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Commissioning is an approach to transformation

Think piece from the 2019 Public service: state of transformation report

Commissioning as a transformation approach

The term 'commissioning' has been with us in the public sector since the inception of the nation state. The state might commission engineers to produce a railway, bridge or a ship; we've used the term 'commission' to refer to an inquiry into an area of public life such as a 'royal commission'; officers are awarded the 'Queen's Commission' in the British military. In these ancient uses of the term there is a consistent implication that something is being taken forward on behalf of someone else, or some other authority. Like an instruction or an obligation. In 1962, when John Steinbeck received the Nobel Prize for Literature, he said:

'The ancient commission of the writer has not changed. He is charged with exposing our many grievous faults and failures, with dredging up to the light our dark and dangerous dreams for the purpose of improvement.'

In the context of 21st century public sector management, commissioning is a term that provokes varying responses – not all of them positive. At a significant public service conference within the last year, discussing the subject, a respected leader referred to 'commissioning, procurement, or outsourcing' as if they were interchangeable. Our analysis shows that, across the sector as a whole, a small majority

believes that commissioning has been unhelpful rather than helpful, and the 'death of commissioning' has been heralded more than once. And there have been many select committee reports and an NAO report, amongst others, into the failures of government commissioning, mostly triggered by the collapse of Carillion.¹

So commissioning is simultaneously misunderstood, denigrated, reduced to something else, and important. It is not the only method of transformation – at the Public Service Transformation Academy we recognise, and work with, everything from asset-based community development to service design and systems change – but it is an important, even a vital one.

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We do not offer a single definition of commissioning, still less a single model, as we do not believe in a one-size-fits-all approach. Instead, we encourage leaders of organisations to articulate their own definition and approach to commissioning, so the approach they develop is appropriate and context-specific, shared understanding is built, and ownership results.

In this short piece, we offer a series of ways of thinking about commissioning, a range of approaches which fit the maturity of the context, and some thoughts about how commissioning is continuing to develop.

Ways of thinking about commissioning

Commissioning can be understood from a number of perspectives:

Commissioning as a systems approach

There are many implications, as we'll see, from seeing commissioning as a systems intervention. As a starting point, however, commissioning involves trying to gain an appreciation of a whole interconnected system (or set of systems) – and your place in it – and to make changes that improve the outcomes of that system.

Commissioning as a method

At the heart of commissioning is the so-called logical approach – some variant of 'understand, plan, do, review' which is fit for your understanding of the complexity of the system you are working with. This can be a fairly long, static cycle, or a fast, iterative, design- and prototyping-led approach. The implication of this is that, fundamentally, you need to develop a model of how you think things work at the moment, and a prediction about how an intervention will improve outcomes – and these enable learning about your own assumptions and perspectives when the results of your intervention turn out to be surprising and not what you predicted. This will often be the case.

In complexity, which is the default context of public services, the role of the observer, different perspectives and ways of framing the issues, and relationships will always be central to this pattern. This makes the process something different from simple mechanical modelling and forecasting; it also makes the learning that emerges – including learning about yourself – central to the process.

Progress in commissioning – like progress in science – tends to both humble us in terms of our role and empower us in terms of the potential to achieve outcomes.

Commissioning as a learning mindset

Commissioning requires constant learning from multiple sources – from the current state of affairs, from the citizen, from the community, from all kinds of providers, the market and your own organisation, from what's offered by various forms of technology and innovation – all to look for ways to fulfil or enhance positive purpose.

Commissioning as an identity

Over the years, we've worked with commissioners on what encapsulates their identity. As we'll see, progress in commissioning – like progress in science – tends to both humble us in terms of our role and empower us in terms of the potential to achieve outcomes. While phrases like 'system(s) convenor' or 'architect' tend to spring to mind, they are perhaps a bit commissioner-centric.

A term we prefer is 'conductor' – which, of course, is quite evidently grandiose. But this conductor is not the maestro in front of the audience.

