



Results by proxy

How Police and Crime Commissioners can commission effective public services

The introduction of Police and Crime Commissioners (PCCs) will fundamentally alter the way forces work with local agencies and partners. Effective commissioning will be at the heart of these relationships. In the first of a series of supplements to 2012's *Crossing the line – A pocket guide for Prospective Police and Crime Commissioners*, this short briefing provides actionable insight and advice for PCCs to help them set up and run effective commissioning functions.

As media and political interest fades in the wake of the elections last year, the business of embedding PCCs into a complex local delivery landscape will begin in earnest. PCCs have spent the last few months meeting key stakeholders, signing-off financial settlements and agreeing their Police and Crime Plan. Near term priorities must make, and be seen to make, an impact.

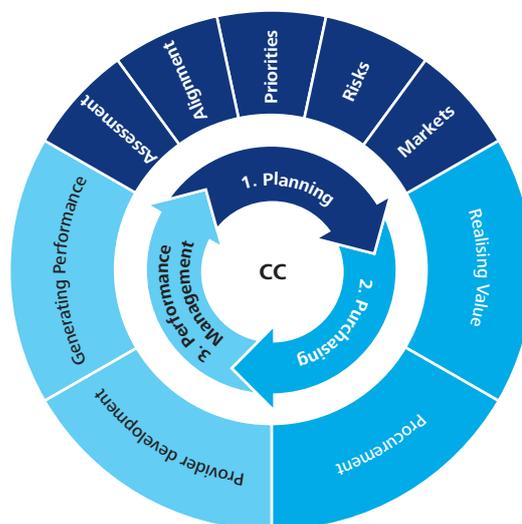
Equally, to make meaningful improvements against volume crime that burdens police resources, it is vital that PCCs tackle the causes of crime as well as its symptoms. The role has a statutory duty to engage local partners to run prevention work across services that directly influence the medium term crime rate. Commissioning third party providers, whether public agencies, charities or private sector, is a key part of running effective and measurable prevention services.

Based on a specific project for the Police and Crime Commissioner for Hampshire as well as wider commissioning work across criminal justice services, Deloitte has identified some **key principles** plus **three practical things** PCCs need to consider when building commissioning capability.

What is commissioning?

Often confused with procurement or purchasing of public services, commissioning is the process of specifying, securing and monitoring services to meet defined need at a strategic level. It describes an ongoing cycle with three stages rather than one-off activity. It is a whole-system approach to achieving outcomes.

Figure 1. The commissioning cycle



Though relatively new to the commissioning world, criminal justice services such as offender management now operate through the NOMS Offender Services Commissioning. The Ministry of Justice is also experimenting with payment by results models. In policing, PCCs will not start from a blank canvass. Existing commissioning and partnership activity – some of it extremely effective and relevant to PCCs’ remits – is already in place across England and Wales.

Five principles

Based on our experiences in Hampshire and the Isle of Wight, the relative immaturity of the PCC model and the fiscal climate, PCCs could consider five key principles to underpin their commissioning models:

1. PCC commissioning activity should be **iterative**. It should build on existing good practice across each force area, particularly in health and local government, or where high concentration of service demand has compelled agencies to be genuinely collaborative. It should focus on expanding delivery through proven models and providers.
2. PCC commissioning approach should be **flexible**. It should balance the need for strong governance and financial controls with a willingness to let providers decide how they reach outcomes at local level. PCCs should scrutinise outcomes, not provider method. No one set of processes, financial controls, risk appetite or evaluation will be right for all services. Strategy and controls must be set at the appropriate level. Management of MAPPAs arrangements for example, typically requires an integrated, force-wide approach. Anti social behaviour by contrast, occurs in some communities, but not others. It is inherently local as an issue, and requires a local response.
3. The Commissioning cycle must be managed through **robust management capabilities**. Effective commissioning depends on strong governance, and performance measures that demonstrate impact against defined outcomes. It may also involve financial relationships that may become more complex if PBR or investments in provider capacity are used.
4. Effective, **active communications** is vital to good commissioning. PCCs must closely engage co-commissioners, providers, and service users. In commissioning, strategic communications helps to define need, evaluate purchasing options, and understand the business drivers and priorities of partners and providers. It also promotes trust at an organisational and local level. By combining a little money and a lot of communication, many PCCs may be able to meet priorities more easily through influencing others.

