

Cabinet Report (22.04.10): "A Council the City Deserves"

INTELLIGENT COMMISSIONING (A Social and Economic Case)

... Creating and Sustaining Public Value on a Reducing Resource Base

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Intelligent Commissioning

1. “A Council the City Deserves”... Transforming Brighton and Hove City Council

As a Council we are aware of the significant financial, social and environmental challenges we face at both national and local level and whilst we have been reasonably successful so far, the fresh eyes of a new Chief Executive pointed out that we are not well placed to be the Council that an innovative and dynamic city like Brighton and Hove deserves unless we make some significant changes. In particular we have identified: -

1. We need to be more **efficient** in the way that we use a range of resources to deliver services.
2. We need to be more **effective** by ensuring all that we do has real impact on the important outcomes the city needs
3. We need to be better at meeting the needs of **customers / service users** and in the way that we interact with them
4. We need to **engage better** with our residents providing opportunities for people to take greater control over their lives and communities and become more actively involved in civic life.

In creating the Council the City Deserves it is vital we actively sustain and develop the long-term social, economic and environmental wellbeing of both our current residents and future generations and that in so doing we improve the reputation of the City Council, public service and local civic activity. We will need to change the way we present ourselves to individual residents and communities in order to achieve this.

This social and economic case for “Intelligent Commissioning” focuses on several of these elements. Intelligent Commissioning provides a way to ensure the City Council understands the needs of the City and is effective in meeting them and provides broader “public value” (a fundamental part of better engagement with residents, communities and other stakeholders).

Our overall aim is to create stronger outcomes through intelligent commissioning. By stronger outcomes we mean that what we do must have an even stronger impact on the lives of citizens. By “intelligent” commissioning we mean adopting a commissioning approach based on strong evidence and understanding of need; that joins up activities behind the key outcomes or themes that matter most and that harnesses the knowledge and experience of citizens, communities, staff and partners in the design, production and delivery of services and solutions.

It is a radically different way forward and one that is essential for the rapidly changing times in which we operate.

To successfully “place shape” Local Authorities need to take a long-term approach to commissioning services which harness the expertise of all types of providers. It *“requires public bodies across a community to step back and take an overall view of their role in the locality... the leadership required is about imagining and delivering new solutions that may not yet exist, drawing on the expertise of local partners and engaging in effective partnerships... giving life to strategic planning and resource allocation”* (“Improving the strategic commissioning of public services” CBI and LGA 2008).

2. What is Intelligent Commissioning?

Intelligent Commissioning is essentially a mechanism which enables the long-term and widest perspective for the City to be taken in balancing needs, priorities and resources.

It builds on the model of strategic commissioning most often associated with Health and Social Care but whose application is becoming far wider in UK Local Government. We are increasingly seeing Local Strategic Partnerships / Public Service Boards moving away from an advisory role to one in which they are central to the cross partnerships driving of Local Area Agreements and delivering the longer-term ambitions set out in Sustainable Community Strategies.

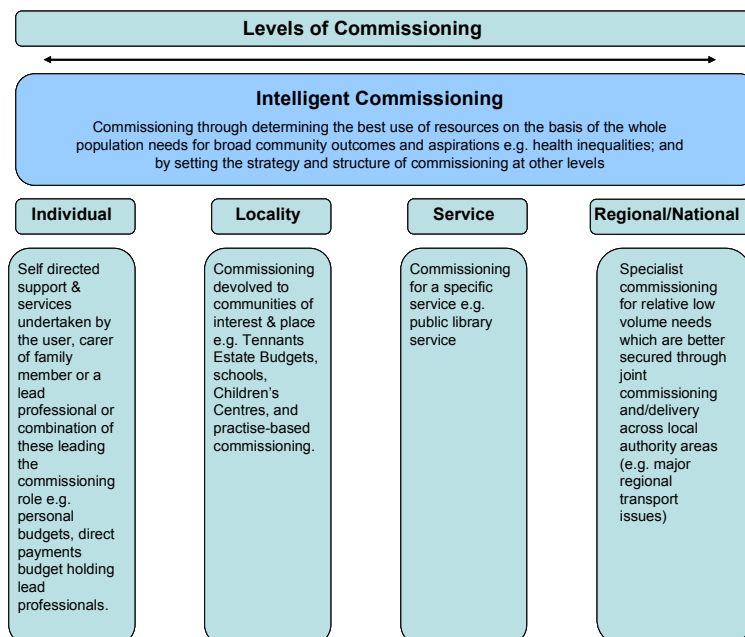
Local Authorities across the UK are moving from a narrow service delivery to a commissioning role across all of their functions, focussing on the delivery of community and citizen centred outcomes rather than traditional service patterns.