No, it's more like someone who has been given a baton, white gloves, and tails, and set loose to wander through a large and cacophonous warehouse where oompah bands parade, rhythmic gymnasts spin, garage bands rehearse and all manner of 'vaguely musical' activity takes place... and the conductor's role is not to brigade them all into one great people's choir, but to see how they can make themselves useful.

A brief history of commissioning 1.0 to 3.0

In practice when organisational leaders adopt commissioning, they embark on a journey from traditional service delivery to an approach to commissioning that should work for them. We talk about a spectrum of commissioning maturity, which is not necessarily to denigrate 'earlier' approaches – each has value, and is better than what came before. It's no use trying to progress beyond the capability of your organisation or context – to quote Robert Heinlein 'never try to teach a pig to sing. It wastes your time, and annoys the pig'.

Compulsory Competitive Tendering / outsourcing / Best Value

Commissioning owes a lot of its modern roots to the period of Compulsory Competitive Tendering introduced and continued by successive Conservative governments from 1979 to 1997.² An implication of this is that commissioning is very often seen through the lens of contracting and outsourcing. This approach – and the development of the CCT regime into Best Value under Labour governments from 1997 – focused on comparing in-house services against external competitors,

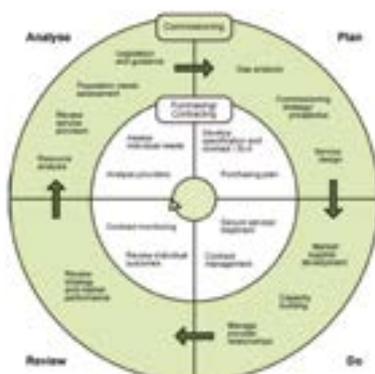
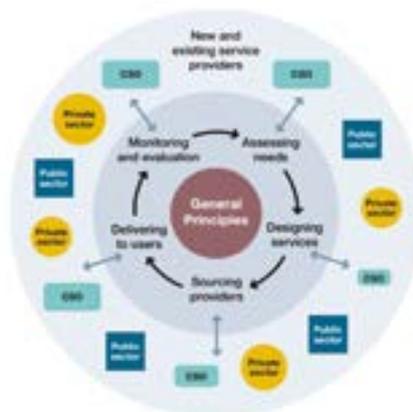
on lowest price for service, and on contractual relationships. Each of the subsequent levels can be interpreted through this lens – or can be seen as a true shift of identity.

Commissioning 1.0 – the commissioning cycle

This is about procuring a service ‘at value’, with providers forced into a transactional role (even internally). It is about looking out across markets to get the best service and price, and may be about simplistic payment by results. It is often an echo of a response to ‘producer capture’, and can bring with it a focus on extrinsic drivers, proxy measures, competitive relationships, and expectations about delivery – based on professional assumptions and professional boundaries. The responsibility of each party is limited to ‘doing my job’ and my part of the system, and the whole system is often dysfunctional.

In complexity, which is the default context of public services, the role of the observer, different perspectives and ways of framing the issues, and relationships will always be central.

Example commissioning cycle models



There are real problems with the traditional commissioning cycle:

- Analysis is done using a needs or deficit-based approach – looking at ‘fixing problems’. And it is done using ‘cold data’³ (abstracted from people’s lives). It offers tempting work to avoid the real work, and it can take a long time – by which time, the results of the analysis are often outdated anyway.
- Specification is done based on an assumption of service provision, and with needs increasing and budgets reducing, the temptation is to simplify, standardise, and go for economies of scale through longer-term contracts or volume from sharing.
- Procurement then comes down to hard negotiation which sets up opposition, and with the OJEU process taking up to 15 months, the basis of commissioning is even further out of date.
- Then, it’s often hard to find the time for contract management – things can slide out of alignment – and, if you run out of time to do the full tender, you have to extend the contract.
- And the learning often gets forgotten, but in the best case with a big, ugly contract, you get one opportunity to learn per seven years...

In essence, this is a classic ‘waterfall’ approach with minimal learning.

The reality, of course, is that the intelligent commissioner spins all of these plates simultaneously, taking learning and improvement opportunities where he or she can find them. So ‘Commissioning 1+’ recognises the muddle and complexity implied by the traditional approach, and makes the contextual challenge about balancing all of these requirements to focus on desired outcomes.