5. Effective **intelligence and data sharing** will be important to improve the overall quality of commissioning on a cyclical basis. High quality data is key to good planning and performance management. Many forces are now effective at sharing operational and management data with partners. But for other areas, such as on criminal health outcomes, systems are weaker. A key decision is how far PCCs should mandate consistent reporting as part of service level agreements, given differences in provider responsibilities and approaches.

The practicalities – Step 1: Get the governance right

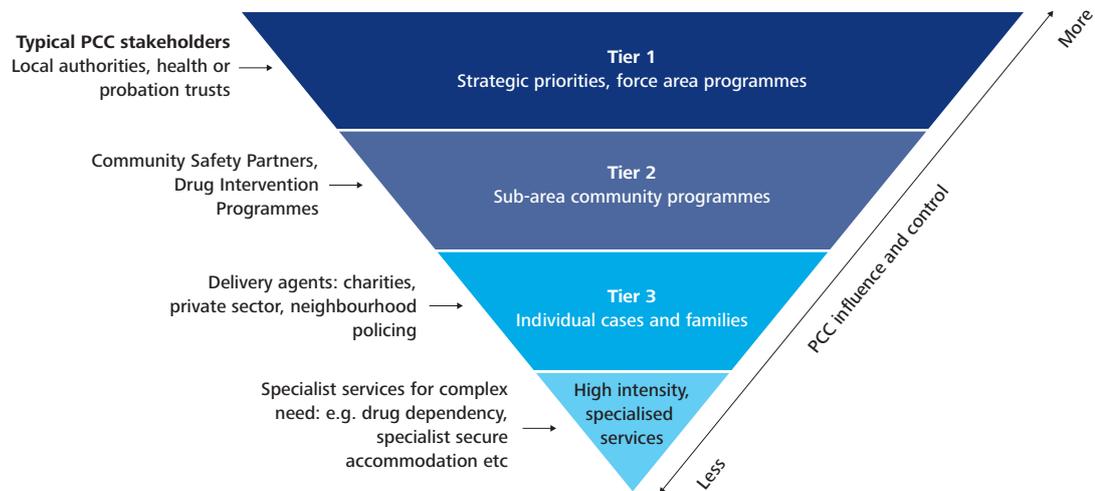
To achieve effective commissioning that builds inter-agency relationships and delivers results, PCCs must introduce the right capabilities and behaviours. This must start at the top. PCCs could consider a central coordinating point to lead commissioning business across a complex web of stakeholders. This governance could manage joint commissioning programmes with key partners across health, local government and criminal justice, including by promoting pooled or aligned funding to support joint activity.

The governance mechanism could also act as the central point to direct funding across the range of PCC responsibilities. In close consultation with others, PCCs might appropriate funding through a mix of commissioning models and grant awards. It could also coordinate and map crime prevention activity to illuminate overlaps and gaps. This capability would help to create a ‘single version of the truth’ to show where money is spent on crime-related prevention work across the force area.

Given capacity and legal constraints, in practice, PCCs may be unlikely to oversee all tactical and sub-regional commissioning decisions. In response, PCCs need to focus principally on strategic commissioning, and delegate secondary purchasing choices to others along a sliding scale of risk and impact (figure 2).

In this way, strategic commissioning will typically be supported by a patchwork of delivery and delegated commissioning programmes that operate at local level. It is vital that strategic decisions are influenced by local insight and experience of what works in specific areas. In most force areas, best practice and understanding of need is overwhelmingly held at the local level.

Figure 2. PCC Commissioning responsibility and practice across local public services



The practicalities – Step 2: Build the right team

PCCs that are serious about strategic commissioning will need first class support through a **professional commissioning team**. The business of commissioning is complex and multifaceted. It demands awareness of evolving local needs and stakeholder management as well as robust corporate disciplines such as financial controls, contract management and commercial awareness.

PCCs might bring in fresh talent or exploit existing capability in place across the force area to access the right skills. The commissioning team should place data and insight-led decision-making at the heart of its business operations. To convince partners, providers and users to share data, the PCC may need to consider how to incentivise information exchange and manage risk.

Building a commissioning team will take time. Commissioning skills are in demand across the public sector. Key roles may be relatively expensive to fill. PCCs could explore options to share key finance or partnership capabilities with third party organisations. Importantly, the team must manage a cycle that, over time, reinforces its own ability to commission – and decommission – effectively. It will need to demonstrate to partners and service users that the ‘feedback loop’ – the principle of acting on performance evaluations is run in good faith.

