUTSOURCING AGENDA. IT’S A WAY TO THINK ABOUT PUBLIC SERVICES STRATEGICALLY.**

**DEFINITIONS OF COMMISSIONING**

Although those outside the UK assume that commissioning is a clear and coherent model, in practice it is anything but. The concept of commissioning is broad and open to an array of different interpretations. The English Department of Health, for example, defines commissioning as ‘the process of ensuring that the health and care services provided effectively meet the needs of the population. It is a complex process with responsibilities ranging from assessing population needs, prioritising health outcomes, procuring products and services, and managing providers’ (20: paragraphs 1-2). Woodin (21) explains that commissioning ‘tends to denote a proactive strategic role in planning, designing and implementing the range of services required, rather than a more passive purchasing role. A commissioner decides which services or…interventions should be provided, who should provide them, and how they should be paid for, and may work closely with the provider in implementing changes’ (p. 203). What these definitions illustrate is that commissioning comprises a number of different elements, each often complex and lengthy in practice. The commissioning literature often explains that this makes it broader than just procurement or outsourcing.

Commissioning is often represented as a cycle. The stages involved in this representation look familiar to the ‘policy cycle’ (22). Figure 1 sets out one version of this cycle as developed by John Øvretveit (23), but many central government departments in the UK have their own such cycle (see 8). Most are based on a Plan-Do-Study-Act approach originally developed by Edwards Deming and which today is integral to quality improvement processes such as Lean and Six Sigma. Much like the policy cycle, evidence suggests that the commissioning cycle is a rather idealised notion of what happens in commissioning processes and in practice, it is rarely as logical, sequential and rational (24, 25). This does not mean that such depictions are not valuable. They help to disentangle and communicate the various components.
One challenge of the commissioning cycle is that constituent parts are large and complex, and most models lack operational detail. Smith and Woodin (26) attempt to address this gap by breaking down the commissioning cycle into stages and the kinds of activities that take place at each stage (Table 1). This table has been clearly drawn from a health context, but it is a helpful start to setting out the more detailed stages and processes.
Rather than defining commissioning in terms of the activities that it involves, other academics have studied it in terms of the different levels that it takes place at. Greig (37) distinguishes between commissioning at strategic and operational levels, where the former relates more to planning and the latter to the everyday running of services and organisations.

### TABLE 1: COMMISSIONING AND CONTRACTING ACTIVITIES
(Source, 26: pg. 280)

<table>
<thead>
<tr>
<th>MAIN STAGE OF CYCLE</th>
<th>ACTIVITIES</th>
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<tbody>
<tr>
<td><strong>ASSESS NEEDS</strong></td>
<td>Quantification of need based on epidemiological studies, census data, mortality and morbidity rates and other population data</td>
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<td></td>
<td>Quantification of need based on health records of registered population/members</td>
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<td></td>
<td>Identification of evidence-based interventions</td>
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<td></td>
<td>Patient surveys and focus groups</td>
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<td></td>
<td>Professional and stakeholder views.</td>
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<tr>
<td><strong>PLAN</strong></td>
<td>Review of current provision</td>
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<td></td>
<td>Gap analysis</td>
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<td></td>
<td>Prioritization</td>
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<td></td>
<td>Assessment of market capacity</td>
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<td></td>
<td>Specification of services required including quality standards.</td>
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<td><strong>CONTRACT</strong></td>
<td>Educating the market</td>
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<td></td>
<td>Competitive tendering</td>
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<td></td>
<td>Determination of contract currency</td>
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<td></td>
<td>Negotiation with providers on volume quality and price</td>
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<td></td>
<td>Terms and conditions of contract</td>
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<td></td>
<td>Arrangements for variations</td>
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<td></td>
<td>Determination of routine monitoring requirements.</td>
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<tr>
<td><strong>MONITOR</strong></td>
<td>Reconciliation of invoices</td>
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<td>Payment</td>
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<td></td>
<td>Analysis of information provided</td>
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<tr>
<td></td>
<td>Reporting and investigation of trends and variances</td>
</tr>
<tr>
<td></td>
<td>Contract monitoring meetings</td>
</tr>
<tr>
<td></td>
<td>Agreement to variations</td>
</tr>
<tr>
<td></td>
<td>Payment.</td>
</tr>
<tr>
<td><strong>REVISE</strong></td>
<td>Adjust contract volumes, price and other aspects in accordance with terms and conditions.</td>
</tr>
<tr>
<td></td>
<td>Feed trend and usage information through to longer-term needs assessment and planning cycle.</td>
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</tbody>
</table>
Rummery (38) goes further, identifying three different levels of commissioning in primary care:

- **Locality based commissioning** – the commissioning of services in a particular area;
- **Practice-based commissioning** – the commissioning of some services in a practice or groups of practices;
- **Individual-based commissioning** – commissioning of services for individuals often through some sort of care manager.

