

Key findings

from the Commissioning Improvement Programme





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A legacy report for the National Programme for Third Sector Commissioning by the Institute for Voluntary Action Research.

Introduction

This is a summary report of the Commissioning Improvement Programme delivered as one strand of the National Programme for Third Sector Commissioning (NPTSC), by the Institute for Voluntary Action Research (IVAR)¹. The programme ran in 16 local authority areas across England between March 2010 and March 2011.

This report sets out the aims and objectives of the programme, as well as the shifting context in which it took place; provides a brief overview of some of the key conditions required for commissioning improvement; summarises the outcomes of the programme; and discusses some of the future challenges and opportunities facing the public and voluntary sectors as the commissioning environment evolves and transforms.

¹ www.ivar.org.uk

The Commissioning Improvement Programme

Programme aims

The Commissioning Improvement Programme (CIP) was developed to help increase the awareness and skills of local public bodies – such as local authorities, primary care trusts (PCTs) and children’s trusts - in commissioning services from voluntary sector organisations (VSOs), as well as increasing the capacity of VSOs to become more engaged in the commissioning cycle. The programme aimed specifically to:

- increase awareness and understanding of the value of voluntary sector commissioning
- achieve more voluntary sector involvement throughout the commissioning cycle
- improve bidding practice from voluntary sector organisations.

Programme activities

The CIP comprised two distinct, but related, elements:

- National Programme for Third Sector Commissioning (NPTSC) Commissioning Improvement Programme: between two and three facilitated sessions to produce a cross-sector commissioning improvement action plan
- Targeted Support Fund (TSF)² Commissioning Improvement Programme: one diagnostic session, followed by two review sessions, and up to £25,000³ per area to invest in commissioning improvement activities.

² Part of the £15.5 million Targeted Support Fund Programme funded by the Office for Third Sector (now the Office for Civil Society, OCS) and the Department of Health (DoH). Just over £500,000 was allocated to improve commissioning with voluntary sector organisations in 12 areas identified as at most risk of increased deprivation.

³ £50,000 was made available in Bournemouth, Dorset and Poole as the action plan was designed to address needs across each of the three areas.

Programme delivery

The programme was delivered in 16 local authority areas:

NPTSC CIP	TSF CIP	
Dacorum	Dudley	Wakefield
Devon	Walsall	Darlington
Gateshead	Greenwich	North East Lincolnshire
Staffordshire	Bradford	Wigan
York	Calderdale	Bournemouth/Dorset/Poole
		St. Helens

In summary:

- 48 facilitated sessions were held across 16 areas
- 318 participants took part in the programme
- 59 specific actions were developed
- £303,000 was invested across all the areas to fund the activities identified by each area (TSF Commissioning Improvement Programme only).



Context

The change of government in May 2010, two months after the commencement of the Commissioning Improvement Programme, marked the beginning of a radical and far-reaching programme of reform in the design, commissioning and delivery of public services. Of most relevance to the participants involved in the CIP were:

- proposed changes to how local communities could bid for and deliver public services
- the transfer of commissioning budgets from primary care trusts (PCTs) to GP consortia
- an increasing use of personalised budgets
- the impact of deficit reduction measures on the voluntary sector's ability to bid for and deliver services.

Central to the localism and 'Big Society' agenda are a number of policy initiatives and legislative changes that will transfer power from central government to local communities and transform public service delivery. How public services are commissioned and delivered is a central theme in a number of recent Government bills and papers, including: the Localism Bill (2011); the Health and Social Care Bill (2011); the Modernising Commissioning Green Paper (2010); and the Social Enterprise and Social Value Bill (2010).

Although these wider policy changes occurred after the 11 diagnostic sessions⁴ in the TSF programme, the impact of planned changes in governmental policy was not insignificant: throughout the course of the programme, the action plans in all 11 TSF areas were refined and adapted to take account of external changes.

The NPTSC areas started just as these policies were beginning to take shape and the full extent of the cuts to local authority budgets were beginning to unfold; consequently, action plans focused from the outset on current issues.

In both cases, the emerging policy agenda, coupled with the full implications of the economic downturn, created a highly challenging and uncertain environment in which to set about improving cross-sector commissioning relationships. However, it should be noted that the majority of participants also recognised that these challenges presented opportunities. For many, a transformation in the commissioning cycle was seen to be essential in a period of reduced public expenditure and increased need for efficiencies and joined-up solutions. In all areas there was a strong commitment to making commissioning fairer, easier, more inclusive, responsive and transparent.

