

A response to the publication of the Modernising Commissioning Green Paper

Introduction

The government is aware of a number of social concerns which, over time, have proven somewhat resistant to the conventional channels of public action. Through an intelligent commissioning process, it is hoped that voluntary and community sector organisations will be able to deliver more efficient public services that will better meet the needs of the people who use them. In this sense, voluntary and community sector organisations will be best placed to tackle disadvantage and drive positive change for their communities.

This policy trend is characterised by a changing relationship between the local state and the voluntary and community sector. Through the direct commissioning of a series of services, public bodies are consolidating their position as a predominant source of funding for voluntary and community sector organisations.

And yet, in their commissioning practices, public bodies can sometime operate in a top-heavy manner. They determine what services are needed, how much can be spent, the precise service specifications, the range of organisations that are deemed "fit for purpose", the results which should be delivered and the way in which delivery will be assessed.

Such a top-heavy approach can get in the way of VCS creativity prevent the sector from developing alternative approaches and working holistically to meet the needs of the community. This is especially important in rural areas where the voluntary and community sector has long been characterised by a propensity to respond to local challenges and to improve the lives of rural residents. In rural settings, many services are near to their users and delivered by a varied range of providers.

For all of these reasons, Rural VCS groups welcome any move towards "intelligent commissioning" in order to secure the best possible outcomes for their communities. We very much welcome this opportunity to contribute some of the insights to the Green Paper which we believe might contribute to more efficient and constructive commissioning processes.

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

Sub- Question: What are the implications of payment by results for civil society organisations?

- When considering the implications of payment by result, **it will be important to establish which results can be attributed to the work of the contractor, and which should be attributed to environmental factors that go beyond the contractor's reach.** For instance, the objective of reducing unemployment in an area might be seriously jeopardized by local business closures.
- **Good results should be evaluated in comparison with other areas and contexts around the country.** For instance, if the levels of reoffending remain broadly the same in one area but significantly increase everywhere else, that in itself would be an indicator of a good result, and not of a failure to deliver.
- **Payment by results has the potential to negatively affect the cash-flow arrangements of smaller organisations, especially if implemented in way which sees the organisation being compensated only after the results have been delivered.** A large proportion of organisations in the sector do not have large reserves which would enable them to take part in such a scheme.
- **It is also crucially important to consider that "going for the low hanging fruit" will seem attractive for organisations that are being compensated for their results.** This can lead an organisation to focus its energies on easy cases and refuse to deal with those that are deemed more challenging for fear of not getting the results. For this reason, it is important to define the concept of "results" intelligently.

Sub-Question: What methods could the Government consider in order to create more opportunities for civil society organisations to deliver public services?

- Despite the encouragement for voluntary sector organisations to look towards public contracts rather than grants as a means of securing public funding, **at the moment genuine opportunities for the sector remain few and far between.**
- **It is important for statutory bodies to be positive about the sector** and what it can achieve. We therefore wish to encourage them to gather as much evidence about the sector's contribution as possible so that commissioners would increasingly take voluntary organisations and community groups seriously.
- The sector has access to excellent data about local needs and about specific user groups. It can be especially helpful in providing evidence of needs and in putting forwards ideas about what services and resources are required in an area. For this reason, **statutory bodies should involve the sector as early as possible in the commissioning process.** The VCS has a lot to offer in terms of service design and development.
- **A high level of engagement at all stages of the commissioning process** will often result in high level of similarity between the intentions of the commissioners and the goal of the contractors. This in turn ensures that the contracts are improved in terms of the quality and appropriateness of their content.

- High level of engagement at all stages of the commissioning process also builds trust over time. **Organisations which have been delivering excellent services over time should be trusted to make valuable contributions** to any commissioning process. On the other hand, organisations will be less likely to become disillusioned when their bid is unsuccessful if they know that the process has been fair and participatory.
- **Running alongside traditional commissioning, there remains a need for demand-led funding streams.** This demand-led funding which can be accessed by organisations in order to deliver a project which they think will contribute significantly to the well-being of their community. This is especially important in rural areas where there still remain significant gaps in the amount of services available but where small community groups and organisations have long had an inclination to step up and do something in their community.
- **Continuing to support smaller projects at a neighbourhood level or with communities of interest is vitally important in rural areas.** Modest-sized projects funded through small grants improve local social networks, enhance levels of trust among residents of a same place, and ultimately help to improve a rural place's social, physical and economic conditions. See this short briefing for more details: http://www.yorkshirehumberforum.org.uk/publications_resources/knowledgebase/500/560/359.pdf
- Finally, **it remains important to publicise case studies relating the experiences of participants in instances where the commissioning process is working well.** Good practice in commissioning and procurement practice needs promoting and sharing between local authorities and with government departments.