The transition to an Intelligent Commissioning model for Brighton and Hove involves a significant change in approach by delivering the outcomes that people want at a cost that can be afforded and, at the same time, tackling the seemingly intractable underlying issues that continue to beset progress against key community objectives.

The spectre of significant overhanging public debt adds urgency to an already ambitious agenda driven by the scale of demographic, social, economic and environmental change in prospect over the next decade. It is widely recognised that current service models will be neither affordable nor sufficient to meet anticipated needs within the likely reduced resource base.

Whilst Intelligent Commissioning can operate at a “Council only” level (and probably initially will) at its most powerful it can be deployed systemically and requires bringing together the commissioning intentions of the Council with other local statutory partners (e.g. PCT, Police Authority, Fire and Civil Defence Authority, Learning and Skills Council, Department for Work and Pensions etc.). At a cross city level the approach implies joint commissioning functions embracing leadership teams across the local public sector guided by both democratically elected councillors and appointed board members from other bodies.

At its most effective Intelligent Commissioning for any given outcome will need to operate at a number of different levels. Figure 1. below identifies the levels at which Intelligent Commissioning has been shown to effectively operate in any given place.



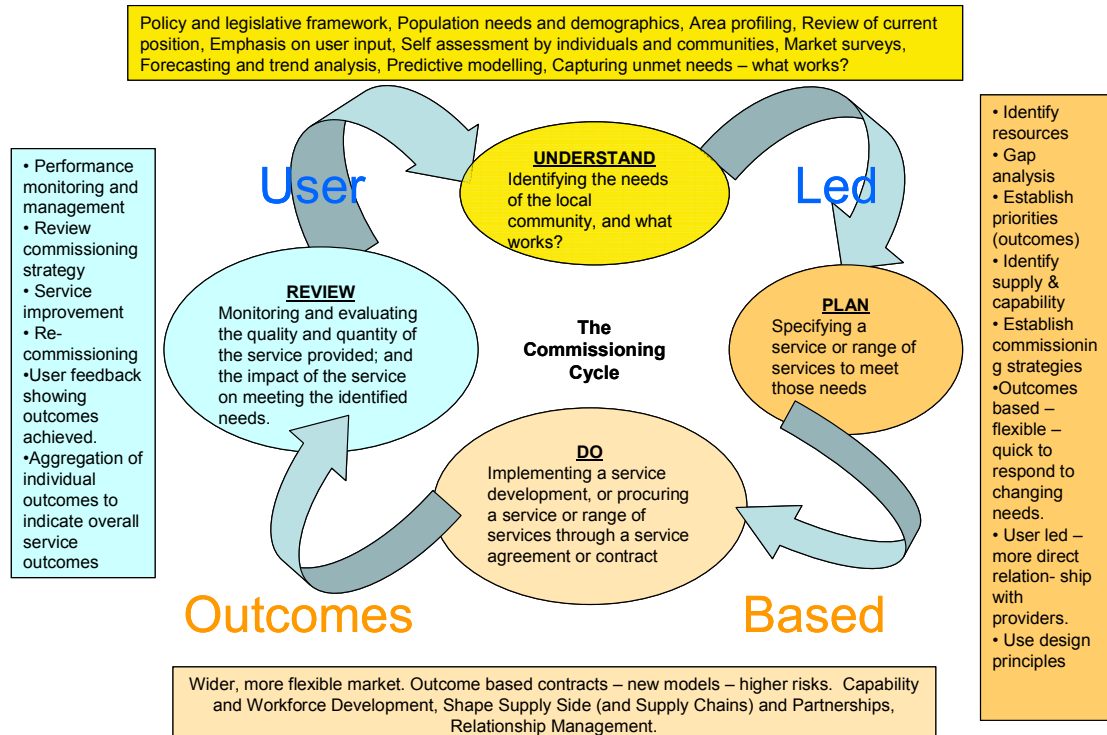
3. What are the Components of Intelligent Commissioning?