⁴ The diagnostic sessions took place during March 2010.

Conditions for improvement

Programme participants identified a number of conditions required for the improvement of commissioning practices and cross-sectoral relationships; they also reflected on the extent to which those conditions were being met.

Commitment to commissioning with the voluntary sector

There was a general understanding about the need to involve the voluntary sector in all stages of the commissioning cycle and recognition of the advantages this can bring to users and communities. This commitment was tested as services were being decommissioned and wider budget cuts to front-line service providers were being implemented.

Building on existing partnerships

There was a feeling, in some areas, that the public and voluntary sectors would be able to pull together to improve commissioning. While the strength and efficacy of these relationships varied across the areas, there was widespread commitment amongst public bodies to an increasingly positive engagement with the voluntary sector.

Improving engagement

Across a number of areas there were positive examples of commissioning processes that already engaged directly with the voluntary sector. These were often programme-specific, for example, focused on children and young people or 'supporting people'; they demonstrated how commissioning could work more effectively between the sectors. Participants also mentioned a number of forums, strategic bodies and one-off events that had been established to improve engagement in the commissioning process, and gave examples of where the voluntary sector was involved in designing commissioned services and in the commissioning process.

In spite of these examples of good practice, participants described areas where engagement between the public and voluntary sector is patchy. The gap between the development of policies designed to improve engagement and their subsequent translation into practice was highlighted as a weakness. Participants from both sectors also agreed that there remains a lack of shared practice and a need for more joint work around co-production and the development of integrated commissioning processes.

Improving communication

Participants identified a lack of clarity and understanding about the process of commissioning and local priorities as a common reason for wishing to improve practices between both sectors. In a number of areas they also highlighted the need to engage in, and understand, the commissioning process, as well as the importance of being able to articulate and identify commissioning opportunities.

In almost all areas, participants discussed the significance of language in commissioning and the importance of reaching a shared understanding of key terms such as 'commissioning', 'procurement' and 'contract'.

Increasing capacity

Participants in a number of areas highlighted the need to build the voluntary sector's capacity to participate in commissioning, especially in local small to medium-sized organisations. Key issues included providing the support and conditions needed to develop consortia among voluntary organisations, and developing organisations' ability to tender successfully.

Developing common approaches and leadership

Participants recognised that there is a lack of consistency across local government in relation to commissioning practices. Many in both the public and voluntary sectors felt that developing common approaches and having greater clarity about direction and joint strategic needs would improve commissioning.

Linked to this, participants cited problems in relation to the complexity of the commissioning process. For many, the approach taken by commissioners was often too lengthy, cumbersome and over-regulated. For small to medium-sized organisations in particular, this acted as a deterrent to entering the commissioning arena. Some stressed the need to apply the principles of proportionality, so that the limited capacity of some voluntary organisations to engage in the commissioning process could be taken into account.

Developing and understanding the market

Across a number of areas the need to develop and promote voluntary sector providers was an important consideration. It was felt that commissioners often do not know about the full range of services that the voluntary sector can provide or that the sector itself is not good at 'pitching' and marketing itself. Issues also arose concerning the need for greater partnership working amongst voluntary sector providers and with the private sector. Participants also expressed concerns about the need to ensure that local voluntary sector providers, as opposed to national organisations, are able to engage with local commissioning processes in an equitable way.

One theme that cut across all the others was the need to try and achieve a culture change in how services are designed, commissioned and delivered. It was recognised that such a change must be based around partnership working and sound communication, and would require raising awareness and understanding of each sector's values and ways of working.

Commissioning improvement action plans

Participants across the 16 areas developed local action plans to address some of the local challenges associated with commissioning. The actions are presented here under five main headings:

- developing the market
- improving engagement
- increasing capacity
- developing common approaches
- improving communications.

Each of these is discussed briefly below, with some specific examples from the 16 participating areas, together with some of the intended outcomes.

Summary of action plans

Actions Areas	Developing the market	Improving engagement	Increasing capacity	Developing common approaches	Improving communications
Calderdale	•		•		•
St. Helens			•	•	•
Wigan			•	•	•
Dudley		•	•	•	
Walsall		•		•	•
Greenwich		•	•	•	
Wakefield	•		•	•	
North East Lincolnshire		•	•	•	
Bournemouth/Dorset/Poole	•		•		•
Bradford				•	
Darlington			•	•	
Staffordshire	•	•		•	
Gateshead	•	•	•		
York	•			•	•
Devon	•	•		•	
Dacorum	•	•		•	

Developing the market

Calderdale (TSF): to create an information and communication hub enabling better sharing of information between statutory and voluntary sector organisations in Calderdale.