Commissioning 1+
Field and Oliver⁴



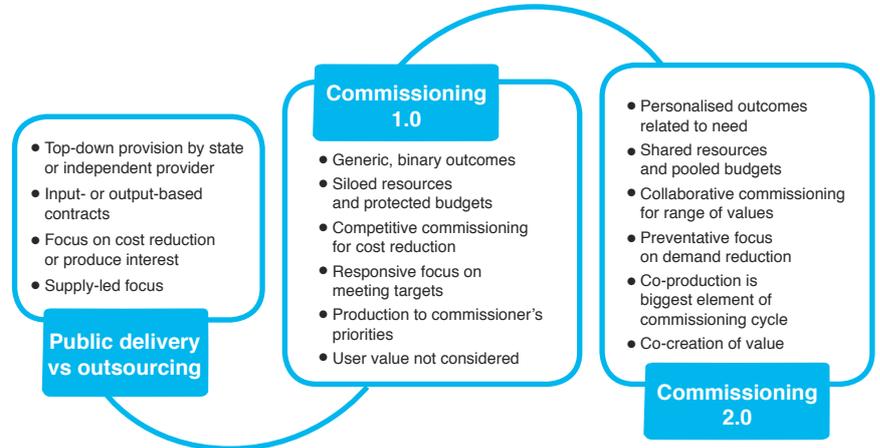
Commissioning should be taking a much wider view of ‘resources’, moving beyond thinking only about individual and pooled budgets, to see the huge range of things that can be marshalled and influenced.

Commissioning 2.0 – outcomes thinking

Perhaps the biggest shift comes from taking outcomes seriously. In 2010, The Institute for Government suggested three

approaches: Public delivery vs outsourcing; Commissioning 1.0; and Commissioning 2.0, which have fundamentally influenced our thinking.

The shift to commissioning for outcomes

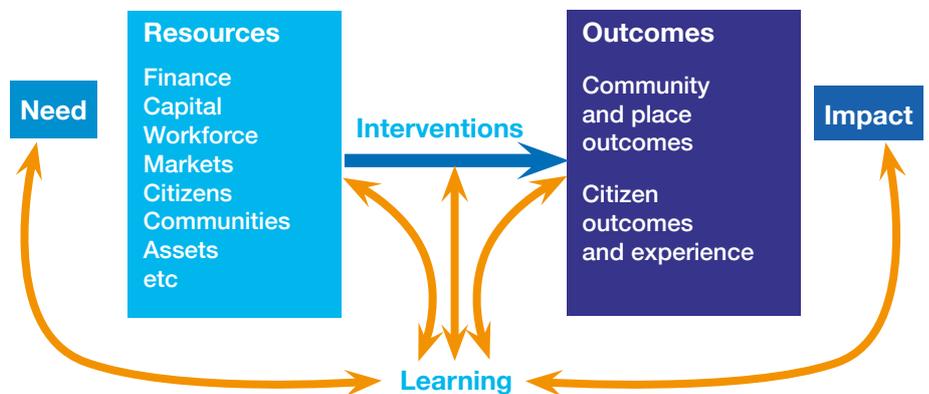


Dr Carolyn Wilkins OBE, the chief executive of Oldham Council, spoke at the launch of the local Commissioning Academy for Greater Manchester. She said that a council can simply procure a contract, for example for street cleaning, or they can ‘commission for clean streets’, which involves thinking about multiple factors, including the position of bins, when they are collected, whether the architecture of local buildings encourages wind alleys, and how the community can get involved in preventing litter dropping.

Commissioning should be taking a much wider view of ‘resources’, moving beyond thinking only about individual and pooled budgets, to see the huge range of things that can be marshalled and influenced – partner efforts, voluntary and community efforts, market and delivery innovation, technology, the power of public services to affect context (from social norms to urban design to legislative regimes) and, most importantly, the resources of individuals and communities to help themselves.