2. How could Government make existing public service markets more accessible to civil society organisations?

* Sub-Question: What issues should commissioners take into account in order to increase civil society organisations' involvement in existing public service markets?

- **Develop clear, accessible commissioning frameworks.** This is especially the case whenever the commissioning frameworks are very explicit about the value of voluntary organisations and community groups, local provision and collaboration. This encourages commissioners to remain committed to their principles of involving the sector and over time it persuades VCS groups to engage more deeply with the process.
- **Encourage the creation of hubs of information** where organisations can obtain information about what contracts are currently in place for the provision of public services, how much funding is available, the process through which they can bid for business and where help can be accessed if needed.
- **Take steps to establish a providers market through targeted activities and resources.** It is a good idea to establish a network of organisations that will then be able to access information, attend training event and take part in public meetings. Publishing a directory of voluntary and community sector organisations that have an interest in delivering services can also be useful. Directories provide a level of transparency which enables organisations to size up the competition and to develop partnerships, links and consortia to maximise their existing capacity.

- **Acknowledge that many public contracts that have potential for the voluntary sector are too large for small VCS organisations to compete for** (often £1m plus). This means that only larger charities are in a position to realistically bid for them. This issue can be countered through multi-level commissioning where a large contract is broken down to be administered on a smaller scale. Alternatively, the creation of effective consortiums, such as Youth Consortium Sheffield, can be an effective way of involving smaller organisations.
- **Take measures to actively encourage the creation of consortiums.** Working as part of a consortium can enable smaller-size organisations to become involved in delivering projects and promotes a transfer of competences between organisations.
- **Encourage realistic timeframes in commissioning.** Many voluntary and community sector organisations have found themselves unable to take part in procurement processes as a result of excessively short timeframes. Tendering for a contract demands much time from volunteers, staff and trustees and voluntary and community sector organisations would benefit from longer timeframes.
- **Improve the clarity of tendering documents, awards applications and monitoring forms.** At the moment, the size and complexity of documents can still deter groups from engaging with the commissioning process. Proportionate monitoring is also called for.
- **Promote good practices in de-commissioning.** This should involve a high level of consultation with users and service providers before any decision is made and realistic timeframes. This is crucially important in order to maintain the trust that has been built between public bodies and the organisations they fund.
- **Retain the Office of the third Sector's Eight Principles of Good Commissioning** (<http://www.idea.gov.uk/idk/aio/6617745>).

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

Sub-Question: What approaches would best support commissioning decisions that consider full social, environmental and economic value?

- **Small, locally based organisations often have excellent record of delivering a variety of desirable outcomes for their users**, which often go beyond the purpose of the organisation to meet the needs it becomes aware of. A good example of this is a driver of the local mobile library bus who checks on an older resident who normally uses the service. These collateral benefits should never be underestimated. Without them, users will have to lean more heavily on other, more expensive, public services. Withdrawing funding from such simple schemes might end up costing the public purse significantly more than the scheme did.
- **Make social, environmental and economic value an essential part of the tender assessment criteria and encourage providers to demonstrate benefits above the minimum requirements.** This will encourage providers to put forward innovative solutions that benefit their communities in a more holistic fashion.

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

Sub-Question: What forms of support will best enable statutory partners and civil society organisations to improve their working relationships?

- **Provide ongoing capacity-building support by knowledgeable practitioners.** The support might include specific advice available on request, written guidance about the overall commissioning process and training sessions for groups to familiarise themselves with the commissioning procedure. Capacity building also should also cover issues linked with organisational change. Voluntary and community sector organisations may need help in making themselves more competitive, demonstrating their impact or complying with quality standards.
- **Acknowledge the role of local support and development organisations.** These organisations provide essential support in the form of information and hands-on support. They bring voluntary and community sector organisations together to share best practices and prevent unnecessary duplication. Finally, support and development organisations are also able to provide a voice for the sector in all relevant settings. And LSDOs(eg RCCs) are neutral providers of research, intelligence and information for commissioners without a delivery self interest and they are critical to helping the commissioning process and citizen and VCS involvement.

Conclusions

As rural practitioners, we are convinced that rural voluntary and community sector groups can deliver the best outcomes for users as well as value for money. Small providers can be both innovative and cost effective. A genuine commitment to working with them will ensure that smaller community provision is encouraged and and local solutions are found. By taking a few simple steps, public bodies can help set up a culture of trust and transparency in which VCS organisations will genuinely thrive.