£22,000 has enabled the development, led by Voluntary Action Calderdale (VAC), of an innovative hub portal designed to allow commissioners and the voluntary sector to communicate better with one another around commissioning. The site provides commissioners with a single route for publicising tendering and commissioning opportunities. It also enables them to collect and receive information on the voluntary organisations delivering different types of services in their area, view videos of their work, and access statistics and information on their capacity, track record, and so on. It is simultaneously useful for commissioners and the voluntary sector – enabling information to flow in both ways, in a highly engaging and accessible format.

Alongside the technical design and development, VAC also set up and ran a total of ten focused workshops to help small VSOs develop a ‘pitch’ in the form of a short video explaining what they do, and giving a flavour of their work, ethos and values. Technical support in production and editing was also provided. The funding has ensured that the infrastructure and skills are in place to ensure the future sustainability of this approach. This initiative has the potential to reduce the transaction and operating costs associated with earlier, less streamlined communications methods. It will also contribute to more intelligent and informed commissioning.

Improving engagement

Wakefield (TSF): to support the third sector in preparing for commissioning by establishing a ‘third sector assembly’.

In Wakefield, participants identified that the voice of VSOs was under-represented in commissioning discussions. The feasibility of developing a ‘third sector assembly’ was assessed, using a series of focus groups. The assembly was then launched in December 2010 as a result of TSF funding. The benefits for commissioners will include having a focal point for consultation, as well as an established mechanism for taking forward local strategies on advancing equalities, building capacity and improving performance. This will lead to efficiency gains and more informed and responsive local decision-making.

As a consequence of the funding, joint work has been undertaken between the PCT and the voluntary sector to look at informal commissioning arrangements, and to create a new approach to the commissioning of multi-agency, cross-cutting programmes within the Wakefield district; a standard template has been drawn up to progress this.

Dacorum (NPTSC): to ensure joint engagement of the public sector and voluntary sector in all stages of the commissioning cycle.

A number of actions were identified, including work to ensure that VSOs are involved in strategic planning processes around commissioning, for example in corporate planning or in the sustainable communities strategy. Another initiative was the development of joint training for new councillors and officers: VSOs will now be included in the leadership development programme and the new member

programme, which will increase the level of engagement with members and officers and increase understanding about the role of the voluntary sector. Dacorum Borough Council officers and VSO leads are also hoping to organise a cross-sector conference on commissioning and institute more formalised engagement between the voluntary and public sector.

Increasing capacity

Dudley (TSF): to hold advanced masterclasses to develop the skills of small to medium-sized voluntary sector organisations to engage in the commissioning process, and to engage with commissioners.

A total of £14,000 was assigned to developing and delivering a series of masterclasses for the voluntary sector, which involve commissioners providing their perspectives on the commissioning process. To date the sessions have been oversubscribed, and well received. The involvement of those on the ‘inside track’ (local commissioners and public sector partners) has been valuable for the participating VSOs; it has also helped to create new links and relationships between different departments within the council. There has been significant support from the PCT and from the council (including finance and procurement).

The benefits are most evident in the council, as the masterclasses have raised the profile of looking at commissioning from the perspective of VSOs. The funding available under this programme has not only consolidated existing plans but has secured a comprehensive and in-depth change in commissioning strategy and style.

Bournemouth/Dorset/Poole (TSF): to explore the role of grant giving in building the capacity of organisations to engage with the commissioning process.

Research was conducted to examine the role of grants in building capacity. On completion of the work it was felt that the process itself had helped to raise the profile and awareness of grants in terms of their importance and the need to protect them in the future. The review of grant giving has prompted some further actions (within local authorities) and the focus on small grant schemes has contributed to discussions about the Big Society and broader collaborative working arrangements.

The research has served as a reminder to commissioners and procurement officers about the distinctions between grants and contracts and has helped to make sure some programmes are now exempt from the commissioning process. The findings will be used by each CVS (Council for Voluntary Service) to lobby for the continuation of small grants as a means to build capacity and foster innovation.

Common approaches

St. Helens (TSF): to develop a performance management scheme for the third sector.

St. Helens has developed ‘the evolve management’ system, which measures the extent to which VSOs can contribute to the local community sustainability plan. A series of questions are asked of users as well as the organisation. This achieves a set of standards and a generic set of outcomes that can be utilised by commissioners; the system will enable organisations to become ‘commissioning ready’. Peer reviews will take place and will identify those organisations that need to do more work to attain the

required level. A quality award (the 'star standard') will be used for accreditation purposes for providers.