‘deciding how to use the total resource available in order to achieve desired outcomes in the most efficient, effective, and sustainable way’

Adapted from Outcomes and Efficiency Leadership Handbook by R. Selwyn



Commissioning similarly has to grapple with a much more challenging concept of outcomes. While it is the job of procurement to force officers to do the hard work to put their requirements, goals, and aspirations into contractable form, commissioners will be seeking to achieve their outcomes through a wide variety of mechanisms, and come face-to-face with the reality that only the people and communities in question can really define and own the outcomes.

What works for one family might not work for another, and in fact might clash with the outcome their neighbour is seeking. And if you aren't limited to entering into legal contracts for money to 'deliver' outcomes, you'd better start paying attention to the importance of the people actually doing the work and generating results at the frontline. Note that this is very different from payment by results, even though this is often confused as 'commissioning by outcomes' or similar. Evidence shows that payment by results should only be used selectively, carefully, and in strictly limited circumstances.⁵

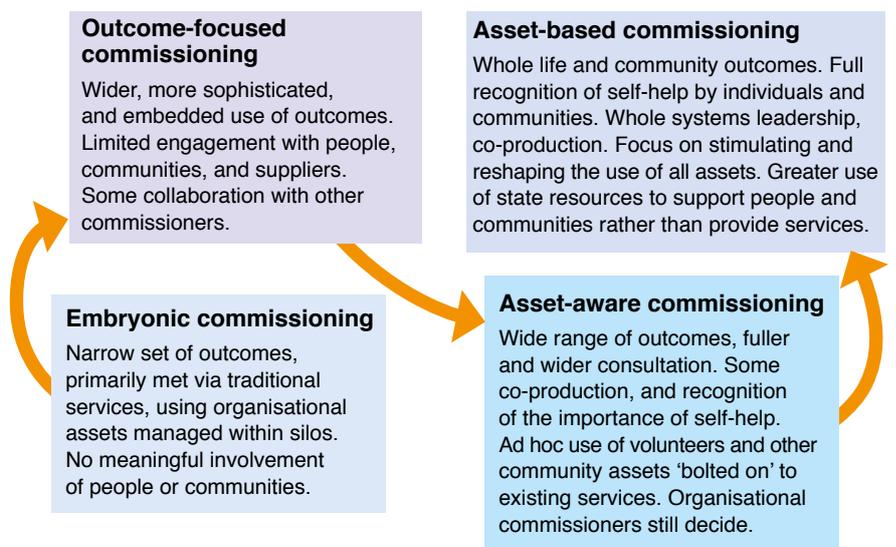
So commissioning is free to move from 'using money to meet needs' to 'finding interventions that can help achieve outcomes', choosing from all resources that can be seen and influenced. This implies a far different, and far more complex, learning cycle than contract review. Commissioners must seek multiple interventions that can provide richer learning, quicker.

Commissioning 3.0 – building on assets

Probably an equally significant paradigm shift, but one which might well fit with the commissioning 2.0 approach, was proposed by Field and Miller⁶ in 2017 – commissioning that starts not with needs, but with assets – a strengths-based approach. The shift really occurs with the move from what they

define as 2.5 – commissioning that takes into account assets of people and communities – to 3.0 – enabling people, communities and organisations, as equal co-commissioners and co-producers, to make best use of, and further develop, their complementary assets to improve whole-life and community outcomes.

Development of asset-based commissioning



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Radical approaches – how commissioning could develop

Most forms of change tend to be based on a fixed and arguably narrow view of what needs to be changed or how business or analysis should work. Instead of leaping to potential solutions and working backwards, commissioning focuses on the real needs that should be met by the business activity, and takes a much wider approach to understanding user, business, and market perspectives, which generates a broader and more innovative range of options including make/buy/borrow and so on. This means that you never stop learning because you are constantly getting feedback from user, organisation, and market perspectives.

Aspect of commissioning - Gary Sturgess



In many ways, systems change is a natural end point.