Evidence from across the UK suggests that there are essential components for a good Intelligent Commissioning approach. The nine key elements are: -

- 1) That a strategic and long term perspective is taken to balancing needs, priorities and resources with clearly identified desired outcomes.
- 2) A whole system approach linking strategic objectives to outcomes required from individual services and specific outputs from delivery arrangements (not just looking at service productivity but public value in the broadest sense, social return on investments and outcome results). High quality intelligence (giving a strong understanding of current and future needs of the area) is widely shared between partners.
- 3) Intelligent commissioning is fundamentally an evidence based approach. Needs, outcomes and the activities for delivering outcomes are based on robust use of data and evaluation. If demographic shifts are evident or new needs identified then services can be more rapidly commissioned or decommissioned in response.
- 4) The totality of available resources is well understood (as are the collective benefits of sharing them).
- 5) The Local Authority (at a council wide level) and the LSP / Public Service Board (at the city wide level) represent the broadest community interest and influence across the public service landscapes. By splitting commissioning and delivery roles the interest of the citizen can be championed by those commissioning and the promotion of service improvement championed by those focussing on delivery. Separation of the “decider” and “deliverer” roles are key. Both become specialised and both accountable for their parts of the Outcome chain. Once strong evidence of need and outcomes are clear commissioners will be agnostic about the best mechanism or best supplier to meet those needs. This focus upon achieving outcomes frees up potential markets (including community or mutual solutions) for service delivery and the relationship between commissioner and delivery unit. It allows a greater focus on quality, new opportunities for innovation and clarity for deliverers upon what is required. At its best it can liberate delivery units to operate in ways that best suit service users and can stimulate innovation and new models of meeting needs.
- 6) Clear identification of ineffective services and interventions with decommissioning and recommissioning and strong challenge of existing delivery mechanisms.
- 7) Services are designed to meet the needs of all sections of the community rather than being passive consumers of services users are involved in establishing need and assessing how those needs are best met and increasingly in the co-production of solutions. Service users are integral to commissioning. Needs analysis assesses the level and distribution and needs amongst the given population. User views are strongly represented during needs analysis. The monitoring and redesign of services and how they are delivered fully engages with users and the wider community.
- 8) Intelligent Commissioning needs established commissioning standards (including commissioning delegations via frameworks and strategies) and all operating systems support the approach (including data management and information systems, budgets, workforce development, performance management, governance and procurement). The system shapes, grows and stimulates innovation in partners, communities and markets and uses strong design principles to challenge and identify the best solutions to achieve outcomes.

9) Strong performance management and governance of service deliverers and commissioners take place at different levels. Performance management focuses on success in delivering outcomes (and moves away from current approaches where many performance indicators (PI's) measure outputs as proxies for outcomes).

Much of the methodology for Intelligent Commissioning is based on the existing principles of Strategic Commissioning (issues such as commissioning cycles etc are now well understood and the diagram below sets out in schematic form how the cycle usually operates).



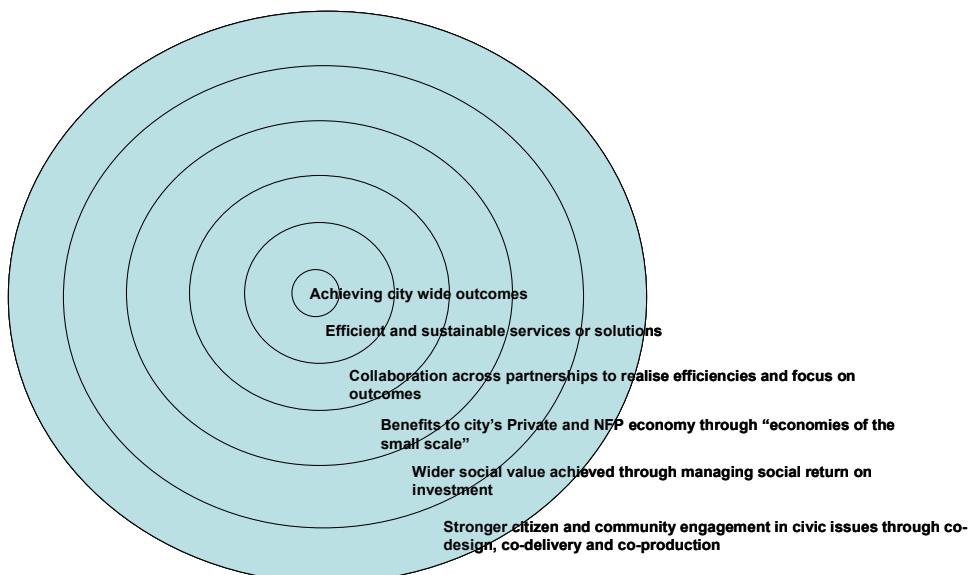
Intelligent Commissioning differs from strategic commissioning (e.g. World Class Commissioning in Health) and strategic procurement. Intelligent Commissioning takes active account of the social and economic “big picture” issues set out in this paper, strategic commissioning at its best, will do so but on many occasions struggles to deliver the broader societal benefits needed. Strategic procurement (e.g. the recently let Housing Repairs Contract at the City Council) whilst drawing on several elements for Intelligent Commissioning is generally about leveraging additional benefits from traditional supply chains rather than bringing new community capabilities into play. The diagram below demonstrates some of these “new” resources that Intelligent Commissioning seeks to bring in as well as some of the levers best used to unlock those resources.

