



# Commissioning and the Big Society: the role of the community sector



Type of paper	A joint Commissioning Support Programme and Kindle publication exploring good practice in commissioning community sector organisations.
Primary audience	Directors of children's services, lead members for children's services, strategic commissioners, children's services managers across all local partner agencies. Children's services providers from the voluntary and community sector.
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The Commissioning Support Programme was established to support local commissioners achieve better outcomes for children, young people and their families.

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Kindle is an umbrella partnership of national charities, led by Community Matters and supporting the community sector for work with children and young people.



# Preface

The Government's vision for the Big Society is exciting. The Big Society is about turning less often to central government to provide all the answers, and instead supporting local communities and volunteers to build their own solutions. Voluntary and community sector (VCS) organisations are at the centre of delivering the Government's vision for the Big Society. The passion, commitment and expertise embodied in the sector are vital elements in ensuring that all children and young people get the best possible opportunities and have access to services that meet their needs and aspirations. Commissioning is the process which can ensure that the skills of the voluntary and community sector are harnessed as part of a coherent, effective and efficient landscape of support and services for children, young people and their families.

This publication has been written for commissioners. The Commissioning Support Programme and the Kindle<sup>1</sup> partners have already collaborated on *Commissioning and the Community Sector* which was aimed at community organisations to help them understand what commissioning is and how they can become 'commissioning ready'. This companion document helps commissioners appreciate the role that community organisations can play and how to ensure that they make the most effective contribution to the lives of children and young people.

The Commissioning Support Programme was set up to support an improvement in the commissioning of children's services and Kindle represents the interests of VCS organisations that work with children, young people and families. This publication focuses on small and medium-sized community organisations<sup>2</sup> as Kindle have identified that these organisations, due to their size and capacity, may face particular challenges that make being involved in the process of commissioning particularly difficult yet make a significant contribution to the lives of children, young people and their families.

However, CSP and Kindle recognise that there are opportunities for VCS organisations of all sizes to be at the centre of the Big Society. Also, much of what this document says about commissioning can be applied beyond the world of children and young people's services to take in an integrated commissioning approach to all local services. Indeed, this is the type of whole-system thinking that is at the heart of the placebased approaches that many local authorities are beginning to adopt with their partners.

These are very challenging times throughout the public sector and commissioners have a vital role in ensuring that we continue to support children and young people, their families and their communities efficiently, effectively and sustainably. The role of community organisations is integral to that support.

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1 Kindle partners are: Action with Communities in Rural England (ACRE), British Association of Settlements and Social Action Centres (bassac), Children England, Community Matters, National Association of Voluntary and Community Action (NAVCA) and National Council for Voluntary Youth Services (NCVYS).

2 By 'small and medium sized' we mean everything from a group run by volunteers to an organisation with an annual budget of up to £250,000.

## The business case: Why commission with the community sector?

The Big Society agenda and public spending reviews will require a shift towards more effective and efficient public services. This shift will require a critical examination of what, how and who delivers public services with a greater emphasis on the involvement of citizens and civil society organisations.

This shift reinforces the principles of commissioning. The Commissioning Support Programme has consistently offered the following definition of effective commissioning:

**‘The process for deciding how to use the total resource available for children, young people and parents in order to improve outcomes in the most efficient, effective, equitable and sustainable way.’**

Community organisations may work within a local neighbourhood or with a community of interest and respond to their needs by offering a range of activities, services and support. Sometimes these organisations focus on all local people whilst others specialise and may work only with particular groups e.g. children and young people. Some organisations may provide targeted or specialist support while others provide more generic activities and services. They have strong local knowledge, skills and trusted relationships with local people, reaching into communities that other sectors and providers find harder to reach. Community organisations have a key role to play throughout the commissioning process to identify local needs and gaps in service provision, shape effective services, deliver the services, and evaluate their effectiveness.