The practicalities – Step 3: Define risk appetite

PCCs need to think through what is right for their area in terms of new delivery models. Across criminal justice services, innovation will be a major driver of service improvement and cost reduction. But new ideas carry budget, delivery and political risk. Our analysis suggests many PCCs might consider iterative approaches to test new models. There are several reasons for caution:

- **A need to preserve existing good work.** There are many excellent collaborations and joint commissioning agreements in place across England and Wales. Formalised arrangements such as Integrated Offender Management or Drugs Intervention Programmes can often show concrete results in many areas. To ignore or circumvent these activities risks duplication and antipathy from key partners.
- Of new models on the table, some are **not ready to be deployed at scale**. The use of new approaches such as payment by results and service integrator delivery might be regarded by PCCs as a second term ambition. In 2013, some key private providers, though interested in developing PBR end-to-end service offerings, have not yet configured their core propositions or decided how to price them. Instead, PCCs could think about extending proven partnership working and make use of a ‘leverage’ model where relatively small amounts of funding is ‘geared-up’ to achieve outcomes through others.

- Many PCCs will need **time to build relationships**, understand what works at a local level, and observe other PCCs to understand market developments. For example, PCCs will take on some budget for youth offending, but will act as only one stakeholder in a complex web of budget holders and interests. To counter possible reluctance to take forward a long term vision or reform programme, PCCs could concentrate on a few targeted areas to run programmes that cut across election cycles.

- **Legal and accountability constraints.** Translating the enabling legislation into practice will illuminate the extent of PCC power but also demonstrate its limits. Many public bodies that would otherwise participate in joint commissioning arrangements are constrained from doing so by accountability requirements fixed by central government. This represents a major barrier to innovation. In 2013, accountability structures and reporting lines have not yet caught up with a new willingness at local level to work collaboratively.

In practice, PCCs could consider delivering *through* existing structures, not around them. This could include wider use of category management to drive integrated approaches, or attaching new outcomes and joint working targets to grant funding. PCCs could position themselves as an *investor*, rather than a funder, to pump-prime target markets and providers through support for capacity building.

- To change things, PCCs will need to **decommission effectively**. Decommissioning is the process of planning and managing a reduction in service activity or terminating a contract. This typically happens for three reasons: requirements against need change; providers underperform to an unacceptable standard, or providers withdraw from a contract for commercial reasons. In each case, the PCC will have responsibility to ensure managed withdrawal.

Decommissioning not only applies to contracts and grants but also includes internally provided functions and services. Good communication runs through the entire process from inception to evaluating the impact of the changes made. Similarly, the need to place user requirements at the heart of commissioning applies equally to decommissioning. Implementing provider change typically requires a different skill-set to the requirements of the commissioning cycle. Accordingly, if the PCC opts to decommission some services, specialist skills and advice (including legal advice) may be required.

Conclusion: what does good look like?

PCCs need to focus on what works for them in each force area. Most local agencies will undergo significant spending retrenchment over this election cycle and the next. Private and voluntary sector balance sheets will also be affected. This trend may lead to innovations in specific services and approaches, but overall, the lack of resources may constrain willingness to take risks with new and untested providers.

On the other hand, if the PCC has a firm grasp of how well-run commissioning can bring down cost and drive up service quality improvement, then there is significant opportunity across each force area. Fundamentally, the savings brought about by interventions and judicious use of prevention programmes is a compelling reason for PCCs to get it right on commissioning.