Intelligent Commissioning Capabilities and Levers

Intelligent Commissioning Objectives	Resources	Levers to Unlock Resources
<ul style="list-style-type: none"> -Behaviour change -Building social capital -Wise Contestability -Co-production -Developing markets / social enterprises -Raising aspirations -Secure service Provision -Shared services where appropriate 	<ul style="list-style-type: none"> -Communities of interest and place - In-house service teams - Local "institutions", Schools, GPs, FE, church/faith groups - Local Business Sector - Local employers - Local social enterprise - Local voluntary & community organisations (new mutuals ?) - Service users, carers - Specialist service providers across the public, private and third sectors -Statutory sector -User-led groups - Volunteers 	<ul style="list-style-type: none"> -Asset transfers & leasing - Capacity Building - Contracts - Delegation of functions - Direct Payments - External trading - Grant funding - Information provision - Joint ventures - Loans, guarantees - Partnerships - Personal budgets - Planning gain - Pooled Budgets - Regulation - Service level agreements - Social Marketing - Voluntary agreements

We know from past experience that periods of financial retrenchment in public services can lead to “salami slicing” / tactical cuts, cost shunting, lowest price only procurements and adhoc charging increases, all of which if undertaken on a piecemeal basis have the tendency to move costs to other parts of the system and ignore the potential for bringing the new capabilities set out above to service provision. As set out below this is one of the key economic arguments for adopting Intelligent Commissioning.

It is sometimes helpful to see the benefits of Intelligent Commissioning as being like ripples on the surface of a pool. Starting with the critical element of achieving important city wide outcomes the “added value” of the approach is described in more detail in this paper. In diagrammatic form this can be represented as follows: -



4. The Relationship Between Intelligent Commissioning and Value for Money (VFM)

For some years the Council has worked hard to improve its effectiveness through Best Value Reviews, Annual Service Planning etc. We recognise our productivity, like many Local Authorities, could be better still, and we have recently introduced a sophisticated council wide Value for Money Programme focussing on creating significant efficiency savings over the next 3 years. This is a vital strand of activity in becoming the Council the City Deserves and something we will need to replicate in future programmes and design into establishing and delivering an intelligent commissioning system over the medium and longer term.

National research and evaluation is now evidencing the limitations of a focus exclusively on efficiency without considering the wider benefits (e.g. social and environmental). What is becoming apparent is that our approaches into the future must be based on both **efficiency** (VFM) and **effectiveness** (Intelligent Commissioning).

At the national level the Gershon Review from the Office of Government Commerce (OGC) was explicit that only “cashable savings” should be counted and wider benefits to the community should not be considered given that the model used only recognised costs and the achievement of narrowly defined targets. Such an approach has begun to filter down from Whitehall, through regulators and has the potential over the medium-term to erode much of what is valued in public service provision. Initial evidence shows that pursuing short-term financial efficiency gains through competitive markets models can squeeze out the broader considerations of positive social and environmental outcomes that enable public services to better serve communities. There is a real risk, if we use the efficiency “gain” alone that it creates a “race to the bottom” in public service provision, much of which is targeted at the most vulnerable in our city.

The Whitehall driven focus on efficiency can actually undermine effectiveness. This consequence, though unintended, can be redressed through Intelligent Commissioning. Ultimately genuinely efficient and better public services must focus on maximising positive outcomes defined in terms of public benefit rather than solely minimising costs. We must be careful that in driving down costs and saving money for the public purse in the short-term we do not create false economy when viewed in terms of responding to the changing and complex needs of people and communities. This is not to say that we do not need to change the way that we operate, reduce our cost base and increase productivity, we clearly do. A well planned VFM approach, aligned with an Intelligent Commissioning system will help to ensure however, that in so doing, we can be confident that we are maximising opportunities to support and sustain our communities and residents over the longer-term.