Commissioning in the middle

Commissioning can also play a critical role as a 'middle class' between policy, funding (the 'upper classes'), and delivery ('the working classes')⁷ – providing a vital role in pushing back on either side when appropriate, 'gluing' the system together, and taking responsibility for the whole. It also implies both the class conflict with which we in the UK are so familiar, and the challenging conditions of being 'in the middle' that Barry Oshry has identified so effectively.⁸

Commissioning as a systems change role

The field of systems change has emerged internationally from a combination of philanthropy, environmentalism, community development, futures studies, and system design. But it's also a natural extension of place-shaping, and the best of local government work, from the Wigan Deal to community development in Plymouth – the kind of examples set out in our Public Service: State of Transformation reports.

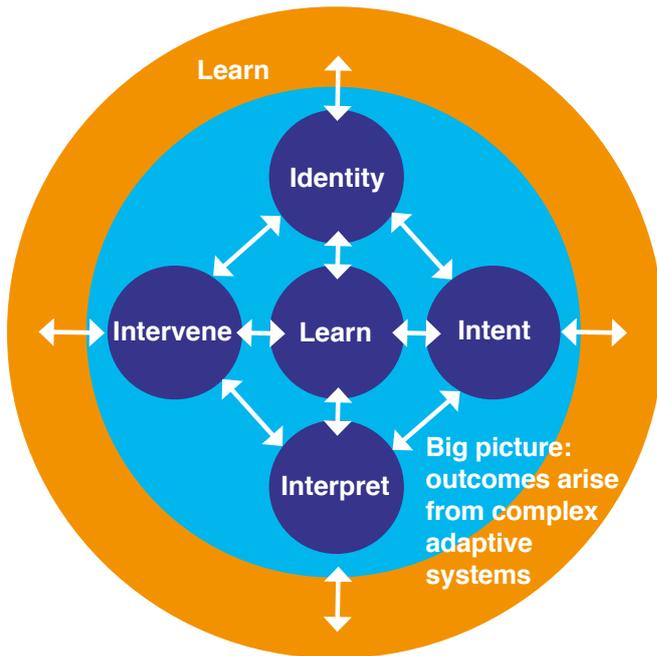
In many ways, systems change is a natural end point. As you work with public services, you realise that the power and leverage is and should be in the hands of the citizens. As you work on cross-organisation leadership, you realise that holistic thinking is needed. When you try to really tackle wicked problems, you realise that no intervention will do it directly: the whole thing has to shift. Systems

change is surely coming. This is challenging when you face financial crises, inspections, and 'events' – but every commissioner is a systems change agent in reality, whether they want to be or not.

Ironically, of course, civic municipalism and the beginning of public services arose from precisely the kind of entrepreneurialism that systems change advocates. So perhaps we can find our way back to a future that allows systems change to really take root.

No intervention will do it directly: the whole thing has to shift.

An element of the RedQuadrant #systemschange approach



You never stop learning because you are constantly getting feedback from user, organisation, and market perspectives.

What has commissioning learned to become?

Every organisation and every individual needs to find their position in this landscape – a way that fits context, place, language, and possibility. What is notable about the developments we have sketched out is that they also mark a development of humility, just as the rather grander progress of science has reduced humankind’s place in the universe from central to peripheral. And as the commissioner becomes less and less the centre of their universe, they grow in influence and true power.

Part of this is recognising that commissioning is not a standalone discipline, but deeply connected with:

- funding which is outcomes-focused but process-based (paying ‘doing the right thing’ rather than encouraging ‘gaming the system’);
- supporting integration/complementariness of systems interventions;
- service design and more effective implementation of change;
- considering the whole market long-term and other systems mechanisms like individual funding, as well as grant funding;

- alternative service delivery including public/private partnerships; and
- devolution of spend to the lowest possible level

Everyone needs to be a commissioner these days. Everyone needs to think upstream and downstream, needs to think about wider resources, real personal outcomes, interventions, and learning. The shifts we have seen, and we see the possibility for, move commissioners from the left to the right in the table below.