Commissioning services delivered by community sector organisations can also have a double benefit by bringing ownership, employment and volunteering opportunities to the community where services are delivered and can meet the needs of children, young people and families in the context of the community where they live. This added social value is especially true in some of our more deprived communities where the stimulus of seeing services planned and delivered from within rather than from behind town hall doors can

make a real contribution to building a sustainable local identity. This can make services not only more effective but helps in meeting wider policy objectives such as building a Big Society where local groups and citizens have the opportunity to be active participants, rather than just the passive recipients of public services.

Engaging with community organisations in the design, delivery and evaluation of services through commissioning is not just something that is nice to do, but is an essential part of ensuring an effective and efficient suite of local services that respond to local needs. The challenge for commissioners is to ensure that those organisations feel able to engage fully with local commissioning processes and that their full potential is unleashed.

# Key considerations for commissioning with community organisations

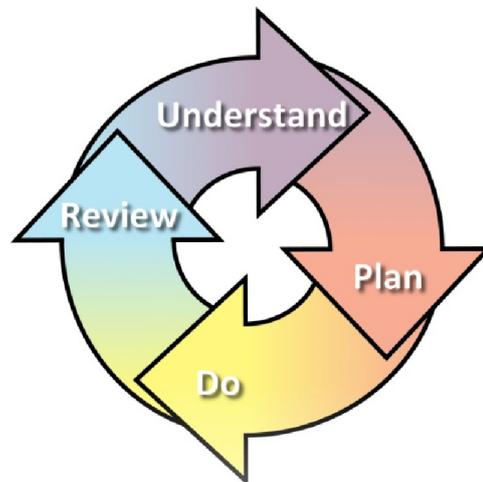
The elements of effective commissioning are explored in the Commissioning Support Programme publication *Good Commissioning: Principles and Practice* and the *A to Z of Commissioning* training materials (both available from [www.commissioningsupport.org.uk](http://www.commissioningsupport.org.uk)). All effective commissioning can be grouped within the four basic elements of 'understand, plan, do, review.'

## 1. Understand – Building on the knowledge of community organisations

At its heart, effective commissioning must be responsive to local needs and circumstances. The knowledge and experience that community organisations have on what communities need from services is crucial at the understand stage of the commissioning process.

However, it is easy to assume that everyone has the same level of understanding or access to knowledge as you do. Although the commissioning principles of understand, plan, do, review are readily understandable by community organisations, jargon can alienate some of the people who do incredibly valuable work with children and young people. Relationships between commissioners and community organisations could be improved significantly by clearly explaining how, where and why commissioning decisions are made and to consider what support you can offer to enable them to participate equally. Consider involving community organisations from an early stage to get the best range of ideas, involvement and services.

Community organisations will also have different levels of experience and understanding of what is involved in working in partnership with the statutory sector. Working with your local voluntary and specialist infrastructure organisations can help you understand the local VCS landscape, where the communications gaps are and how you can best address them.



## 2. Planning – The right way of working in your community

Planning activity involves mapping out and considering different ways of addressing the needs of children and young people. Planning effective and efficient service models means that commissioners need to develop strategies that reflect the full range of resources that community organisations bring. This includes their people and any facilities they have and that these are factored in to plans and strategies, alongside other local resources.

For commissioners to achieve the full benefits of working in partnership with community organisations they need to understand the local environment. Making sure that you understand which organisations work with children and young people, what they do and how they are successful, can help to break with the assumptions of the past and commission more effective and efficient services.

If commissioners are to fully embrace the Big Society vision, including radically redesigning services around the user, then understanding the totality of local provision is essential to allow effective service planning. Think about how you can co-design services with organisations in your communities and have an outcomes based approach to commissioning which will enable stakeholders to suggest different, innovative and possibly cost-saving ways of delivering the outcomes.

### 3. Do – How you work with community organisations

#### Grants and contracts

Many community organisations are more familiar with a grant-based model of funding and may be deterred by the idea of entering into a contract with a large public-sector organisation or the resources required for a competitive tender. Higher levels of risk, complexity and administration often make contract funding models inappropriate for small organisations. Grant funding can often be the most effective way of piloting innovative solutions for the future as well as quickly putting in place a highly targeted response to a specific need. Service Level Agreements or similar can be used alongside grant funding to ensure specificity. As the competitive tendering route may limit the field of potential service providers, commissioners should consider different ways to make the procurement process more accessible to community organisations.