5. The “Added Public Value” of Intelligent Commissioning

The “intelligent” in the name is intended to demonstrate the thought and care required to commission for our city and particular: -

- The thorough and evidence based understanding of need
- A strong and contemporary understanding of what works to meet the needs, how to inspire innovation and use design principles.
- Harnessing the intelligence and understanding of individuals and communities in co-design and co-production
- A strong understanding of the “big picture” needs of the city; inter-relationships between service providers and outcomes and how the most public value can be leveraged from the commissioning approach.

The previous section dealt with some of the limitations on focussing our approaches only on efficiency or the easy to measure elements of the effectiveness agenda. As such it dealt more with “designing out” some of the unintended negative consequences of those approaches. They are lessons learned from some of the poorer examples of strategic commissioning and strategic procurement from around the UK and establishing an Intelligent Commissioning model in Brighton and Hove must allow for efficiency without undermining or eclipsing true effectiveness.

Delivered well Intelligent Commissioning provides some real positive opportunities including: -

- Developing a new model for sustainable service delivery that links the existing but reduced resource base to clear outcomes based on well understood need. In so doing to harness the energy and resources of external partners (including communities) and ensure that what we deliver is based upon citizen’s needs (intelligently analysed) rather than “ways we have always done things”. The model will have a much stronger understanding of public value and real social return on investment (SROI)
- Redefining citizenship considering the fundamental questions about what it means to be a “good citizen” in Brighton and Hove. Recognising that community is a more mobile concept than it ever has been before; that people are able to exist in several public spheres / communities at the same time but that services and local government are still geographic is important. By using the long-term challenges and restrictive finances creatively to encourage real citizen engagement we can develop a much healthier relationship between the citizen and the state than “passive customer / consumer” (one that positively encourages people to become actively involved and take responsibility for issues in their city).
- To encourage and build social capital aimed at reducing isolation and encouraging connections between people and communities. This requires real debate about the values that govern civic life, actively creating connections between different parts of communities (e.g. young and old, rich and poor etc.), encouraging positive behaviours etc.

We need to take the opportunities to create deliberative social networking (both virtual and real) and finding ways to involve people in design of services and use of public space and other assets. The model will have a strong understanding of the efficiencies of the “small scale” and the value that they bring. They can ensure that the city has a society which makes the most of its talents, which is more resilient and thus better able to meet the challenges and complexities of contemporary life as well as contributing to the future economic and social well being.

- Increasingly shape participatory services. The opportunity exists to go well beyond the “choice” agenda, to embed personalisation across all services, engage well with people in service design, prioritisation and the “trade offs” that are often needed. Adopting new technologies and techniques, innovative forms of social enterprise, ensuring good co-design and co-provision and in-depth qualitative contribution to needs assessments and prioritisation will all be key (including grasping the opportunities of co-production).
- Sharing power and responsibility, the opportunity presents itself to embark on real “action based subsidiarity”. Devolving to community level where it makes sense and where citizens are able to take responsibility engaging in clear two-way authority. Greater transparency of existing process of identifying need and setting outcomes will be vital.

- **Develop leaders:** within Local Government and within partners but particularly important within communities. To be successful it will be necessary to develop the skills and knowledge community leaders need to maximise real potential in civic life, not just for existing roles but for some of the new hybrid participatory roles that are likely to emerge over the next few years.

For Brighton and Hove three of these opportunities in particular are worthy of further exploration in this social and economic case. They are: -

- The **efficiency of the “small scale”**
- **Co-production** (using the resources of individuals and communities)
- Understanding the broader **“public benefit” and using social return on investment measures**

5.1. Understanding the Efficiencies of the “Small Scale”

Much of the efficiency agenda has been based upon the search for “scale efficiencies” (block outsourcing, shared services etc.). There is no doubt that some back office and transactional services can be shared to create scale efficiencies and we should actively pursue these opportunities. However, “going bigger” will not always make sense. Ultimately the City Council is accountable to its citizens within its area before the efficiency pressures of Whitehall.

