

ChangeUp



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Are you ready for commissioning?

Report of research conducted with
Newham's Third Sector

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The Renewal
Programme

NEWHAM VOLUNTARY SECTOR CONSORTIUM
for voluntary, faith and community groups



Aston-Mansfield

Generating community wealth for social change

Community Involvement Unit

Background

This piece of research has been commissioned by the Newham ChangeUp steering group to identify the gaps in knowledge and capacity that may prevent voluntary, community and faith sector organisations from tendering to deliver services; and subsequently to assist them to become more competent in the tendering process. This report follows an initial research paper which established what potential requirements may already exist for organisations tendering for services. The research paper can be found at: <http://newhamchangeup.info/research+paper+commissioning>

A questionnaire (appendix 2) was distributed to collect information from voluntary, community and faith sector organisations about the extent to which they already meet these requirements in order to begin to identify the gaps that may possibly exist. It was sent directly and indirectly to approximately 500 organisations through post and email networks. Twenty responses were received from a mixture of small medium and large organisations. To make the research more useful to both the organisations we consulted and other organisations who may enter into the tendering process, the questionnaire also raised issues about how groups generally view the proposals for commissioning and asked for comments on any concerns that they have. This report, summarises the responses from the groups that submitted completed applications and will go on to form the basis of the support and training that will be offered to them in preparation for tendering to deliver services. It also makes recommendations to commissioners and service deliverers about how to get the most out of the tendering process.

Context

A consultation event on the Council's Commissioning proposal was held in October 2006. For many groups attending, this was the first information they had received about the commissioning plans and for some, the first time they had been introduced to the concept of commissioning at all. Respondents to the questionnaire therefore felt that this event was less productive than they had anticipated before attending and that that they were asked to comment on an issue that many knew little or nothing about.

Aims of the research

The research sought to identify the extent to which:

- voluntary community and faith sector organisations are informed and prepared for the change from grants to commissioning
- the level of confidence they have in their ability to participate and
- their perceptions of the degree of understanding statutory bodies have about the obstacles that might prevent them from delivering public services.

Summary of findings

Basic knowledge and experience of commissioning

50% are unfamiliar with the concept of commissioning

However, of those that said they were familiar with commissioning, definitions of their understanding varied greatly, which indicates some confusion amongst groups about what commissioning is.

70% have never bid for contracts in the past

This indicates little first hand experience of tendering to deliver services.

It is unsurprising, therefore, that **62% don't know or don't feel they are in a position to bid for contracts**

80% know about the Council's plans

A large number of groups said that they had learned about it at the consultation event at West Ham Football Club. Others said information came through networks, local infrastructure organisations and by word of mouth.

Main concerns highlighted in the questionnaire

75% have fears about the process involved in contracting

Comments from the groups included:

"The general level of officialdom and bureaucracy. A small organisation does not have admin and financial staff so delivery (frontline) workers have to do this – and do less service delivery."

"Lack of knowledge of the process or of what is involved."

"Groups ill informed about the commissioning process – need to be aware! More grass roots support."

65% agree (25% strongly agree) that they will feel tied to the commissioner rather than their service users

Comments from the groups included:

"Groups controlled by disabled people need to be included in the commissioning intentions in the first place."

"Following funding rather than following vision and mission."

55% have concerns about the monitoring that might be involved in delivering contract, with only 20% of groups feel that they are developed enough to take on a contract

Comments from the groups included:

“We are all volunteers and very active in ‘delivering’ services but none of us are skilled or comfortable with filling out applications etc.”

“Lack of expertise to put the bid together. Contract will only be won by big voluntary bodies due to their capacity and resource to put a bid together.”

40% feel unconfident about the response and support they anticipate to receive from the Council

Comments from the groups included:

“That we are just not big enough to produce a project that the council/funding bodies will want - they seem to want charities to solely be about one issue and set up one big project to tackle that issue which is not what we do.”

“Complexity of the bidding due to unfamiliarity with the process will be a major concern.”

“Commissioners have high expectations of small voluntary organisations which can put them off bidding for contracts and make them feel left out.”

Although these concerns exist and may well prevent groups from entering into the tendering process, it is important to note that the responses showed that groups do not feel significantly unconfident about what they can do; their concerns centre around the processes involved and the relationship with the commissioners rather than their ability to deliver quality services.