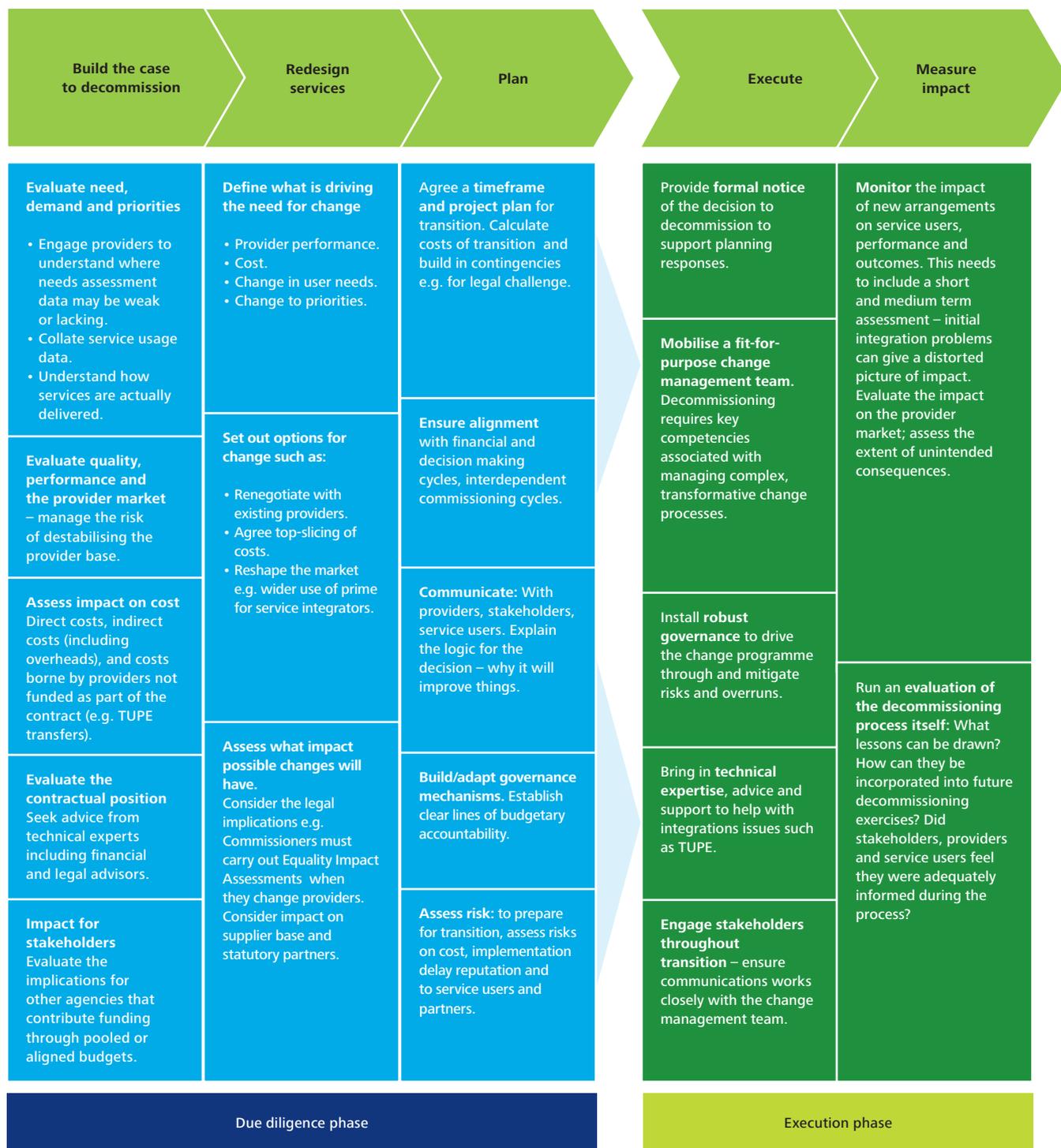
PCCs must also accept that commissioning programmes are unlikely to transform service outcomes and reduce cost on day one. PCCs might view commissioning excellence as a long term objective, with progress against a maturity model a key part of the learning curve.

The work to develop capability could be supported through understanding of strategic commissioning models and processes from across health, local government and other parts of the criminal justice system. This, together with close scrutiny of how other forces approach the issue, might act as the basis for PCCs to understand what it takes for commissioning to work in practice.

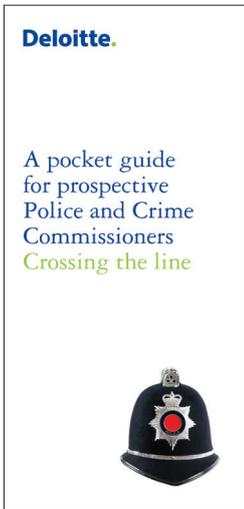
Acknowledgements

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Figure 3. Effective decommissioning

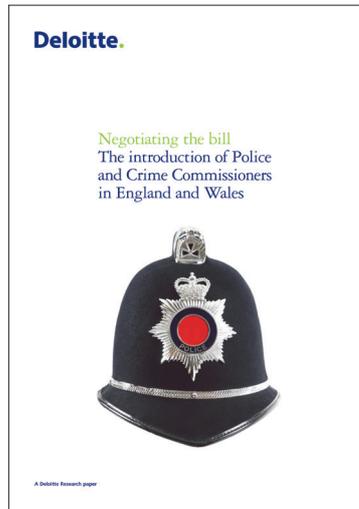


Further information



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Negotiating the Bill:
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