If grant funding is not an option for a particular service then explain why not – if organisations understand that decisions to procure through contracting have a direct relationship to improving outcomes they may be more willing to embrace new ways of working. The letting of longer-term contracts (or grant-funded services), with the flexibility to respond to evolving community needs, may also be an effective way of encouraging community organisations to make the additional investment in a tendering process. These longer term arrangements can also help to foster a more flexible, learning-centred relationship between commissioner and provider. Social value clauses, which indicate that the provision of added social value will be considered when assessing bids, will also attract a wider range of community organisations.

For some organisations the process of contracting will remain a significant hurdle and commissioners can help by encouraging partnership and consortia arrangements between community organisations, occasionally in partnership with larger, established providers. Encouraging consortia can be an effective way of accessing the specific expertise of smaller organisations while minimising the risk that may be perceived in working with a single organisation. An active approach to developing the provision market should look at how commissioners can facilitate the

formation of consortia in response to specific needs of children, young people and families.

Listening to the concerns of community organisations themselves or their local representative organisations (such as a local infrastructure organisation) is an excellent place to start when helping them become commissioning-ready.

#### Developmental commissioning

Some community organisations will need more support to take the full role in the commissioning process as implied in the Big Society agenda. In recognition of this, local authorities are increasingly adopting a ‘developmental commissioning’ approach as part of their work to develop the provider market.

Developmental commissioning is based on true partnership working and helps community organisations by providing support and training at every stage of the commissioning process. This approach allows community organisations to add the maximum value to the commissioning process and also transfer skills and understanding into the community and community-sector which can be used in other commissioning situations.

### 4. Review

#### Monitoring arrangements

For many smaller community organisations one of the most daunting things about partnership with the statutory sector is being made to jump through endless administrative hoops or spend more time on reporting than their work with children and young people.

Monitoring of services and contracts (the ‘REVIEW’ part of understand, plan, do, review) is important in allowing commissioners to ensure effectiveness and value for money but bureaucratic processes can reinforce some of the worst impressions of the way the public sector works.

Commissioners can help address this anxiety by ensuring that monitoring arrangements are both clearly explained and, crucially, appropriate to the scale of the contract and agreed at the outset. It will also be important that any prime contractors are clear about this principle of proportionality in any sub-contracting relationships. Community organisations will understand that it is important

## Case study 1: Being involved in the commissioning process: Horndean Community Association

Concerned about the impact of children's centres and extended schools on local community and voluntary organisations, Horndean Community Association (HCA) decided to get involved and joined the Horndean Cluster steering group. Two key members of HCA staff were already local school governors. Membership gave them a platform to voice their concerns directly to the local county council and extended services team. By being involved at a decision-making level, HCA was able to demonstrate that the voluntary and community sector could be involved as equal partners and Hampshire County Council assigned HCA as a leading body to help distribute funds locally on their behalf.

For HCA, this involvement provided them with some remuneration to help the organisation with its other activities, as well as building a good relationship with local statutory partners and commissioners. Despite the steering group being decommissioned as a result of recent cuts, HCA feel that their involvement has improved the profile and people's understanding of the local voluntary and community sector and has resulted in their participation in the Local Children's Partnership for the area. As such, their involvement has demonstrated to commissioners and statutory organisations the importance of transparency in decommissioning and involving them as equal partners to ensure that outcomes for children, young people and families are improved and not threatened by ineffective local decision-making or commissioning processes.

that procedures are in place make sure that services are effective but, at the same time, it is reasonable to expect that the monitoring arrangements will not be the same for a contract with many millions of pounds as one worth entered into by a community organisation and perhaps worth a few thousand.

Once appropriate monitoring arrangements are in place it is helpful to signpost where community organisations can access support with monitoring arrangements or develop targeted local training.

