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Commissioning and the Big Society

Context

The anticipated increase in civil society involvement in the delivery of public services is received with mixed feelings by VCS organisations. There is an expectation that public bodies will commission more services from the VCS and others in the future. By doing so this will create opportunity for the VCS and communities to share their knowledge and expertise and shape better services to meet **real** need.

Strategic commissioning frameworks which value and enable the contribution of the VCS have developed over recent years at local level. However, these are not consistent across the country and lead to wide variation in the quality of relationships.

Case study

Boston Bank

The aim of the Boston Bank project is to resurrect Lincolnshire's first ever private bank, using the historic building as a community centre, including business incubation units for social enterprises.

Over £1.5million has been secured so far for the repairs and refurbishment of the venue, which will bring economic and social benefits to local communities, with potential investments hopefully increasing the fund to £2million.

Following discussions with Social Enterprise East Midlands & UK Business Incubation, the project will also provide low cost and highly adaptable space to suit the markets and needs of start-up businesses.

The project will complement the work of key strategic and delivery partners, including Lincolnshire Waterways Partnership and Taylor ITEX Ltd, bringing a diverse range of health services and social enterprise together to stimulate demand and exploit local procurement opportunities.

East Midlands Dimension

There are an estimated 35,000 VCS organisations in the East Midlands. These organisations vary in size from small community based groups with few or no paid staff to big organisations with 50 or more employees. Total turnover of registered VCS groups (charities and social businesses) is £1.2bn according to the 2010 Civil Society Almanac (NCVO). Nationally trends show that 36% of total sector income is from statutory sources. At a regional level this would equate to £432m of which approximately £300m is earned through delivery of contracted services.

Challenges and opportunities

The VCS makes a significant contribution to the aims of the Big Society, by improving outcomes for local people and communities. VCS organisations have a long experience of working in partnerships with the public sector through both grant aided and contracted work. However, some organisations due to their size and capacity may face challenges that make being involved in the commissioning process particularly difficult. Small steps to reduce red tape could rapidly improve community engagement and service effectiveness, efficiency and reach and ensure better outcomes are achieved.

Barriers of bureaucracy: There is a need for proportionality in procurement processes depending on the size and scope of the service and contract. A more consistent procurement process, simplified and streamlined, will allow small groups to participate without being overwhelmed by red tape. The VCS welcomes the government's pledge to remove unnecessary red tape and enable organisations delivering public services to develop sustainability by generating a surplus.

A current role of VCS infrastructure organisations is to support small and frontline VCS groups to understand and engage with often complex commissioning and procurement processes. It is important to maintain the accumulated skills, knowledge and experience of these organisations and their relationships with frontline groups. There is a danger of losing these structures and knowledge because spending and budget cuts have taken effect before alternative means of funding have been established.

The principles of community action and ownership articulated within Big Society have enormous potential to create opportunities for greater involvement of users in the design and delivery of services. Involving local people in public service delivery has been shown to improve service delivery outcomes, resulting in services which are more relevant to people's needs leading to increased take-up and delivery of better and more sustainable public services.

To sustain a vibrant and diverse VCS there is merit in the provision of a mixture of both grants and contracts from statutory sources. Whilst some VCS groups are able to deliver contracted services, many will require minimal support and deliver high levels of return from short term seed-corn investment. The provision of a small grants programme is a valid commissioning outcome in the successful delivery of a thriving voluntary sector in any given locality.

Impact of National Policy

The recent drive to improve effectiveness, reach and quality of health services and reduce health inequality has precipitated a move to a commissioning based model of health and social care provision. The health white paper Equity and excellence; liberating the NHS (2010) builds on this approach through the concept of local GP Consortia which will replace Primary Care Trusts and Strategic Health Authorities as the principle health commissioning bodies. At local level, VCS groups are ideally placed to both inform and shape local health commissioning priorities and deliver services to those most excluded from mainstream health provision. GP consortia must be encouraged to work both strategically and practically with the VCS to best meet local need.

The development of an effective national **Welfare to Work** programme will rely on the commissioning of support services which are appropriate and address specific local need alongside culturally embedded worklessness. In the implementation of welfare reform, as with many other new policy initiatives, the VCS is well placed to play a three-fold role:

1. To shape and inform commissioning priorities based on direct linkage with communities and thorough understanding of community need
2. To deliver services which are particular to the needs of previously excluded communities and individuals
3. To enable long term transformation within communities; challenging cultural barriers and stereotypes.