Staffordshire (NPTSC): to establish and develop clear processes for the transition of knowledge and understanding around GP commissioning and personalisation.

This action was seen as an important step in establishing a smooth transition as the commissioning role of the PCT is transferred to GP consortia. The action focuses on the sharing of information and intelligence between the PCT and local VSOs. As GP commissioning boards are established it was recognised that a unified approach to communicating with VSOs was a priority. Other activities included ensuring that the voluntary sector is involved in the development of the personalisation process, identifying the boundaries of funding within the GP commissioning processes and, in conjunction with the new structures, helping to develop preventative services.

Wigan (TSF): to develop a commissioning standardisation and navigation project.

Best practice on standardising commissioning and assessment has been gathered from outside the area and has been considered by a working group. This group has also worked to secure a commitment amongst commissioners to standardise commissioning processes across public sector commissioning agencies, making these much easier for the voluntary and community sector to navigate. Working in tandem with the local Improvement and Efficiency Partnership and Greater Manchester Council for Voluntary Organisations (GMCVO), Wigan is ready to adopt 'the chest', which is an e-tendering system, developed by Due North. It is expected that this approach will lead to a more cost- and time-efficient commissioning process.

Communications

Greenwich (TSF): to provide briefings to managers in the PCT/NHS/local authority on the role and added value brought by the third sector in the commissioning process.

This action was designed to help develop and cover costs for VSOs to deliver training on commissioning. It included the provision of induction training to public sector managers; VSOs have been invited to attend children's workforce inductions. Further work is being undertaken to improve communication links and to engage with lead councillors; this would not have been feasible without the funding attached to the TSF programme. This initiative will help to break down barriers between commissioners and providers, contributing to more targeted and effective allocation of priorities and resources.

Gateshead (NPTSC): to improve partnerships, co-working and information flows.

A 'providers forum' for CYPS is being developed in Gateshead. This initiative is designed to provide a mechanism for the exchange of information between commissioners and providers. It is hoped the forum will lead to the co-design of services as well as providing a forum for the development of skills and capacity in commissioning. The ultimate aim is to develop a vibrant local network of providers that can support collaboration, development of consortia and capacity to respond to commissioning and procurement opportunities. Membership of the forum will include commissioners and all organisations who deliver services, or who may in the future deliver services for children and young people in Gateshead.

Impact

To date, data on the impact of the NPTSC CIP has not been available as the action plans are being implemented and will be reviewed in 2011. In the case of the TSF CIP, the impact of having an implementation grant to invest in the action planning process has emerged.

The implementation grant helped to:

- provide momentum and a greater sense of direction and ownership in the commissioning improvement action plans
- empower areas to make more informed, realistic and actionable decisions about the issues that they believe will help improve commissioning relationships
- pay for expert support, advice and guidance that has added significant value to the co-ordination and implementation of action plans
- provide sustainability in terms of embedding the action plans
- provide a degree of accountability and responsibility for the plan as well as providing the energy to help make things happen
- enable VSOs to understand the evolving commissioning context and engage with commissioners in a way that would have not been previously possible.



Future challenges and opportunities

As the policy environment continues to evolve and the impact of the financial settlements local authorities and other public bodies received are being felt, there remain a lot of unknowns. In response to the changing environment, some challenges and opportunities that will be of significance to the future of commissioning and cross-sectoral relationships⁵ are listed below:

- What actions do voluntary and public sector stakeholders need to take in order to engage with 'new' providers (for example mutuals or the private sector) and foster new partnerships/joint ventures?
- How should VSO providers operate and behave in a new commissioning environment where some new commissioners, such as schools and GP consortia, have little knowledge or understanding of the voluntary sector?
- What steps and support will be required to move the commissioning cycle towards outcomes-based commissioning?
- In the context of reduced funding for 'capacity building', how should VSOs prepare for change and organise themselves to think and act more strategically in order to respond to future challenges and opportunities?
- How will risk be shared between commissioners and providers, and who should bear the bulk of risk in contracting situations?

⁵ These areas were developed by participants at a 'sharing the learning' event held in Sheffield on 3 March 2011 for areas which had taken part in the TSF Commissioning Improvement Programme. The event was designed to allow areas to share their experiences of trying to improve commissioning relationships and to learn from others. A video of the event can be viewed at: <http://tinyurl.com/3jqtnnr>



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