Rummery explains that in her research, it is the latter type of commissioning which appears to be most common in practice. This framework is somewhat similar to Hudson’s (39) distinction between geographical, team and individual-commissioning levels. The Office for Public Management (40) cites five levels, suggesting ‘the range of different levels of commissioning can be broadly categorised as national, regional, strategic, operational and individual’ (pg. 18).

What is clear is that commissioning has both strategic and operational dimensions. It’s not simply about the planning of a system and issues in relation to the procurement of services but also involves issues relating to their delivery. The implication is that any area will comprise different commissioning processes that focus on different service areas and levels. Having a common understanding across these processes can be a challenge (27) and it is here that an explicit statement about definitions and expectations can be valuable.

In a different take on defining commissioning functions, Wade et al (28) draw on metaphors of the body to suggest different functions and activities.

They portray commissioning as a ‘brain’, ‘conscience’ and ‘eyes and ears’. According to this analysis, the key roles for commissioners are:

- **Conscience** – setting out ‘how things should be’ —what the systems aims to achieve and how.
- **Eyes and ears**—observing and reporting on ‘how things are’—what the system is currently delivering.
- **Brain** (having processes information from both sources) identifying and implementing the optimal solutions for delivering stated objectives (pg. 3).

This approach is valuable by suggesting that commissioning is a technical process, which involves collecting and analysing data, plus a series of more ethical and normative decisions about what a system should be achieving. The processes and activities that underpin these different dimensions clearly draw on very different types of skills and abilities. Engaging the right actors is a crucial and yet often neglected component of strategic commissioning processes.

**FINDING 3: COMMISSIONING IS A PROCESS WITH MULTIPLE COMPONENTS AND CAN OPERATE AT DIFFERENT LEVELS. IT INVOLVES BOTH TECHNICAL AND VALUE-BASED DECISIONS.**
**IS COMMISSIONING DIFFERENT TO OTHER THINGS?**

As commissioning can be defined in many ways and mean many things to different people, the question of whether it is distinct from other concepts is apt. There is a range of terms such as procurement, contracting and purchasing that are similar and are often used interchangeably with commissioning. This is particularly the case in Australia where various governments have explicitly tied it to notions of procurement, innovation and competition. The Victorian government (29), for example, states that it is ‘also exploring a commissioning approach for the procurement of services from private, public or not-for-profit organisations to better harness the benefits of competition. A more competitive and accountable environment will drive providers to continually lower the cost and improve the quality of their services’ (pg. 44).

In practice, the terminology of commissioning may be more politically palatable than other terms, which explains why it is starting to gain traction. This would not be the first time that different language has been appropriated in a public policy sphere to drive a different agenda (partnership, community, engagement, collaboration being good examples)(30).

Many who write about commissioning public services stress that it is a broader role than procurement and supply chain management processes (e.g. 21) although others would argue that the roles are identical (see, 31). Practice reveals that there is not one thing that ‘is’ commissioning. Rather it’s a term that refers to many activities. Similarly, many things that look like commissioning, for example such as some strategic management approaches, may choose not to use this terminology. Language is incredibly elastic. This underpins the importance of Dickinson’s (32) first lesson ‘be clear what you mean when you talk about commissioning’ (pg. 14).

If we know that commissioning can mean different things to different people and we want to be clear, then it is helpful to be explicit about this at some point. And where commissioning is not defined then we might be rightly sceptical about a particular agenda and what it’s trying to achieve.

Table 2 sets out a summary of terms which are often related to commissioning and how these are typically spoken about. As this table illustrates, some concepts are seen as constituent components of commissioning processes (e.g. contracting, purchasing, procurement), while others are variants of commissioning approaches (e.g. joint commissioning, integrated commissioning, outcomes-based commissioning).