### Evaluation

Community organisations, whether delivering a service or not, can help commissioners evaluate the effectiveness of local services. Local community organisations have a wealth of experience and

## Case study 2: Supporting community organisations to engage with the commissioning process, Young Suffolk

In Suffolk, the voluntary and community sector (VCS) is engaged with the development of commissioning in the local authority and the Children's Trust Partnership. Young Suffolk, the specialist VCS infrastructure body in the county, has places at both the Suffolk County Council Children and Young People's Directorate Commissioning Group and the Children Trust Partnership Commissioning Executive.

The commissioners really appreciate the value that the VCS can bring to all stages of the commissioning process and they provide financial support to assist their engagement through their core funding of Young Suffolk. They also understand the need to build the capacity of the VCS to understand the commissioning and tendering process and consequently are working with Young Suffolk to run a series of free seminars to help the sector understand the tendering process. So far the seminars have proved very popular and additional events are being planned.

knowledge as well as direct access to local people, which will be critical to assessing the effectiveness of contracted services where the communication gaps and capacity barriers are and how you can best address them.

### A word about decommissioning

An important part of explaining how services are commissioned is also explaining how they are decommissioned. Community organisations understand better than most that needs change and that services that are appropriate today may no longer be required tomorrow.

As community organisations become more integral partners in the delivery of services to communities they will also be affected by decisions to decommission services. This might be because of budgetary constraints, because a service is not effective or because the original need has evolved and requires a different service response. Transparency in any decision to decommission a service will go a long way to foster understanding among community organisation partners. Like others working with children and young people they understand that difficult decisions need to be made and that priorities change.

Just as with developmental commissioning, the provision of phased withdrawal or additional support can help organisations cope with the turmoil that decommissioning might create and ensure that the organisation's expertise remains available to the local community. This support might include identifying sources of grant funding to help organisations make the transition to more sustainable operating models or working with them to adapt the service being provided.

Commissioners should also refer to The Compact on relations between the Government and Third Sector in England, available at [www.thecompact.org.uk](http://www.thecompact.org.uk)

### Case study 3: Influencing commissioning and gaining contracts as a consortium, Surrey Youth Consortium

Surrey Youth Focus (a local network of voluntary and community organisations) were concerned about the procurement processes for youth service contracts. They were afraid that smaller and local organisations would be unable to compete with larger or national organisations for these single, countywide (or regional) contracts. Concerned about the negative impact of this on small and local organisations that have grown up in response to the needs of local young people with strong local connections to schools, health providers and the police, they formed Surrey Youth Consortium. This consortium brought together a range of the network's members and includes branches of large national organisations right down to small community groups. By establishing the consortium as a registered charity and a company limited by guarantee, the consortium can jointly bid to deliver a range of different youth service contracts, which are currently worth over £8 million.

This consortium approach helps to create a level playing field, achieves better economies of scale, and enables commissioners to contract with one provider rather than many, although many organisations can benefit. As a consortium of local organisations, they are also able to use and maintain their local knowledge and trusted networks together so that they can reach a wider group of local young people and deliver quality services, subcontracting work to smaller specialist organisations where appropriate.

### Case study 4: The co-production of Lambeth Community Engagement Service by the London Borough of Lambeth and local community led forums

In order to have active communities, improve quality of life for residents and achieve value for money, Lambeth Council recognised that they needed to understand local needs better. They felt they could do this by working with local VCS organisations, and in particular with the community led forums, through effective and engaging partnerships. So, along with VCS organisations, they established Lambeth's 'Community Engagement Service'.

Following a borough-wide consultation with a range of VCS organisations and forums, the council admitted that it had not been effective at engaging the sector and made a commitment to turn this around. This acknowledgement was the first and critically important step to opening up a new dialogue with the community forums. The second step was to listen to the different ways that groups across the borough wanted to develop and work, and allow flexibility across the borough for different neighbourhoods to work in different ways. The third step was to have funding available for groups from the beginning (and under the joint control of the forums and the council) and provide dedicated council staff to enable, support and facilitate them to function, as well as develop their capacity.