Within the confines of European and UK competition law there is enormous value in using locally based providers to spark local economic regeneration as a “positive externality” of commissioning. These benefits include: -

- The economic multiplier effects (particularly if a provider is embedded within an area experiencing economic disadvantage and employs local people or keeps money and ownership circulating locally)
- The social impact (for example ease of access and continuity of service for users)
- Environmental impacts (e.g. the reduction in traffic and carbon emissions)

The primary concern of the City Council is the creation of sustainable local communities and resilient local economies and therefore “scaling down” is just as important as “scaling up”. In similar fashion any concept of efficiency needs to involve the use of scarce planetary resources in the most efficient way possible and Intelligent Commissioning presents a significant opportunity for creating long-term improvements in environmental efficiency. Due to the fact that it is understandably easier to measure short-term financial inputs and outputs (e.g. the number of people served) “whole life costing” is still something of a myth in the reality of public sector procurement of services and needs further development. Price can on occasion be a universal proxy for whole life costs. People, particularly the most vulnerable people in the city have complex and changing needs which cannot be valued by the simple and static mechanism of price alone.

A narrow VFM approach can have particularly poor consequences for service users depending on services best provided by niche providers or organisations that create benefits that are not being paid for in the service price. When contracting and price alone take precedence small and locally based community or voluntary sector groups or business (that can really create social capital and economic regeneration) can all too easily miss out. This is leading (at a national level) to the rapid growth of many large charities and the decline in income of small and medium sized charities; those “super charities” winning more and more government contracts at the expense of smaller groups and, for example in the area of children’s services, some of the smallest niche providers in the community and voluntary sector are ceasing to exist altogether.

The existence of small local voluntary and community organisations in the city has been proved to be of enormous importance in our mixed economy. In economic terms they are vital “positive externalities”. We have to ensure in developing Intelligent Commissioning approaches that this type of externality is valued and that as a City Council and as a system we “be local buy local” and live up to our pledges. Intelligent Commissioning can provide commissioners and “bidders” incentives to focus on these positive externalities in a new and valuable way.

5.2. Co-production

Whilst there is no agreed definition of co-production there is a strong and new consensus across political parties and policy thinkers that as a new way of thinking and delivering it has an enormous amount to offer in making services more effective, efficient and sustainable. It has been argued to be the most important revolution in public services since the Beveridge Report of 1942 and draws heavily on the proud history of mutualism, co-operatives and some of the most effective community development activity in UK, Europe and North America over the past decades.

The argument for co-production as an essential part of Intelligent Commissioning is based upon the notion that the UK welfare state has improved the lives of millions of people over the past three generations but it has not, generally speaking, made people healthier and more self-reliant as Beveridge originally suggested it would. Far from a gradual reduction in costs and demand for services the very opposite has happened. The co-production critique suggests that the conscious or unconscious maintenance of service users as passive recipients is not just a waste of their skills and time; but it is also why systemic change does not happen.

It argues when some residents are never asked to give anything back and when the assets they represent are deliberately side-lined they atrophy. The fact that social needs continue to rise is not due to a failure to consult more or even to find enough resources but due to a failure to ask people for their help and to use the skills they have. It is argued this is the essential difference between systems that work and fail.

The central idea in co-production is the people who use services are hidden resources and not “drains” on the system and that no service that ignores this resource can be efficient. Service users, families and communities are the essential neighbourhood level support systems which underpin economic activity as well as social development.

Family, neighbourhood, community and civic society make up a “core economy” and the consequences of failing to recognise and support the core economy are isolation, time poverty, low levels of trust, engagement and poor social infrastructure. Co-production argues that public services need to be turned inside out, so that they can rediscover the human resources and remake the social networks that reduce demands on professionals and support public service interventions to succeed. This can mean the unleashing of huge energies represented by recipients of services, families and communities.

Co-production shifts the balance of power, responsibility and resources from professionals more to individuals. People become the very resource that can turn public services around. Done well co-production can unleash innovation about how services are designed and delivered and how public goods are achieved by expecting professionals to work alongside and in a different manner to the citizens.

Whilst there is no agreed definition of co-production the table below helps to define what co-production is (and perhaps isn't).

Figure 1: User and professional roles in the design and delivery of services

		Responsibility for design of services		
		Professionals as sole service planner	Professionals and service users/ community as co-planners	No professional input into service planning
Responsibility for delivery of services	Professionals as sole service deliverers	Traditional professional service provision	Professional service provision but users/communities involved in planning and design	Professionals as sole service deliverers
	Professionals and users/communities as co-deliverers	User co-delivery of professionally designed services	Full co-production	User/community delivery of services with little formal/professional
	Users/communities as sole deliverers	User/community delivery of professionally planned services	User/community delivery of co-planned or co-designed services	Self-organised community provision

Source: Adapted from Carnegie Trust (2006), 'Commission for Rural Community Development - Beyond Engagement and participation, user and community co-production of services.' By Tony Bovaird, Carnegie Trust.