**FINDING 4: THERE ARE A RANGE OF DIFFERENT TERMS THAT ARE USED INTERCHANGEABLY WITH COMMISSIONING AND A NUMBER OF DIFFERENT FORMS OF COMMISSIONING IN LITERATURE. USING THE TERM COMMISSIONING IN THE WRONG CONTEXT MAY MEAN THAT THIS CONCEPT LOSES VALUE IN THE LONGER TERM.**
<table>
<thead>
<tr>
<th>TERM</th>
<th>MEANING</th>
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<tbody>
<tr>
<td>PROCUREMENT</td>
<td>The process of identifying a supplier which can involve traditional tendering approaches and also of stimulating the market through education and raising awareness (21).</td>
</tr>
<tr>
<td>CONTRACTING</td>
<td>The technical process of negotiating the terms of delivery for a product or service and setting processes in place to oversee the payment, monitoring and potential variations to legal agreements.</td>
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<tr>
<td>PURCHASING</td>
<td>The process of buying or funding services. Concerned with translating and articulating desired outcomes into a specification.</td>
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<tr>
<td>OUTSOURCING</td>
<td>The contracting out of a particular business process or service to a third party.</td>
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<tr>
<td>SUPPLY CHAIN MANAGEMENT</td>
<td>The planning and management of all activities involved in sourcing and procurement, conversion, demand creation and fulfilment, and all logistics management activities. In essence, supply chain management integrates supply and demand management within and across companies (33).</td>
</tr>
<tr>
<td>STRATEGIC MANAGEMENT</td>
<td>The process of building capabilities that allow a firm to create value for customers, shareholders and society while operating in competitive markets (34).</td>
</tr>
<tr>
<td>STRATEGIC PURCHASING</td>
<td>The planning process purchasing follows as part of the strategic management process. Purchasing is operated in line with the organisational goals and strategy in response to the external environment (35).</td>
</tr>
<tr>
<td>DECOMMISSIONING</td>
<td>This concept is concerned with ceasing activities that are no longer deemed essential or effective. This encompasses the replacement and removal of a product or service as part of evidence-based practice at the organisational level, and also policies to remove interventions from across wider geographical areas and/or patient populations, and strategic reconfiguration of services leading to organisational downgrading of closure (36).</td>
</tr>
<tr>
<td>RECOMMISSIONING</td>
<td>This is a term that has not gained a huge amount of traction in the broader literature, although it has been used to underpin a number of processes in the Australian public service context. Essentially this process is used to refer to the initiation of a new commissioning process after a service has already been commissioned. This derives from the notion of re-contracting, where a further round of contract negotiations are entered into when a contract expires or there are changes to the sorts of services needed or terms of the relationship.</td>
</tr>
<tr>
<td>JOINT COMMISSIONING</td>
<td>The ways in which relevant organizations might work together and with their communities to make the best use of limited resources. This will often involve using a pooled or aligned budget (37).</td>
</tr>
<tr>
<td>OUTCOMES-BASED COMMISSIONING</td>
<td>Where a commissioner agrees to fund a provider on the basis that they will achieve a particular set of agreed outcomes. How these will be delivered is not needed, merely what will be delivered in outcome terms.</td>
</tr>
<tr>
<td>INTEGRATED COMMISSIONING</td>
<td>This term is either used to refer to integrated organisations undertaking commissioning processes collaboratively in a similar fashion to joint commissioning, or else it refers to the commissioning of integrated care (i.e. services that provide joined up care).</td>
</tr>
<tr>
<td>STRATEGIC COMMISSIONING</td>
<td>All the activities involved in assessing and forecasting needs, linking resource allocation to agreed desired outcomes, considering different options, planning services and working collaboratively to put these in place.</td>
</tr>
<tr>
<td>MICRO COMMISSIONING</td>
<td>The process of meeting needs at an individual-level. This term has gained attention as there has been an increased focus on individuals holding their own budgets and directing the spend of this.</td>
</tr>
<tr>
<td>MULTI-LEVEL COMMISSIONING</td>
<td>A range of activities that involve commissioning activities at different levels.</td>
</tr>
<tr>
<td>OPERATIONAL COMMISSIONING</td>
<td>Focused on procuring and developing local services to contribute to strategic outcomes that might be narrower, e.g. service-based. Individual commissioning focuses on the delivery of an individual service package.</td>
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Lesson 2: There are best practices, but no silver bullet

PROCESSES AND OUTCOMES OF COMMISSIONING IN THE UK

In this section the evidence is reviewed to analyse claims about commissioning. This is not an easy task given the different ways this term has been used and the lack of clear evidence available. The first part of this section analyses literature to determine commissioning’s impact, then it moves on to consider the sorts of processes and activities that best deliver commissioning approaches. What this evidence suggests is that there are no easy answers and implementing commissioning requires significant labour (24).

THE IMPACT OF COMMISSIONING

While it has been claimed that commissioning will deliver a range of benefits, evidence to support this is rather scant (25). This is not to say that commissioning does not work, just that we don’t really have a clear sense of the costs and benefits. This review has already touched on a number of the reasons why it is difficult to generate clear evidence. As Woodin and Smith (26) explain, ‘commissioning and contracting have been introduced...against a background of high expectations and within an environment of significant social and economic challenge. There has been little sustained and systematic evaluation of their impact, and in any case evaluation of such policy interventions is fraught with difficulties, including the regular reorganisation of commissioning arrangements...and the difficulties in ascribing improvements in health or health services to commissioning as opposed to wider reform mechanisms’ (pg. 290).

