

# Leeds Commissioning Code of Practice

Approved at Third Sector Partnership, Monday 22 January 2018

**A guide for all partners around the commissioning of third sector organisations. Supporting implementation of the Compact for Leeds and delivery of the Leeds Third Sector Ambition Statement**

## Background

This Code has been drawn up by representatives from the public and third sectors, working together through Leeds Third Sector Partnership. It has been developed to support implementation of the Compact for Leeds 2017, which sets out principles to strengthen relationships between the public and the third sector in order to deliver the best possible outcomes for the people of Leeds.

The Code will help create the conditions to deliver the thriving third sector described in the city's Third Sector Ambition Statement, including a sustainable third sector infrastructure with a diverse range of organisations of different sizes and characteristics that work with partners to deliver the best possible outcomes for the people of Leeds.

The Code will contribute to the delivery of many of the city's priorities and ambitions, including the development of an Accountable Care System, where providers from all sectors work together to improve health, care and wellbeing outcomes for people. It will also support the city's new Inclusive Growth Strategy 2017-2023.

The Commissioning Code is focused on the Third Sector, but much of the guidance it sets out is relevant to the commissioning from providers in all sectors.

The Code is intended to provide a framework for and promote best practice in Commissioning, to encourage collaboration and co-ordination between commissioners and all sectors in Leeds. It draws on both national and local work on the development of best practice in commissioning and procurement e.g. the Commissioning Principles build on the LGA Good Commissioning Standards.

The Code recognises that traditional provider organisations, in both the public and third sector, increasingly play a commissioning role and the Code is intended to influence the practice of all of these commissioners. It does not set out a rigid approach to be used in all cases, but general approaches that can be drawn on across the range of commissioning activity e.g. the Code will also have application in the new context of accountable care, where third sector providers will need to forge mutually beneficial relationships with the existing major providers of health, care and wellbeing services.

The Code is relevant to all third sector commissioning activity, but it has been drafted to ensure that it comprehensively addresses issues related to the commissioning of "people services".

The Code recognises that whilst there is an assumption that most commissioning is planned and follows recognised commissioning cycles and arrangements, there are times when the processes and implementation need to be responsive to circumstances and appropriate and proportionate to the level of investment and the outcomes being pursued.

The Code supports the Compact's principle of Maximising the Impact of Resources, which seeks "a Leeds where partners work together to support innovation, encourage enterprise and ensure that the available local and external investment, in-kind contributions and other resources are used in the most effective way and are directed at the agreed priorities and the needs of the people of Leeds" and their communities.

The Code also supports the Compact principle of Maximising Social Impact and achieving "a Compassionate Leeds where everyone benefits from the city's economic growth, and public and third sector partners promote social responsibility, the building of social capital and delivery of social value". This in turn links to and supports the Leeds Social Value Charter, which has been endorsed by all the major partners and sectors in the city, and which aims to enable the city to secure maximum value from the Leeds "pound".

# Leeds Good Commissioning Principles

## 1. Focuses on People and Place and reducing inequality

Good commissioning will deliver the best outcomes for the people of Leeds, with a focus on reducing inequality of outcomes which link to factors including the place where people live in the city, their experience or specific aspects of their identity (e.g. protected equality characteristics)

## 2. Person-centred and focuses on outcomes

Good commissioning is person-centred and focuses on the outcomes that people say matter most to them. It empowers people to have choice and control in their lives and over the services they use.

## 3. Co-produced with people, their carers and their communities'

Good commissioning starts from an understanding that people using services, and their communities, are experts in their own lives and essential partners in the design and development of services. Good commissioning creates meaningful opportunities for leadership and engagement of people in decisions that impact on the use of resources and the shape of local services.

## 4. Considers equality, diversity and cohesion in all commissioning and is proportionate

Good commissioning ensures that equality, diversity and cohesion legal obligations and more proactive ambitions are considered and integral to all commissioning practice. The commissioning approaches need to be well informed, appropriate and proportionate to the size of contract, circumstances and must demonstrate a clear rationale.

## 5. Is Well led

Good commissioning is delivered through the leadership, values and behaviour of senior leaders and commissioners of services and is underpinned by the principles of co-production, personalisation, and integration, the promotion of health and wellbeing and delivery of the city priorities.

## 6. Commissions by influence

Good commissioning includes strategic leadership which helps to set aims and ambitions and influence partners as well as direct commissioning.

## 7. Demonstrates a whole system approach

Good commissioning convenes and leads a whole system approach to ensure best use of all resources in a local area through joint approaches between public, *third* and private sectors.

## 8. Uses evidence about what works

Good commissioning supports innovation, but it also uses evidence about what works; it uses a wide range of information to promote quality outcomes for people and communities

## 9. Ensures diversity, sustainability and quality of the market

Good commissioning ensures a vibrant, diverse and sustainable market able to deliver positive outcomes for people and communities. It is concerned with sustainability, including financial stability of providers.