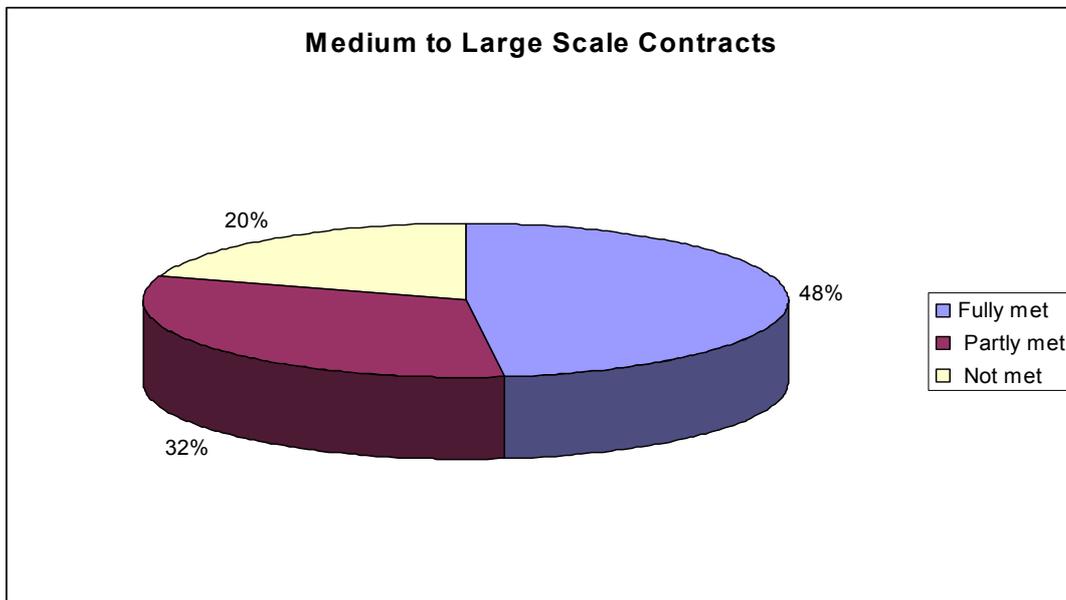
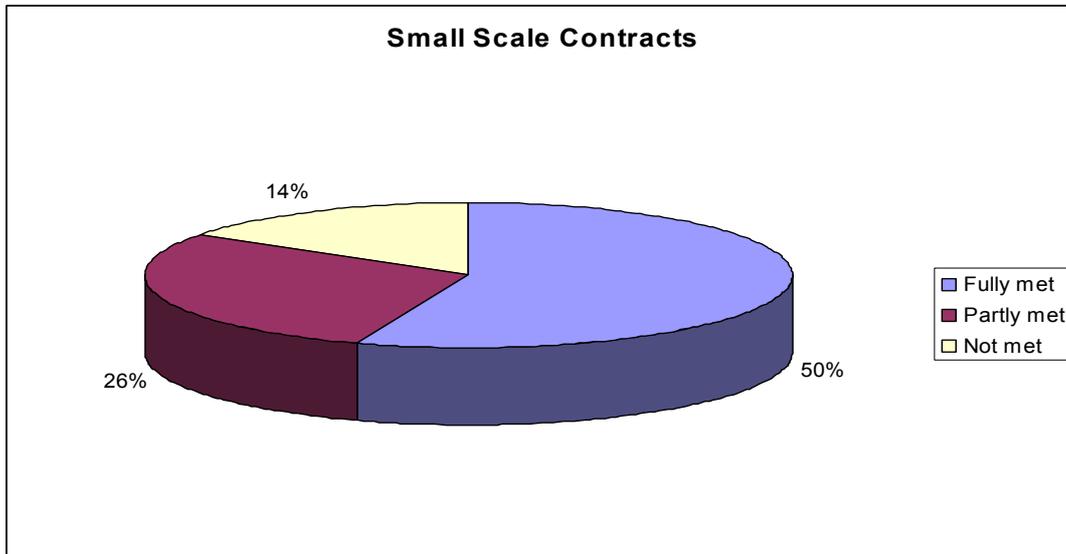
40% feel they have enough experience for taking on a contract