Commissioning shifts

from	to
innocence	responsibility
centrality	humility
power	impact
services	outcomes
cold data	warm data
expertise	learning
separation of commissioning and service design	shared responsibility for outcomes

Commissioning will most likely remain a diverse range of approaches and continue to provoke a range of responses. And, at the same time, it is distinct from ‘conventional’ public sector management; it has integrity and holds together as a thing. Central to the ‘thingness’ of commissioning are questions like: ‘what do people need?’, ‘what are we trying to accomplish?’, ‘what resources are available?’ and ‘what are the best ways to achieve the desired outcomes?’ At its best, commissioning is about systems thinking, leading without answers in a complex context; it is about experimenting and failing and learning.

Why wouldn't a leader in the public sector want to know the answers to the questions above, why wouldn't we want to think and lead systemically? Surely we are going to have to change our relationship to failure if we are going to innovate our way out of trouble. To paraphrase Steinbeck, perhaps the ancient commission of the public sector leader has not changed. She or he is charged with exposing our many grievous faults and failures, with dredging up to the light our dark and dangerous dreams for the purpose of public service improvement.

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With credit to Richard Field for earlier content on which portions of this piece are based.

Inputs to our thinking over the years have come from collaborative work across Commissioning Academy faculty and alumni past and present – including Richard Selwyn, Karen Tyerman, Peter Johnson, and (particularly) Richard Field, who developed much of this material – from PSTA partners, and from contributions we have sought and valued from Professor Gary Sturgess, Max Wide, and others.

Benjamin Taylor

Benjamin is the PSTA chief executive. He has been in local public service reform for over 20 years, from front line work in an advice centre through work at the heart of a council's leadership, to setting up RedQuadrant precisely ten years ago, this year named among the Financial Times UK's Leading Management Consultants 2019.

He believes passionately in the power of systems thinking, system leadership, and systems change to improve the experience of organisations and public services for employees, customers, and citizens.

¹ Public Administration and Constitutional Affairs Committee www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-and-constitutional-affairs-committee/news-parliament-2017/carillion-outsourcing-report-published-17-19/

Work and Pensions and BEIS Committee: www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2017/carillion-inquiry-17-19/

Public Accounts Committee: www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2017/carillion-17-19/ and www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2017/carillion-risk-assessments-report-published-17-19/ and www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2017/strategic-suppliers-report-published-17-19/

NAO: www.nao.org.uk/report/investigation-into-the-governments-handling-of-the-collapse-of-carillion/

Garath Symonds

Garath is a former Assistant Director for Commissioning in local government and is a consultant, and interim manager who specialises in strategic commissioning, prevention and early intervention, and public service transformation. He is also an executive coach working with leaders from public, private and charity sector.

A thought leader and experienced commission practitioner, he led a major transformation that won Best Public Procurement in 2012 and was showcased by the OECD for its innovation in public service reform. Garath advised government on how to set up the Commissioning Academy in 2012 and is an alumnus of the pilot cohort. He is now a facilitator and speaker at Academies and in 2018 he was a Fellow of Practice at the Government Outcomes Lab at the Blavatnik School of Government, University of Oxford. He is currently the commissioning lead for RedQuadrant.

² For a fuller history see Sturgess, Gary L. (2018). Public service commissioning: origins, influences, and characteristics, Policy Design and Practice <https://www.tandfonline.com/doi/abs/10.1080/25741292.2018.1473100>

³ Nora Bateson, 'warm data': <https://norabateson.wordpress.com/2017/05/28/warm-data/>

⁴ Adapted from Field, R. and Oliver, J. (2013). Effective Commissioning in Health and Social Care.

⁵ Russell Webster www.russellwebster.com/category/commissioning/pbr-2/

National Audit Office www.nao.org.uk/press-release/outcome-based-payment-schemes-governments-use-of-payment-by-results-2/

⁶ Asset-Based Commissioning: Better Outcomes, Better Value, by Richard Field and Clive Miller, Bournemouth University 2017 <https://ncpqsw.com/publications/asset-based-commissioning/>

⁷ Gary Sturgess – see video www.youtube.com/watch?v=eR8mGOhwAmc

⁸ See www.powerandsystems.com