Miller and Rees (25) found in their study of mental health commissioning in the UK, that organisations that had moved towards such an approach focused on only a few components (typically purchasing and contracting), rather than trying to enact commissioning in a broader sense. Commissioning is said to be important because it typically encourages efficient, responsive and better quality services, although these are not necessarily mutually compatible aims (26). International commissioning literature in the health context suggests that there is little evidence to demonstrate that commissioning delivers efficiencies (38, 39). In some cases introducing market-reform innovations create new transaction costs and new inefficiencies including ‘managerialism, datamania, accountability as an end, disruptions and inefficiencies of underused losers and overused winners, and an ethos of commercialism replacing ethos of service’ (40: pg. 322). Woodin and Smith (26) note that in relation to service responsiveness and quality, or the ability of health care commissioners to improve health, there is an overall lack of impact despite some isolated examples of improvements. As they explain, this is partly due to the complexities involved in leveraging significant changes in these areas and also because it’s difficult to judge what caused these detected changes: What is to say that they are due to the activities of commissioners, when there are broader policy agendas at work or other factors entirely?
In a detailed study of the processes and impacts of joint commissioning, Dickinson and colleagues (27) found that ‘there may not be anything that is specific about joint commissioning that is different to other ways of working and it is far from a coherent model with a set of clear organisational processes and practices. However, what joint commissioning does have is a degree of acceptance and a sense that it is a positive thing. In all of the cases it has been used as a “framing concept” to introduce a range of organisational, structure and in some case cultural changes. The very value of joint commissioning may then be in its ambiguity and symbolism as an inherently good concept that is able to deliver against a range of pernicious issues that…organisations struggle with’ (pg. 15). Rather than there being something inherently valuable in the model of joint commissioning, changes may have been delivered through a belief in this concept.

One way to overcome this issue has been to develop high-quality commissioning standards. Researchers at the University of Birmingham (42) worked with a number of health and social care agencies to undertake this task. The starting premise is that good quality commissioning is: person-centred and outcomes-focused; inclusive; well led; and, promotes a sustainable and diverse market place. In total 12 standards have been developed across four domains. This assessment is intended to encourage local organisations to engage in dialogue over the quality of their services and to track progress of their commissioning approaches over time. The standards are outlined in more detail in Table 3. Many aspects will be specific to a UK context, but may be adapted to fit local contexts.

<table>
<thead>
<tr>
<th>TABLE 3: THE STANDARDS OF HIGH QUALITY COMMISSIONING (42)</th>
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<tr>
<td><strong>DOMAIN</strong></td>
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<tr>
<td>------------------------------------------</td>
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<tr>
<td>PERSON-CENTRED AND OUTCOMES-FOCUSED</td>
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<tr>
<td>INCLUSIVE</td>
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<tr>
<td>WELL LED</td>
</tr>
<tr>
<td>PROMOTES A SUSTAINABLE AND DIVERSE MARKET PLACE</td>
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</table>
FINDING 5: THERE IS A LACK OF EVIDENCE TO DEMONSTRATE THAT ACROSS-THE-BOARD COMMISSIONING APPROACHES POSITIVELY IMPACT EFFICIENCY, QUALITY OF SERVICES OR OUTCOMES OF SERVICES. IMPACT HAS TYPICALLY BEEN WHERE ORGANISATIONS HAVE CLEARLY STATED THEIR OBJECTIVES EARLY IN THEIR COMMISSIONING PROCESSES.

IMPORTANT FACTORS IN COMMISSIONING PUBLIC SERVICES

Perhaps rather unsurprisingly, there is little agreement over the sorts of factors that are integral to commissioning processes. Box 1 sets out an example of some helpful factors in health care commissioning. In the UK a whole industry has emerged, comprising a range of different organisations that promise to help individuals and organisations to deliver effective commissioning processes. However, on closer analysis many claims are either unsubstantiated or contradictory. The fact that commissioning has become such a central activity for different UK government bodies has grown the support industry, in some cases making it even more difficult to develop a clear evidence base about this concept. What is clear is that there is ‘no one way’ to do commissioning. Despite extensive literature about the different constituent components that make up commissioning (see, 16, for example), there is also significant debate about the best ways to operate contracts, undertake priority-setting process or conduct needs analysis—just a few of the constituent components of commissioning.

BOX 1: FEATURES THAT IMPACT THE ABILITY OF COMMISSIONERS TO EXERT INFLUENCE

- Incentives for clinicians to be involved in commissioning (real budgets and responsibility);
- Size of commissioning organization;
- Management and analytical capability and capacity;
- Sophisticated information systems;
- Involvement of secondary care as well as primary care clinicians;
- Appropriate accountability to local people and patients;
- Financial flexibility in relation to payment approach;
- Careful risk-adjustment of budgets; and
- An acceptance that there is no one optimal mode of commissioning (43: pp. 8-9).

FINDING 6: THERE IS ‘NO ONE WAY’ TO DO COMMISSIONING. PROCESSES THAT ARE APPROPRIATE TO THE LOCAL CONTEXT NEED TO BE DESIGNED.
DOES SIZE MATTER?

There has been significant debate in health literature concerning the appropriate organisational size for commissioning activities. Indeed, the English NHS has seen frequent reorganisations and restructurings in an attempt to reach the ‘ideal’ size. In a study of different organisational models, Smith and colleagues (43) summarise that there is no ‘one size fits all’ and a mix of approaches are needed in each health care economy that are appropriate to the aims of the commissioning endeavour and the local context. They set out a continuum of different commissioning arrangements reaching from the individual, to regional and national levels. It’s clear from this analysis that within any local system there will be a complex patchwork of commissioning arrangements for different functions and services. Just as there is no one-size-for-commissioning activities, similarly, there is ‘no dominant or blueprint for the structural design of successful strategic commissioning’ (44: pg. 88). The design of any organisation will be highly contingent on its function and staffing model, and the characteristics of the local area and services.