40% do not have fears about the delivery of the contract

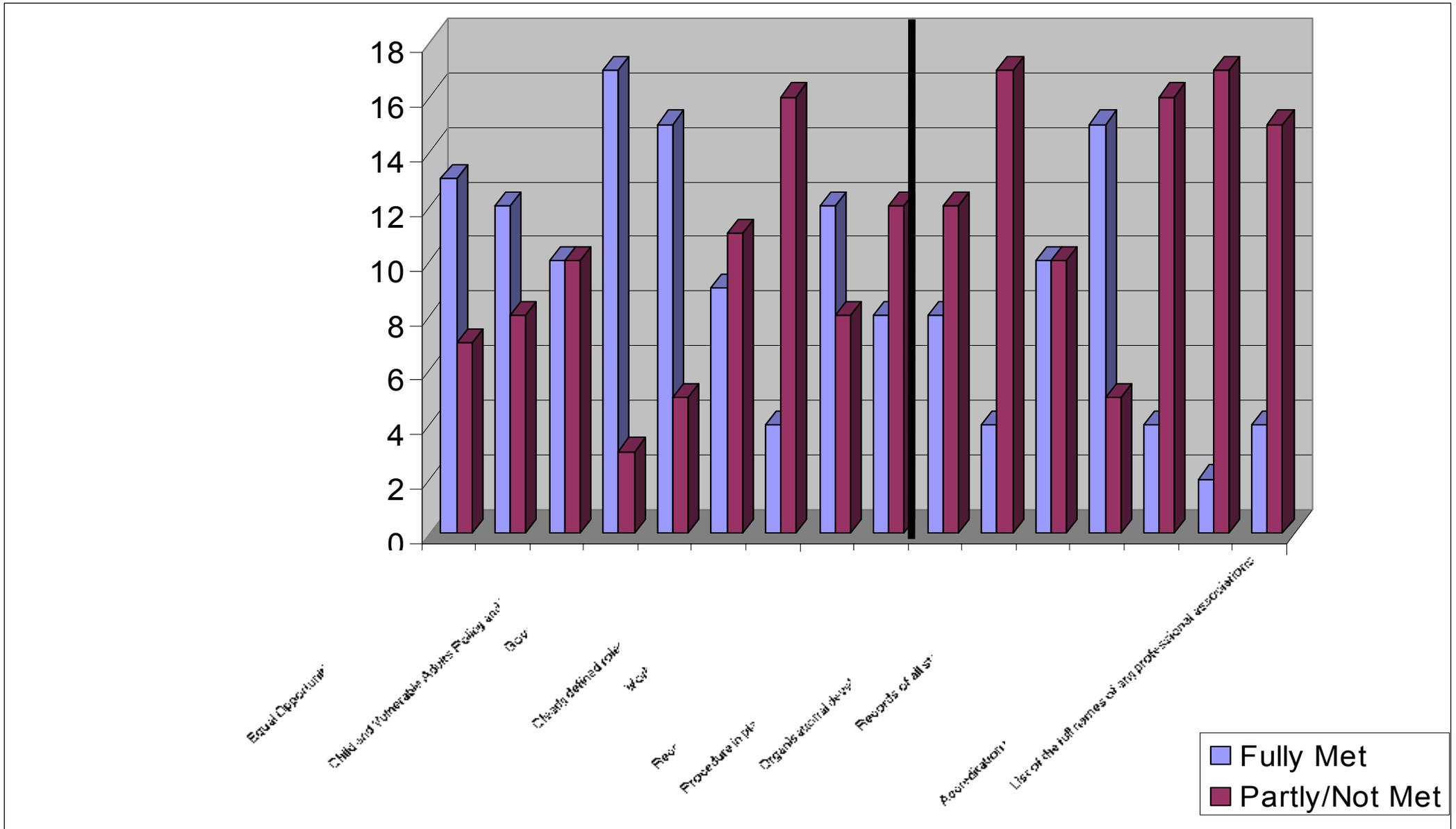
55% do not have concerns about the responsibility of delivering on a contract

Meeting the basic requirements for participation

The requirements that were first published by Newham Council in their 'Summary Consultation paper on London Borough of Newham's Grants to Commissioning Process' were split into two categories; one for small scale contracts and one for medium to large scale contracts. The responses to the questionnaire showed which requirements were partly met, fully met or not met by the groups.



This graph shows the individual requirement as outlined in the Paper produced by LBN for both small and medium/large scale contracts (the black line separates the two categories) and how many groups meet each.