Co-production therefore is not “another consultation”. Done well it’s a fundamental shift in the balance of power between public service professionals and users and what makes improved effectiveness possible. It is perhaps the antidote to the idea that we endlessly need to ask people’s opinion before handing the service back to the professionals to deliver.

Neither is it about user management of public service organisations (needs of equity, prioritisation of resources, public accountability make this unwise). Co-production is not about volunteering although is about activity and the giving of time. The transformative element comes from when people receiving services are invited to co-produce. Whilst the community and voluntary sector have a key role to play their resources are stretched so it is for Statutory Services to start trialling co-production methods.

Co-production is not about individual budgets (they may be vital but they may also ignore the need for supportive social networks) individual budgets are “self directed support” but if seen as the only solution may maintain the unhelpful “passive consumer” role of citizen’s relationship with the Local State.

National and international evidence suggests that co-produced services are more cost effective in that they bring in extra resources. The diagram on Page 6 of this paper identifies some of the new resource that can be leveraged by Intelligent Commissioning. Bringing in more “people resources”; encouraging self-help and behaviour change; supporting better targeted use of scarce resources; growing social networks to support resilience and improving long-term wellbeing can all be actively captured in value terms.

Co-production has the capacity to transform public services, promote equal participation and ensure greater sustainability of good services through strong ownership. When services are commissioned in the right way co-production can have a significant role in innovation and delivery.

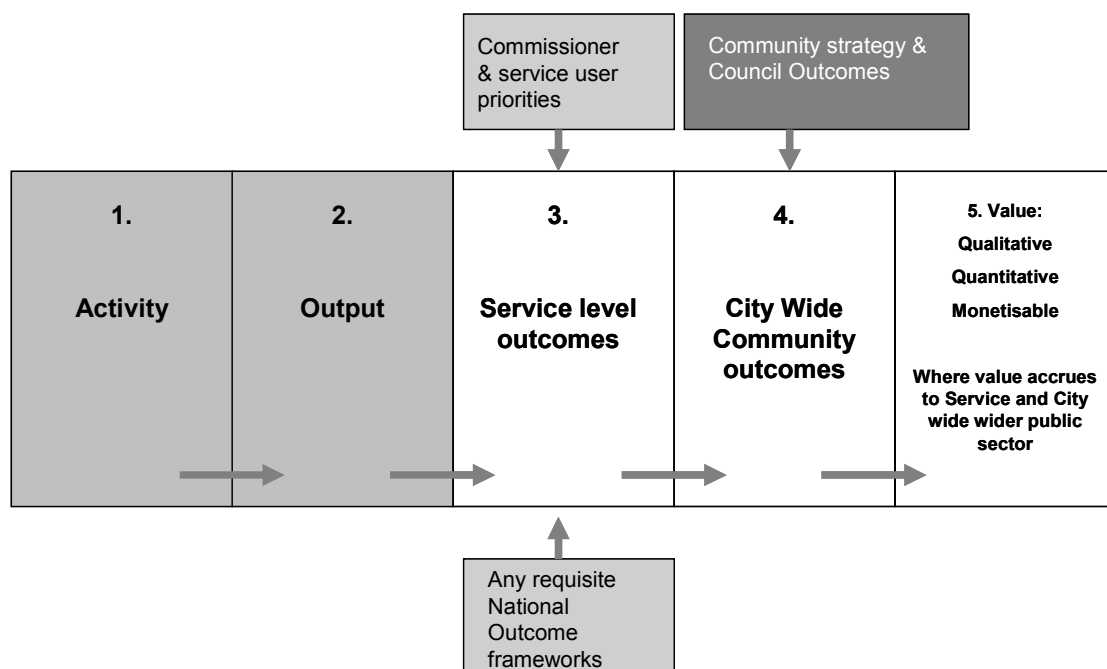
It's an approach we need to build into our Intelligent Commissioning model. At present in the UK a focus on efficiency makes co-production models appear more time consuming, and perhaps more expensive in the short-term, since the deeper and longer term benefits take time to surface and require measuring outcomes (not throughputs and outputs). The concept of public benefit (see below) is therefore essential for unlocking the benefits of co-production.

