

# What is commissioning?

## Definition<sup>i</sup>

Committing limited resources to health and community care interventions with the aim of improving the health system and delivering better consumer outcomes. Commissioning relies on robust relationships and established trust at the local level.

Commissioning is a needs-led and outcome-evaluated process. Stakeholders work to identify needs and co-design solutions. The procurement of services is only one possible outcome to the commissioning process.

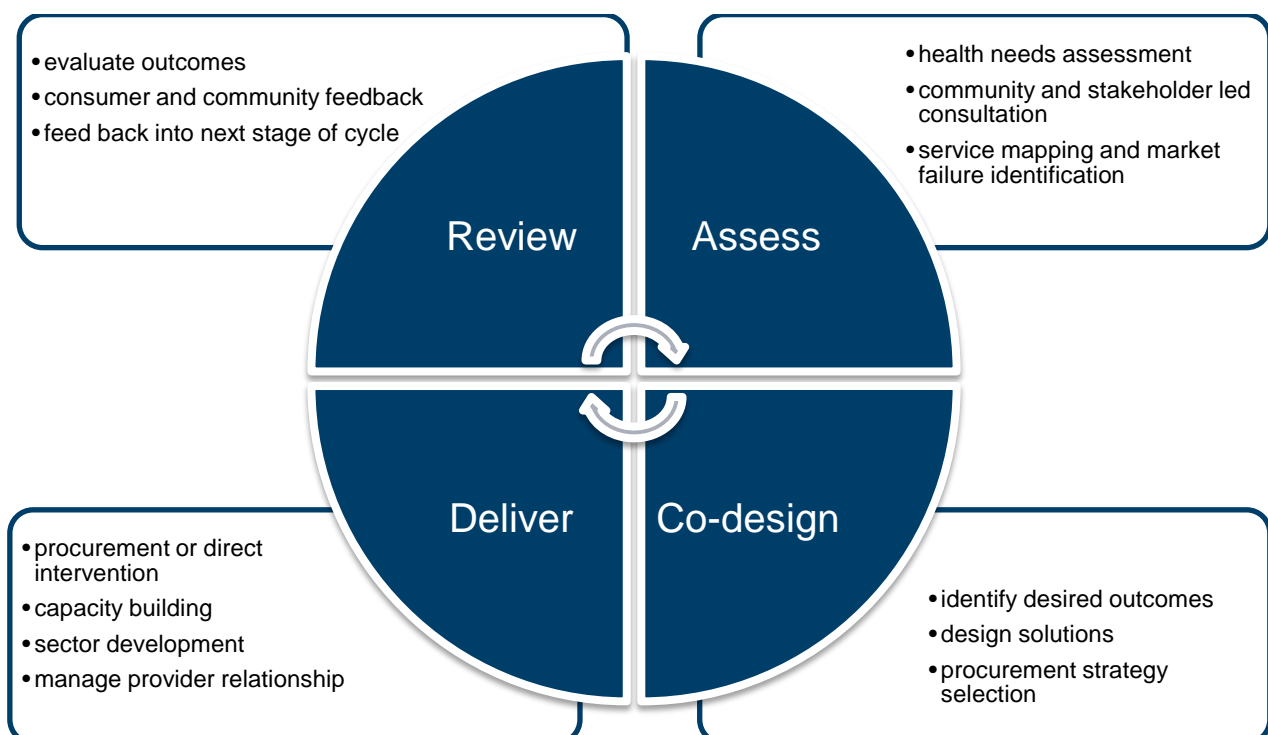
Commissioning underpins all areas of the PHN's work, including analysis and planning, support for GPs and other healthcare providers and purchasing health and community care interventions.

## Why do we use commissioning

Commissioning enables PHNs to use their limited resources to improve the health outcomes of their communities by shaping the health and community care system.

## How does it work

Commissioning is an on-going cyclical process. Needs are assessed through community consultation and solutions are designed in partnership with stakeholders. Transparent processes are used to promote the implementation of these solutions, including the identification of providers from whom services may be purchased. These solutions are then evaluated and the evaluation outcomes used to inform further assessment and planning.



## Commissioning principles<sup>ii</sup>

1. **Understand the needs of the community** by analysing data, engaging and consulting with consumers, clinicians, carers and providers, peak bodies, community organisations and funders.
2. **Engage with potential service providers well in advance** of commissioning new services.
3. Putting outcomes for users at the heart of the strategic planning process.
4. Adopt **a whole of system approach** to meeting health needs and delivering improved health outcomes.
5. **Understand the fullest practical range of providers** including the contribution they could make to delivering outcomes and addressing market failure and gaps, and encourage diversity in the market.
6. **Co-design solutions**; engage with stakeholders, including consumer representatives, peak bodies, community organisations, potential providers and other funders, to develop evidence-based and outcome-focused solutions.
7. **Consider investing in the capacity of providers and consumers**, particularly in relation to hard-to-reach groups.
8. **Ensure procurement and contracting processes are transparent and fair**, facilitating the involvement of the broadest range of suppliers, including alternative arrangements such as consortia building where appropriate.
9. **Manage through relationships**; work in partnership, building connections at multiple levels of partner organisations and facilitate links between stakeholders.
10. **Develop environments high in trust** through collaborative governance, shared decision-making and collective performance management.
11. **Ensure efficiency, value for money, and service enhancement.**
12. **Monitor and evaluate** through regular performance reports; consumer, clinician, community and provider feedback and independent evaluation.

## Stakeholder engagement

The extent of stakeholder involvement in the commissioning process will depend on a number of factors, including government guidelines and the amount of time and resources available.

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

# What you can expect

## Providers

The PHN will:

- work with you openly and honestly in a spirit of partnership
- engage with you as early as possible about the commissioning of new services
- develop an understanding of providers and the contributions they can make to delivering the desired outcomes
- share population health and performance data with you
- consider investing in capacity building and sector development
- develop close relationships with you, to the greatest extent possible
- engage with you or your peak body, to design outcome-focused solutions
- ensure procurement and contracting processes are transparent and fair
- seek your feedback and input when evaluating services.

## Health consumers

The PHN will:

- engage with you or your representatives to understand your needs and the needs of your community
- put better health outcomes for you and your community at the centre of its planning
- share population health and performance data with you
- consider investing in capacity of consumers
- engage with you or your representatives, to design outcome-focused solutions
- seek your feedback and input when evaluating services.

## Funders

The PHN will:

- allocate resources to areas and populations of highest need
- direct funds to health and community care interventions
- ensure value for money
- provide you with open and transparent reports
- establish and maintain productive relationships with service providers, consumers, carers, community organisations and other stakeholders
- implement a contestable approach to procurement of interventions
- increase the capacity of the health and community care system, including providers and consumers
- adopt a whole of system approach across multiple jurisdictions and levels of government.

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<sup>i</sup> Adapted from *What is world class commissioning?* by Michael Sobanja  
[http://www.medicine.ox.ac.uk/bandolier/painres/download/whatis/What\\_is\\_WC\\_Comm.pdf](http://www.medicine.ox.ac.uk/bandolier/painres/download/whatis/What_is_WC_Comm.pdf)

<sup>ii</sup> Adapted from the National Audit Office (UK)