FINDING 7: ALTHOUGH THE SIZE OF COMMISSIONING ORGANISATIONS IS A CRUCIAL DECISION, THERE IS NO IDEAL SIZE. PUBLIC SERVICE ECONOMIES WILL LIKELY COMPRIS A COMPLEX PATCHWORK OF DIFFERENT COMMISSIONING ARRANGEMENTS.
Lesson 3. Appropriate competencies, data and incentives matter

WHAT SKILLS ARE NEEDED?
One of the factors thought to be crucial to effective commissioning is the skill base of the individuals involved, yet this is often found to be lacking in practice. Commissioning organisations continually underestimate the investment needed for leadership, management development and infrastructure (45). In a review of European experiences of commissioning, Figueras and colleagues (46) note it requires a high level of technical and managerial skill which is relatively new and to date has developed rather unevenly. Similarly, an assessment of UK local government experience found that there were insufficient people with procurement, risk or contract management skills (47). Glasby (16) comes to similar conclusions in the field of health, observing that ‘too few commissioners seem to possess the skills and knowledge needed to assess the vulnerability/resilience of the services they are commissioning’ (pg. 246). Where there are skills gaps one option is to buy-in expertise. However, in their study of the factors that underpin whole systems commissioning, Williams and colleagues (44) find that external support should only be used in areas such as: long-term strategic development, the transfer of new skills into the organisation, the development of tools and processes and to support structural and cultural changes. Commissioning organisations should gear themselves towards building sustainable in-house capacity if they are to have greatest effect. Box 2 sets out suggested core competencies required. Some of these competencies will be specific to the context of health and to an English setting of course, but many will be applicable to a broader context.

BOX 2: THE COMPETENCIES OF COMMISSIONING ORGANISATIONS
Woodin and Wade (1) identify at least 14 competencies that they argue that commissioning organisations need to pay attention to:
- prioritisation and decision making;
- engaging the population in their own health;
- quantifying, costing and structuring demand;
- ensuring services are clinically effective and high quality;
- securing services at the optimum cost;
- stakeholder engagement;
- strategy and planning;
- collaboration and partnership;
- information and knowledge management;
- innovation and best practice;
- governance, compliance and accountability;
- project and process management;
- leadership; and, culture, attitudes and behaviour.

FINDING 8: WORKFORCE SKILLS ARE CRUCIAL TO COMMISSIONING SUCCESS AND YET ARE OFTEN LACKING IN PRACTICE. COMMISSIONING ORGANISATIONS NEED TO THINK CAREFULLY ABOUT THE COMPETENCIES NEEDED TO FULFIL THEIR VARIOUS FUNCTIONS.
DOES LEADERSHIP MATTER?
Leadership is central to most reform processes in public services, so it is no surprise that it’s crucial to commissioning (44). It is not simply those in middle management or front-line commissioning roles that need to think about their skill mix. Allen and Wade (48) note that “the commissioning task...is quite different from...running a large organisation, leading a professional workforce or managing assets and infrastructure. It demands a different approach from those at the helm’ (pg. 311). Whether or not the difference between leading a commissioning organisation and any other large organisation is quite as significant as these authors state, it is important for leaders to be astute to political sensitivities and adept at managing multiple relationships. If we expect that commissioning will lead to different patterns of service delivery and resource allocation; then it will require different forms of thinking and, in some cases, qualified risks. Allen and Wade suggest that commissioning leaders need to both guard good practice and engage in positive deviance—disruptive practices that break with common processes—to significantly reform the status quo.

FINDING 9: HIGH-QUALITY LEADERSHIP IS ESSENTIAL TO DRIVE COMMISSIONING APPROACHES. LEADERS NEED TO BE ADEPT TO POLITICAL SENSITIVITIES AND MANAGE MULTIPLE RELATIONSHIPS.

DOES DATA MATTER?
Commissioners often argue that the lack of available data on public services and public service markets makes decision-making challenging in commissioning, particularly when deciding whether to keep services in-house or outsource provision (47), when determining priorities and when making other significant decisions (49). Overall commissioners have often remained unsure about what information they need and how to analyse it. As Williams and colleagues (49) note, the issue here is not necessarily insufficient information. Commissioners are often drowning in information, but they may not know how to interrogate this information or how to use it to inform practice.