5.3 Using Public Benefit to Ensure Efficiency and Effectiveness

Given the limitations and longer-term deleterious effect of the narrow interpretation of Value for Money and cost based commissioning it becomes important to ensure that incentives are created to increase wider public benefits (such as for example local economic regeneration or carbon reduction) in the Intelligent Commissioning process. If commissioning contracts are awarded and performance assessed on this basis then approaches are re-balanced towards long-term outcomes (whole life costs and benefits) as opposed to reducing short-term inputs (mainly price).

The Social Return On Investment (SROI) approach offers one way to track the important outcomes created when a service is commissioned. SROI relies on measuring service outcomes to compare the financial investment made by an organisation with the benefits created for stakeholders, rather than just the buyer of the service. As such it seeks to capture, measure and incentivise “positive externalities”. SROI looks at outcomes in the longer-term and monetises the value of those outcomes in terms of market value or value to the council (or other parts of the city wide system). The approach has been trialled in other Local Authorities (perhaps most notably Camden) and the figure below shows how an Intelligent Commissioning Model which values the wider triple bottom line (social, environmental and economic) impacts on providers claims they can create on top of the service level outcomes. These outcomes are set out at the tendering stage and are tracked over the course of the contract so that decisions can be made on more than price alone, and there is an increased understanding of the impacts of interventions.

Brighton and Hove needs to consider the approaches adopted elsewhere and determine which elements are most useful in an Intelligent Commissioning Model.



This Intelligent Commissioning Model illustrates the approach describing: -

- How activities and outputs (columns 1 and 2) delivered as part of the service contribute to the desired service level outcomes (column 3) established by end users of the service and commissioners.
- How the service level outcomes relate to the city's broader priorities (community outcomes in column 4) established by the LSP / PSB and the Council in policy and strategy documents
- How the Council will monitor the value and benefits created through delivery of the service (column 5). Value can be measured in qualitative, quantitative and monetisable or financial terms. Value accrues to the service but also across the council its partners in the community and to the wider public sector.

The model, in use in several services in other Local Authorities, can stimulate innovation amongst all providers (in-house, private and third sector) to achieve the key local priorities of public services. In particular the model places the wider, triple bottom line impacts that some providers may bring to a service at the core of the commissioning process. This contrasts with a "social clause" approach used in many contracting arrangements or council's (post hoc) internal scrutiny procedures. Rather than a provider being required to meet certain minimum environmental or social standards in the delivery of the service, providers are incentivised to maximise such environmental and social impacts in the presentation of the tender itself. Thus the "added value" is seen as a core aspect of the delivery of the service and weighted accordingly. It is a model that is already used in some commissioning within the City but needs further development to ensure it can be consistently well used through an Intelligent Commissioning approach.

6. Next Steps Towards Intelligent Commissioning

This paper sets out a social and economic case for the adoption of an Intelligent Commissioning approach across the City Council (and ultimately across all public services in the city). Given the challenge that all public services will face with the spectre of overhanging public sector debt the argument to adopt such an approach is particularly strong to ensure that broader societal benefits are not lost in narrow, if well intentioned, efficiency models.

The model is about local determination of priorities and expenditure and the mobilisation of untapped community resource in our city. As highlighted above a narrow focus on efficiency is likely to result in: -

- Squeezing some services to our most vulnerable residents and the neglect of social and environmental impact
- Potentially damaging our local economy and the cohesion of local communities
- Polarising our Third Sector with the emergence of larger players at the expense of smaller organisations (often those community based organisations that serve the most marginalised groups)
- Undermining trust between commissioners and providers of service through an unhealthy competition and contestability model alone
- By "playing shops" actually raising transaction costs and increasing bureaucratic burdens.

If the Intelligent Commissioning approach is adopted there is much to do to prepare, implement and build capacity across the city to use and understand the system fully. The activity needed will include working with partners to fully understand need and expenditure, develop our commissioning approaches, infrastructures, needs assessment, measures of performance and outcomes desired as well as fundamental changes to the way we currently organise, plan, commission and deliver services.

The work will be challenging, at times difficult, and will involve honest appraisal of what we currently do within the City Council, with partners and at times with regulators. Issues such as co-production will need us to take reasonable risks to deliver the long-term benefits, make some mistakes and learn from them and have the confidence to develop and test practical models, There will be a number of legislative, accounting and other regulatory barriers to be overcome but the “big prize” of being able to locally determine investment in our essential public services, communities, economy and environment is sufficiently great to make the challenge of Intelligent Commissioning one that we should fully grasp.