## 10. Provides value for money

Good commissioning provides value for money by identifying solutions that ensure a good balance of quality and cost to make the best use of resources and achieve positive outcomes for people and communities. It also recognises that value for money is also achieved [by ensuring that](#) resources are targeted at areas and communities of most need.

## 11. Develops the commissioning and provider workforce

Good commissioning requires competent and effective commissioners and facilitates the development of an effective, sufficient, trained and motivated workforce through the coordination of workforce planning.

## 12. Promotes positive engagement with providers

Good commissioning promotes positive engagement with all *service* providers. This means market shaping and commissioning are shared endeavours, with commissioners working alongside providers and *citizens* to find shared and agreed solutions.

# Actions to deliver Good Commissioning

- The Commissioning Principles will be implemented in accordance with individual organisations and commissioners financial processes
- **The Actions set out below are intended to provide practical guidance to commissioners around implementation of the Principles**
- Not all of the actions are applicable or appropriate in all circumstances

<b>Needs Assessment</b>
Available data and intelligence, including from the third sector, to be used to inform understanding of needs and demand and the context for any intervention
Service and sector reviews to be open to all relevant stakeholders
Involvement of and / or co-production with local communities, existing and potential service users and appropriate others

<b>Planning</b>
Where possible commissioners should co-ordinate funding priorities and arrangements
Demonstrate a full consideration of the options to deliver the desired outcomes, including for example: the size, length and number of contracts and the appropriate type of funding
Allow appropriate time for market and service development, including time for consortium or partnership development and the mobilisation of any service or project; consider what support is available to facilitate the strengthening and development of capacity in delivery organisations
Where appropriate seek ways to include the 3rd sector as a commissioning partner, including providing opportunities for involvement in the scoping, design and evaluation of funding and contracting programmes

<b>Commissioning and Procurement (including Grant-making)</b>
To open up the delivery market: <ul style="list-style-type: none"> <li>- use agreed vehicles for communicating commissioning opportunities to the local third sector</li> <li>- run market engagement / meet the buyer events for every opportunity, open and promoted to all providers</li> </ul>
To meet niche demands: <ul style="list-style-type: none"> <li>- use the flexibilities allowed in the procurement regime, including use of lots, grants and other options</li> </ul>
Maximise and recognise Social Value <ul style="list-style-type: none"> <li>- reference Leeds Social Value ambitions in specifications and give recognition with appropriate scoring of the impact made by the local third sector on social capital and social value</li> </ul>
Balancing Quality and Price: <ul style="list-style-type: none"> <li>- use an appropriate balance between price and quality in setting assessment criteria and maximise the weight given to quality in each case</li> <li>- avoid predatory pricing by bidders by setting a minimum acceptable price, or a fixed price, for each tender</li> </ul>

Proportionate and consistent documentation:

- Develop and use documentation for bids and monitoring which is proportionate to the contract
- Maximise consistency across documents and templates and apply the 'ask once, use many times' principle for questions, documentation requests, evidence etc

Feedback and evaluation

- Seek feedback from successful and unsuccessful bidders, and non-bidders who expressed an interest, to inform "lessons learned" reviews and continuous improvement.
- Unsuccessful bidders should be offered appropriate and timely feedback.

Compact for Leeds

- Reference the Compact in the terms and conditions of all funding agreements with third sector and/or in offer letters, as appropriate

**Contract Management**

Ensure that reporting requirements, including monitoring, evidence for financial claims and quality assurance are proportionate to the level of funding, risk and activity; if appropriate, that beneficiaries can contribute; that there is coordination between commissioners and active liaison between commissioners and providers

Ensure that monitoring and evaluation provide a sufficient assessment of performance and impact to inform future investment and the identification of good practice and service improvement opportunities. Including for example analysis by geography, protected characteristics, community.

Any planned changes to the level of funding, or any proposed cessation of the contract, should where possible provide a minimum of 6 months' notice and consideration should be given to the impact of any changes

Commissioners will enter into discussions when contract terms and conditions are breached, or where there are performance issues, allowing a reasonable time for remedial action, before a default notice is served in accordance with the T and C's

**Making contract savings and de-commissioning**

Commissioners will develop and move towards a shared decommissioning approach, including the following actions:

All decommissioning proposals must be based on evidence, including needs assessments, detailed equality and service impact assessments and consultation with or other consideration of customers, service users

Providers must be engaged as early as possible to allow time to adjust to the end of the investment, including, commissioners providing a minimum notice (6 months wherever possible) and offering or signposting to appropriate support

**Proposed annual review of the impact of the Commissioning Code and its application, which might include for example:**

Reviewing application of the Code, not reviewing all of the commissioning.

Impact on TS market; Diversity of TS market; Value for Money; Impact on the population; Impact on services, projects, outcomes (Proposed discussion at January TSP)