FINDING 10: HIGH QUALITY, TIMELY AND APPROPRIATE DATA IS CRUCIAL. HOWEVER, COMMISSIONERS OFTEN LACK THE RIGHT SORTS OF DATA AND STRUGGLE TO ANALYSE IT IN PRACTICE. INVESTING IN DATA COLLECTION AND MANAGEMENT FUNCTIONS IS CRITICAL TO INFORM DECISION-MAKING PROCESSES.
DO INCENTIVES MATTER?
Even with the most skilled commissioning workforce and an abundance of information, organisations will struggle to drive change if the wider context does not support commissioning activities. For example, financial incentives need to be tied to commissioning objectives, and regulation should work with, not against them. A number of studies have found commissioners struggling to assign effective performance measures to incentivise providers (50). A poor fit between commissioner and performance management may lead to behaviours and practices that work against intended outcomes. This was illustrated in the UK in children’s services where the performance management framework failed to include any measures relating to high-level outcomes set by national government for these services. As Bovaird and colleagues (8) explain, ‘since the performance management regime is often more visible and drives operational decisions, they may mean that strategic commissioning appears rather theoretical or even partially irrelevant to managers (although its rhetorical value in achieving ‘buy-in’ from stakeholders may remain important)’ (pg. 203).

FINDING 11: INCENTIVES MATTER AND IF THEY DO NOT ALIGN WITH COMMISSIONING AIMS THEN IT WILL BE DIFFICULT TO ACHIEVE CHANGE IN PRACTICE. AN IMPORTANT TASK FOR COMMISSIONERS IS TO INFLUENCE ‘UPWARDS’ TO ENSURE THAT THE WIDER CONTEXT SUPPORTS THEIR COMMISSIONING AIMS.

IS COMMISSIONING A TECHNICAL OR RELATIONAL FUNCTION?
At the risk of repeating an important message, while there are many technical aspects to commissioning processes, the ‘softer’ parts of this process are as, if not more, important. Commissioning is highly relational and involves good judgement by the individuals who drive these processes. It is not the case of happening upon the one model that will drive local commissioning, but a process of trial and error, feedback and revision, if effective processes are to be produced. Commissioning involves a high degree of political astuteness in reaching difficult decisions about resource allocation. Table 4 sets out a framework which has been developed by Hartley and Fletcher (62) to examine the sorts of skills required to be politically astute.

FINDING 12: COMMISSIONING IS BOTH A TECHNICAL AND RELATIONAL FUNCTION, INVOLVING MANY VALUE JUDGEMENTS AND POLITICAL ASTUTENESS.
<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>PERSONAL SKILLS</td>
<td>Self-awareness of one’s own motives and behaviours.</td>
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<tr>
<td></td>
<td>Having a proactive disposition (initiating rather than passively waiting for things to happen.)</td>
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<td></td>
<td>Ability to exercise self-control, being open to the views of others, ability to listen to others, and reflect on and be curious about their views.</td>
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<tr>
<td>INTERPERSONAL</td>
<td>‘Soft’ skills: Able to influence the thinking and behaviour of others.</td>
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<td></td>
<td>Getting buy-in from those over whom the person has no direct authority.</td>
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<td></td>
<td>Making people feel valued.</td>
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<td></td>
<td>‘Tough’ skills: ability to negotiate, able to stand up to pressures from other people, able to handle conflict in order to achieve constructive outcomes.</td>
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<tr>
<td></td>
<td>Coaching and mentoring individuals to develop their own political skills.</td>
</tr>
<tr>
<td>READING PEOPLE AND SITUATIONS</td>
<td>Analysing or intuiting the dynamics, which can or might occur when stakeholders and agendas come together.</td>
</tr>
<tr>
<td></td>
<td>Recognition of different interests and agendas of both people and their organisations.</td>
</tr>
<tr>
<td></td>
<td>Discerning the underlying, not just the espoused agendas.</td>
</tr>
<tr>
<td></td>
<td>Thinking through the likely standpoints of various interest groups in advance. Using knowledge of institutions, processes and social systems to understand what is or what might happen.</td>
</tr>
<tr>
<td></td>
<td>Recognising when you may be seen as a threat to others.</td>
</tr>
<tr>
<td></td>
<td>Understanding power relations.</td>
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<tr>
<td>BUILDING ALIGNMENT AND ALLIANCES</td>
<td>Detailed appreciation of context, players and objectives of stakeholders in relation to the alignment goal.</td>
</tr>
<tr>
<td></td>
<td>Recognising differences and plurality and forging them into collaborative action.</td>
</tr>
<tr>
<td></td>
<td>Working with difference and conflicts of interest, not just finding consensus and commonality.</td>
</tr>
<tr>
<td></td>
<td>Actively seeking out alliances and partnerships rather than relying on those already in existence.</td>
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<td></td>
<td>Ability to bring difficult issues into the open and deal with differences between stakeholders.</td>
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<tr>
<td></td>
<td>Knowing when to exclude particular interests.</td>
</tr>
<tr>
<td></td>
<td>Creating useful and realistic consensus not common denominator.</td>
</tr>
<tr>
<td>STRATEGIC DIRECTION AND SCANNING</td>
<td>Strategic thinking and action in relation to organisational purpose.</td>
</tr>
<tr>
<td></td>
<td>Thinking long-term and having a road map of the journey.</td>
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<tr>
<td></td>
<td>Not diverted by short-term pressures.</td>
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<tr>
<td></td>
<td>Scanning: thinking about longer-term issues in the environment that may potentially impact the organisation.</td>
</tr>
<tr>
<td></td>
<td>Attention to what is over the horizon.</td>
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<tr>
<td></td>
<td>Analytical capacity to think through scenarios of possible futures.</td>
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<tr>
<td></td>
<td>Noticing small changes, which herald bigger shifts in society.</td>
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<tr>
<td></td>
<td>Analysing and managing uncertainty.</td>
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<tr>
<td></td>
<td>Keeping options open rather than reaching for a decision prematurely.</td>
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</tbody>
</table>
Lesson 4. Community engagement is critical