Taking small steps, working together (the co-production of agreements, funding, outcomes and outputs, as well as a recognition of each other's needs and skills), and giving time for these relationships to build, has been critically important in building trusting and effective partnerships that improve outcomes and build stronger and more active communities across Lambeth. Now, in the third year of this new approach, the Lambeth Forum Network has more influence on council policy, has increased the number of functioning community forums, and is jointly exploring with the council what further roles and functions it could take on to help them understand, plan, do and review their services.

## Recommendations

Working with commissioners and providers, the Commissioning Support Programme and the Kindle partners have identified the following checklist to help promote effective commissioning with community organisations and help commissioners avoid the traps that others have sometimes fallen into.

The Commissioning Support Programme's self analysis, planning tool and standards can also be used to identify in what areas commissioners can improve how they work with community organisations.

### Do:

- ✓ Take time to understand the environment of voluntary and community organisations working locally and ensure that local priorities for children, young people and their families and the commissioning process are communicated effectively to community organisations
- ✓ Adapt your commissioning processes in response to feedback from community organisations. Listen to children, young people and families about what community organisations make the most difference
- ✓ Clearly explain your commissioning process, involve community organisations throughout the commissioning cycle, not just when a service is being procured, and offer local training opportunities
- ✓ Consider whether competitive tendering and contracting processes are necessary to the outcomes required and whether this will preclude some of the most effective providers
- ✓ Encourage consortia and partnerships between organisations to ensure a broader and more community-rooted provider base.
- ✓ Ensure any sub-contracting arrangements are fair and proportionate in respect of risk, reward, monitoring and administration

- ✓ Recognise added social value and holistic approaches in either the service outcomes required or the tendering process
- ✓ Consider the impact of length of contract on providers ability to plan and invest effectively
- ✓ Recognise that larger, aggregated contracts may not always be efficient in that they may prevent smaller, lower-cost providers from entering the market
- ✓ Consider the impact of payment methods on the service providers
- ✓ Consider how your commissioning fits in with the ideas at the heart of big society; such as localising provision, devolving services to communities; empowering individuals and personalising services.

### Don't:

- ✗ Assume that community organisations know what you know
- ✗ Wait for community organisations to approach you
- ✗ Expect that community organisations will have the same administrative capacity as the statutory sector
- ✗ Make procurement processes overly bureaucratic or burdensome
- ✗ Apply monitoring arrangements without thinking about the scale of the contract or size of the partner organisation

## Further resources

### Commissioning Support Programme

The following resources and tools can be found at [www.commissioningsupport.org.uk](http://www.commissioningsupport.org.uk):

- *Commissioning and the community sector* – 2010 publication by CSP and Kindle
- Case studies and good practice exchange
- Community of practice
- *A to Z of Commissioning* – training materials
- *Individual Skills Assessment Framework*

### Kindle partners:

- ACRE: [www.acre.org.uk](http://www.acre.org.uk)
- Bassac: [www.bassac.org.uk](http://www.bassac.org.uk)
- Children England: [www.childrenengland.org.uk](http://www.childrenengland.org.uk)
- Community Matters: [www.communitymatters.org.uk](http://www.communitymatters.org.uk)
- NAVCA: [www.navca.org.uk](http://www.navca.org.uk)
- NCVYS: [www.ncvys.org.uk](http://www.ncvys.org.uk)

### Other sources of support:

- National Programme for Third Sector Commissioning
- The Compact on relations between the Government and the Third Sector: [www.thecompact.org.uk](http://www.thecompact.org.uk)
- VCS Engage
- National Audit Office:
  - Guidance for commissioners on the use of grant funding vs. contracting approach [www.nao.org.uk/betterfunding](http://www.nao.org.uk/betterfunding)
  - Guidance on the principles of proportionate monitoring arrangements [www.nao.org.uk/intelligentmonitoring](http://www.nao.org.uk/intelligentmonitoring)