Commissioning & Procuring
Extra Care Housing - responding to a changing world

Peter Rush
Extra Care Strategic Commissioning Manager
Hampshire CC
What do we mean?

**Strategic Commissioning:**
The process by which a local authority identifies a need, develops a service specification, identifies the required outcomes, establishes the service, and monitors & reviews its performance.

**Procurement:**
The process by which a service for which a need has been identified is established.
Traditional Commissioning Model

- Local authority:
  - identifies need
  - seeks development partners
  - procures building
  - establishes a block contract
  - periodically reviews what’s being delivered
…..and for Procurement

• Re-use of some buildings
• Reliance of others to fund
• OJEU compliant process
• ill defined open ended contracts
• Use of grants
The changing context

• Economic downturn
  – Tightening of social care funding
  – Increased openness of Local Authority functions
  – Reduction in capital funding streams
  – Increased borrowing restrictions
  – Benefit changes
  – Lethargic housing market
  – Rising customer aspirations
Strategic Implications for Commissioners

- Set out clear strategic objectives
- Develop long term relationships
- Focus on cost effective solutions
- Consider sustainability
- Listen
....and a practical response

- Establish a clear strategic direction
- Develop a Market Position Statement
- Hold provider events before all major procurements
- Maintain ongoing dialogue after contract award
- Offer active support in any transition
Impact on Procurement

• Need to broaden thinking
• Consider process costs & timescales
• Is a 3 year contract the only option?
• Will a Framework offer more certainty
• What can be ‘packaged’ up together
• Are there alternatives to OJEU process
Thoughts for providers

• Need to understand constraints on Local Authorities:
  – The democratic process
  – Need for openness & transparency
  – Rising demand
  – Reducing budgets
Responding to the challenge (1)

• Capital Funding:
  – Can a local authority offer capital grants or move into market of offering loans?
  – Is accessing pension fund reserves an option?
  – What can mixed tenure models offer?
  – What’s the ‘right’ scale of development?
  – Do larger schemes give more for less?
Responding to the challenges (2)

• Rising customer aspirations:
  – More personalised service
  – Offer additional services
  – Link to wider community
  – Flexible entry routes
  – Accommodation fit for ‘downsizers’…….
The revenue/benefit challenge
Some thoughts from Hampshire

• Held two provide events to learn from
• Developing a procurement framework – and utilising alternatives of grant and Local Government Act.
• All districts named partners
• Procuring building & service in one.
… and going forward

- Publishing a more detailed strategy and Market Position Statement in summer
- Site analysis tool to be on website
- Ongoing partner meetings
- Continue to listen ……and learn!
  ......and overcome challenges together!
Questions?


peter.rush@hants.gov.uk
01962 832162