PINPOINTING NEEDS

Perhaps one of the most important messages to come out of the commissioning literature is the need to engage with service users. Commissioning is claimed to encourage service providers to be more responsive to the needs and preferences of service users. Therefore, commissioners should have a clear sense of the needs of a defined population and seek to procure services that match these. Yet, this is far from an easy process. Although needs assessment processes are often defined as an exercise in ‘rational planning’ (51), in practice the demands of a defined population will often be at odds with both available provision and the evidence base regarding the most efficient and effective services in this space. Navigating this difficult terrain will involve not just employing technical approaches to needs assessment and evidence-based practice, but understanding what citizens need and want. Wistow and Callaghan (52) report on a project which was set up to better understand the needs of a population in an area with significant deprivation, but under-use of public services. A community organisation trained up individuals from the community to act as researchers and better assist government agencies in understanding this population’s needs. While successful, what this and similar projects (27) note is the time it takes to develop this level of relational capital to gain the trust required to really understand the needs of the community. This activity has often been missed by commissioners as they rush to get to grips with the broad array of other activities that commissioning involves.

FINDING 13: COMMISSIONERS REQUIRE A GOOD UNDERSTANDING OF LOCAL COMMUNITY NEEDS TO MAKE GOOD DECISIONS. THIS IS MORE THAN JUST A TECHNICAL EXERCISE AND INVOLVES UNDERSTANDING THE INDIVIDUALS AND COMMUNITIES THAT WILL ACCESS SERVICES.

DOES COMPETITION AND CHOICE MATTER?

Another assumption often found in commissioning literature is that if providers do not deliver responsive services, the individuals that they serve will head elsewhere. However, according to the UK experience there is not always an abundance of alternative provider organisations. Further, given the individuals don’t always know enough about these services, they will struggle to exercise this choice. In the context of health care, studies have found that individuals typically rely on advice from their General Practitioner in terms of their choice of provider (53). In a context of finite and possibly shrinking resources, the availability of a mechanism of choice will not be sufficient in delivering what all individuals want or need. The recent English experience of individualised budgets in social care is a good example of this. Over the past fifteen years the English social care sector has moved to a system where individuals are told what their resource entitlement is for their level of need (54). They then micro-commission, either through taking a cash payment, or by designing and planning their services with a government agency contracting on their behalf. Initially this allocation of resource was made on the basis of a points-based formula that measures a person’s level of dependency and awards money accordingly (55).
However, as local government budgets have been slashed, individuals have found that their personal budgets have decreased as the system moved from an entitlement, to a fair share system. Rather than being entitled to a level of assistance based on their need, individuals have found they have been allocated a ‘fair share’ of the overall care budget (56). Often this is not sufficient to be able to leverage the kinds of services individuals want or need and they feel that, despite the rhetoric, they are unable to exercise real choice or control in many cases.

**FINDING 14:** COMPETITION AND CHOICE CAN BE IMPORTANT MECHANISMS IN DRIVING CHANGE BUT ONLY IN PARTICULAR SORTS OF CIRCUMSTANCES. GOOD QUALITY MARKET MANAGEMENT AND CONSUMER SUPPORT NEED TO BE IN PLACE TO SUPPORT THESE MECHANISMS TO WORK IN THE WAYS INTENDED.