The requirements for small scale contracts included the essential elements for any group wishing to tender to deliver public services. The following identifies the areas that are partly met by respondents and may therefore be areas that can be addressed as a priority through further support and training.

1. Work plan which demonstrates a risk assessment and milestones to be achieved
2. Records from AGM (minutes and attendance list)
3. Clearly defined roles and responsibilities for those delivering the project
4. Child and Vulnerable Adult Policy and Procedure (inclusive of CRB checks for all staff and volunteers)
5. Health and Safety Policy and an organisational structure chart showing how staff or project managers are accountable to trustees
6. Equal Opportunities Policy and Procedures (inclusive of recruitment procedure)
7. Annual accounts
8. Governing Document

The following shows (in order of priority) the requirements for medium to large scale contracts that are least met by those responding to the questionnaire:

1. Organisational development plan or business plan
2. Accreditation under a nationally recognised quality standard system (or working towards)
3. Procedures to address the training needs of volunteers, trustees and staff
4. List of full names of any professional associations or guarantee schemes of which the company/organisation is a member
5. Procedure in place to review all policies and procedures
6. Records of all staff/volunteers/trustees in the company/organisation
7. Organisation registered with Companies House and/or the Charity Commission where appropriate

Recommendations

The research indicates a split between those organisations that understand the basic principles of commissioning services and those that are less sure. Only a minority of groups have ever participated in a commissioning process themselves and 62% are unsure that they are in a position to bid for contracts. We therefore recommend that :

- Groups are given basic training on the concept and culture of commissioning so that they fully understand how it works and what is involved.
- Case studies and examples are used to show groups the processes involved and to highlight examples of where it was successful and unsuccessful.
- Training is provided on the idea and principles of partnership working.
- Funding is available for local infrastructure organisations to broker and facilitate partnerships.

Only 20% of respondents felt that they were developed enough to participate in commissioning processes and 55% of respondents were concerned about the monitoring regimes that would apply to them if they successfully bid for a public service contract. None of the groups responding to the questionnaire had every eligibility criteria in place that would enable them to bid for services. Although most groups are aware of the new requirements for participation in future commissioning, few were equipped to be able to cope and engage with the new criteria. We therefore recommend that:

- Capacity building training offered by local infrastructure organisations to address the gaps in development that represent an obstacle to organisations participating in commissioning, including encouragement and support for smaller groups to adopt a quality system such as PQASSO to provide a focus for their 'commissioning-readiness'.
- Specific training to be made available, in partnership between London Borough of Newham and local infrastructure organisations, that looks at the monitoring requirements of any organisation wishing to consider delivering public services in the future.
- The timeframe for groups to ensure that every requirement is in place in preparation for the future commissioning may be inadequate to ensure that more than a few larger voluntary organisations are able to participate. This needs to be factored into the overall timescale for both re-launching the delayed 'grants to commissioning' process and future commissioning.
- Consideration is made for letting development contracts to local infrastructure organisations (as Newham PCT has previously undertaken with its commissioning on Sexual Health) to provide mentoring to small groups to enable them to deliver their commissioning contracts.

A significant number of respondents have real concerns about the extent that commissioning will undermine their independence and disconnect them from the changing needs of their clients or users. In addition, the aims and objectives of many third sector organisations focus less on the provision of specific services and concentrate more on engaging with local communities, providing advocacy or helping the community to receive adequate public services. The government has acknowledged that provision of services is just one part of what the third sector can offer and that commissioning alone risks forcing groups to choose between securing new funding or fulfilling their mission as community-based organisations. This would, as the Minister for the Third Sector said in November 2006, “suck the life out of one of the most vibrant sectors of our civil society”. We therefore recommend that:

- Newham Council designs its future commissioning in a way that is responsive and flexible, rather than opting for overly prescriptive ‘tenders’, allowing groups to negotiate the means by which their milestones and outcomes are achieved at the start of a successful bid and to innovate in the course of their contract.
- Newham Council plans commissioning as one part of the ‘funding mix’ available to third sector organisations that includes grant funding, for meeting new and emerging needs in innovative ways or for supporting organisations whose aims and objectives preclude them from public services delivery.

As the government has recognised, there are a number of distinctive values that third sector organisations can bring to the delivery of public sector services, including greater flexibility, responsiveness to local communities and the ability to adopt innovative solutions.

