

Modernising Commissioning Green Paper- Response from Voluntary action Sheffield

Voluntary Action Sheffield welcomes the opportunity to respond to the Green Paper 'Modernising Commissioning'.

Locally the 3rd sector are engaged with public sector commissioners on the current and future challenges for commissioning public services- and are anxious to play a full role in:

- Contributing to the commissioning process- believing there is a legitimate and important role to play in providing insight, market development, service specifications, outcome measures, evaluation
- Providing innovative services- through open and transparent processes which recognise the unique contribution 3rd sector organisations can provide both singularly and by working collaboratively.

1. In which public service areas could government create new opportunities for civil society organisations to deliver?

1.1 Payment by Results- outcomes not inputs

Emphasis should be on commissioning for outcomes- which are defined by communities and users or their proxies. Whilst recognising there is a need to demonstrate (and achieve) cost efficiencies, there should also be equal attention given to the Social Return on Investment. There are recognised experts in the area of SRI- this expertise should be harnessed nationally and used to develop a framework for local adaptation. Payment should be based on these results

Payment by Results in the NHS sector to date has been predominantly based on quantity and throughput of patients in the acute sector, with a more recent emphasis on quality measures- which have enabled incentive payments (CQUINS)- there are some lessons to learn from the indicators used to measure patient satisfaction. However there is concern that the NHS PbR has primarily been a technical process- and that this should not be regarded as an exemplar for a framework for paying by results in this context.

1.2 Setting proportions of specific services that should be delivered by independent organisations

Commissioners need to fully understand their markets across all sectors- experience shows us that to date public sector commissioners often do not recognise the contribution 3rd sector organisations can make- either with some support and investment, or are already able to do so (either individually or in consortia).

There is concern that simply setting targets for the proportion of services to be delivered by the independent sector will not enable a developing sector to find a strong place in the market- large commercial companies will be able to provide loss leading services as

part of a bigger strategy to develop a strong presence in local markets. 3rd sector organisations are a key part of local communities and economies and should be supported to enable them to respond effectively to the Big Society challenges- they will need time and investment to scale up.

1.3 Introducing New Rights for communities to run services

Effective commissioning processes will involve and engage communities in developing services specifications based on need/ insight, and will have involved communities in exploring current and potential markets. This engagement will enable them to compete to run services.

However there needs to be clarity what is meant by ‘communities’ – and how they would be held to account for delivering outcomes and managing tax payers monies. Small informal voluntary organisations will need support in managing in a more commercial environment- and may need to work in and through consortia to enable them to concentrate on service delivery. Experience in Sheffield has shown that consortia working is effective and enables neighbourhood level organisations to work effectively through collaboration and partnership with other organisations- the sum becoming bigger than the parts,

2. How could government make existing public sector markets more accessible to civil society organisations?

2.1 Cut away unnecessary red tape by streamlining procurement processes

Procurement law and regulations require robust processes and governance- however small 3rd sector organisations often do not have the skills, time capability to work with these processes- procurement support programmes should be put in place.

VAS have run a procurement support programme for 3-4 years which includes training and mentoring- such programmes should be supported and funded in the short term- and placed within the voluntary sector to enable strategic and consortia arrangements to develop.

Procurements should be focused around outcomes- and streamlined processes should be flexible to enable bidding organisations to set out the outcomes they could deliver.

Where appropriate Voluntary sector organisations should be able to contract with commissioners without going through competitive tendering- this may include:

- Where market analysis has shown that they are the only appropriate provider
- Where contract values are low and they are the current provider

- Where they can demonstrate market potential and are a key organisation in the community

2.2 Improve transparency of public procurement opportunities

Government policy needs to be better aligned- for example the recent Transforming Community Services (NHS policy) has primarily been an exercise to transfer services to other parts of the NHS system- 3rd sector organisations many have been in a better position to provide innovative services but were not given the opportunity to demonstrate this/ compete for the services

All opportunities should be placed on one local public sector website- the Sheffield experience shows that this has supported the 3rd sector in competing for work.

Timescales need to be timely and realistic.

2.3 Address ways to manage short term movements towards large centralised contracts and move to a decentralised approach in the long term

This must be managed in the short term- otherwise 3rd sector organisations will not survive and the skills and capability will be lost and may not be regained as larger/ commercial organisations develop their market presence

2.4 Launch a contract finder service- free facility for small organisations to find procurement and sub contracting opportunities all in one place

This needs to be linked to local approaches- public sector commissioners would need to register all their tendering opportunities- this may need some enforcement- as commissioners do not always recognise the potential markets and manage the 'procurements' in house.

3. How could commissioners use assessments of full social, environmental and economic value to inform their commissioning intentions?

3.1 Encourage understanding of social and environmental priorities of local people to be considered in the commissioning process

Agreed standards and competencies for engaging with the public could be set out in a framework- for commissioners to adopt. Eg needs assessment, insight, evaluation. Local systems eg community assemblies (a Sheffield approach for developing localised community involvement), commissioning consortia could be charged with this responsibility.

The scope of Health watch should include consumer views and insight being incorporated into the commissioning cycle.

3.2 Support the Social Enterprise and Social Value Bill- and recognition of 'full value' as part of commissioning practice

The inclusion of Social Return on investment, outcomes measures should be used as a matter of course in evaluation all tenders- alongside VfM measures.

4. How could civil society organisations support greater citizen and community involvement in all stages of commissioning?

4.1 Develop a new package of support to enable local civil society organisations and state partners to strengthen working relationships.

Support for local programmes would be welcome- through local infrastructure organisations (CVS etc)- to enable strategic connections to be made, act as a critical friend to the sector to enable step change. Central funding for a 2 -3 year period could be effectively used at a local level. There is significant experience at local level- but little funding to roll out experience eg Sheffield Commissioning and Procurement Programme has delivered the development of 3rd sector commissioning fora, procurement training and tool kits, procurement mentoring. Whilst it has evaluated strongly ,and funding has been secured over the last few years (latterly from Sheffield City Council), the future of the programme is currently being negotiated.

4.2 Extend the planned 'right to challenge' to public services

Clarity is sought regarding the 'right to challenge' mechanism being used for grant funded VCS run services, which may not have been subject to competition.

4.3 Roll out Community Budgets which pool funding for local services giving more flexibility to meet local priorities and a joined up approach across the board

Whilst welcoming the direction of travel into rolling out the concept of community budgets- and involving 3rd sector in this- critical learning from the experience of the 16 pilot local areas must be gained beforehand.