**IS COMMUNITY ENGAGEMENT IMPORTANT?**

While the UK public service has significantly increased community and individual engagement (57), in recent years there are serious questions about whether the outcomes of this engagement influences decision making by commissioners. A government Select Committee (58) concluded that ‘in theory there is … good … consulting about important local proposals for change. In practice, there is much frustration and disappointment. Too often it seems to the public that decisions have been made before the consultation takes place’ (pg. 84). All too often engagement activities are not well embedded in organisational governance and as a consequence these activities are unable to significantly impact decisions. Ellins (59) argues that engaging minority and marginalised groups requires moving away from conventional engagement approaches: ‘Ensuring that ‘local voice’ is not limited to groups that are well organised and articulate is particularly important at the earlier stages of the commissioning cycle, so that all local needs are recognised in decisions about planning and prioritising services. An approach is called for that focuses on building visibility, trust and mutual understanding before asking people to participate in activities or share their opinions and experiences’ (pg. 203). In a study of commissioning for integrated care, Addicott (50) echoes these findings, arguing that although contracts are the formal vehicle to agree and fund care, engagement and communication with providers, consumers and the wider community are also vital components of the process. ‘Developing different contractual and commissioning approaches is not a substitute for building good relationships across local stakeholders (which can take considerable time) or addressing conflicts between providers and/or commissioners’ (pg. 49).
Engagement is therefore crucial in building trust between partners and encouraging close working relationships between professional groups, organisations, individuals and communities. However, it also builds the legitimacy in commissioning organisations. In a study of high performing commissioning organisations, Dickinson and colleagues (60, 61) argue that legitimacy is a necessary factor in ensuring that organisations have the mandate to make difficult decisions. In their study of health care organisations, these researchers observe that it is difficult for commissioners to make significant changes to resource allocation or service patterns without the support of the broader community. For example, commissioners would struggle to downgrade an emergency department or to move maternity services from one hospital to another without being recognised as a legitimate body in the eyes of the local community.

**FINDING 15: COMMUNITY ENGAGEMENT IS CRUCIAL IN BUILDING TRUST BETWEEN PARTNERS AND ENCOURAGING CLOSER WORKING RELATIONSHIPS. IT ALSO BUILDS THE LEGITIMACY IN COMMISSIONING ORGANISATIONS THAT’S REQUIRED TO MAKE DIFFICULT DECISIONS AND TO ACT ON THESE.**
Commissioning in an Australian context

What can we learn from the existing evidence base? It is possible to conclude that available evidence lacks a clear sense of what commissioning is, the impact it has and the processes that underpin it. If there is this lack of clarity from the UK where it has been in operation for nearly 20 years, then what possible lessons are there for other jurisdictions just starting on this journey? However, if we examine this from a different perspective; are we surprised that one approach cannot solve complex and pernicious challenges that have long been central to public services? Wouldn’t we instantly set up an approach to fail if we expected it to deliver all of these different things?

One of the dangers of the commissioning agenda as it starts to develop in an Australian context is that individuals and organisations might engage with this in an uncritical and superficial manner. Many policy fads and fashions come and go and often the initial excitement gives way to a cynicism over time. What we do know from the literature is that just creating an organisation that has ‘commissioning’ as its main task will not deliver a commissioning approach and the expected advantages. If commissioning is simply advocated in policy documents and a series of different commissioning groups emerge but do not critically engage with the notion of commissioning then it will soon lose traction and have little impact. There is a danger that we may get excited about a commissioning agenda but do not engage beyond a superficial level, meaning that we will lose an opportunity to translate a more strategic approach into action.

At the Melbourne School of Government we are often told by public servants that they know what they need to achieve, but individuals and organisations are unclear about how to deliver these agendas (63). Part of the reason for this is that meeting the different demands that public services currently face involves a significant reorientation: from reactive to proactive; from professionally dominated to consumer-driven; from dealing with tame problems to wicked ones; from being historically determined to being strategic and forward-thinking; from being supply-driven to demand-driven. None of these changes are easy and some of the current management frameworks and ideas in use are able to capture the nuance and the complexity of these agendas. One of the things that a commissioning approach can provide is a vocabulary, a framework and a way of speaking about the types of stages involved in this process and the many different areas that demand attention.

There may be nothing that is different about commissioning when compared to other strategic or change approaches. However, the political salience and the vocabulary that commissioning gives to reform processes might be helpful to different government organisations in driving processes of change. Care is needed to provide clarity for all stakeholders; setting out expectations and aims of commissioning processes, and ensuring that the workforce is sufficiently skilled to undertake the range of different activities required.

Over the coming months the Melbourne School of Government will develop a series of teaching, research and executive education activities that build on this evidence review and seek to further develop insights into what best practice commissioning looks like in an Australian context. If you would like to find out more about this or be involved in this process then please contact Helen Dickinson Helen.dickinson@unimelb.edu.au.
References


Melbourne School of Government

The Melbourne School of Government (MSoG) research agenda addresses these kinds of governance and policy dilemmas and MSoG provides training for people who must deal with these in their work.

Research@MSoG aims to provide excellent scholarship which has an impact on governance and public policy. This research underpins our ability to improve the capacity of policy makers to make sound decisions, design and deliver effective policies and programs, and build robust institutions in Australia, the region and beyond.

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- Governance and Performance (designing better governing institutions and improving policy-making and policy performance)
- Knowledge and Expertise in public policy (using different types of evidence and new approaches, and managing competing perspectives)
- Security and Political Engagement (responding to the effects of war, natural disasters, and dispossession, and improving political engagement)
- Governing Markets (improving the instruments that structure relationships between governments, governing institutions, and private actors)
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