Commissioning as a means of transforming public services will fail, however, if third sector organisations are seen only as cheap alternatives to statutory provision, as a way of simply transferring risk from the council or as a convenient means of overcoming shortfalls in the full costs of the services because of the third sector’s ability to access independent funding. We therefore recommend that

- Newham Council’s commissioning procedures clearly encourage the positive values that third sector organisations can bring to transforming public services and include selection criteria that are not based solely on price, quality and reliability, but also on flexibility, innovation and responsiveness to changing needs within local communities.
- In partnership with Local Infrastructure Organisations, Newham Council provides information, briefing events and, where possible, one to one support aimed at encouraging groups to fully demonstrate the specific values that they can bring to commissioning processes and on where groups can get further support.



APPENDIX: Questionnaire

Are you ready for Commissioning?

The purpose of this questionnaire is to establish the awareness and readiness of the Voluntary, Community and Faith organisations for the possibility of delivering public services. In order to deliver services normally provided by public bodies like the Council and the Primary Care Trust, VCF organisations have to go through the process of bidding or tendering for services commissioned by those bodies. This is usually called procuring services and is normally bound by a contract between the VCF organisation and the commissioning public body.

1. How familiar are you with the concept of commissioning and procuring services?

| Very familiar (a) | Fairly familiar (b) | Familiar (c) | Not sure (d) | Not familiar at all (e) |
|----------------------|------------------------|-----------------|-----------------|----------------------------|
| | 7 | 3 | 6 | 4 |

2. What do you understand commissioning and procuring to mean?

- Council giving detailed description of the services it needs
- Entering into a contract to provide specified services in return for a certain payment from a statutory authority
- Tendering and contracting for the delivery of services
- Groups tender for work and the council on choosing the appropriate candidates commissions a contract for delivery of service. The candidates set the criteria and modes of delivery and the council select those who most meets their agenda, objectives and delivery outcomes.
- Instead of being grant aided to deliver services, organisations set priorities that you have to bid into. Very prescriptive process.
- The council using the voluntary sector to provide services and getting them to bid rather than grant funding
- The we must be 'pre-approved.' Once groups and/or projects are approved, there will be little room/leftover opportunities for new initiatives
- A more complicated application process
- A replacement of the current grant system used by the Council. It seems some of their current responsibilities will be passed to other bodies
- It means that your organisation tenders for a contract with other organisations and the best contractor who meets the requirements of the commissioner gets the contract and delivers it according to the requirements.
- To grant organisations to carry out particular task or project
- The council/grant bodies put forward a proposal of what they want a project to do and different projects come forward with proposals of how they will be able to do that id they are given a grant.
- Instead of providing services directly, Newham Council/PCT decide what services can be provided by organisations outside of the Council/PCT. Based on this, organisations are invited to bid via tendering process
- Government tendering process
- A way of ensuring that a fair and open procedure to take place to ensure effective service

delivery

- Going out and securing a contract. A process, total inclusion!
- Contracting to deliver public services
- Commissioning I understand is getting into a contract with a Local Authority, PCT etc to deliver a service. Procurement is the bidding process to secure a tender
- 3rd sector providing some statutory services. This is how to tender how to do this.
- None

3. In what ways have you become aware of commissioning and procuring?

- Through meeting with council officials
- Information sent out by NVSC etc. and attended an event organised at West Ham Football Club premises
- Through general publicity and more specific information from NVSC and others
- Information sent from NVSC and I attended a conference held by the council late last year at west Ham Football ground – didn't quite follow what was being proposed – but then I didn't think most people present did.
- Via various briefings from National Organisations. Info from the LA, PCT, LAA and Change Up
- Via NVSC
- Through a program you told me about, funding program ay West Ham
- Mailings from Aston-Mansfield
- Attended a seminar at the funding fair to explain briefly the commissioning process which was still unclear on its timetable and implementation. The commissioning process was still being developed and out for consultation
- Through the council, voluntary and private sector
- As we are a new organisation, we don't know much about commissioning and procuring system provided by the Council or PCT. More awareness and training needed to new organisations like us.
- From umbrella bodies who inform charities about changes in funding e.g. Aston-Mansfield
- Based on the recommendation of a consultancy report commissioned by the then social services department, we received grant aid to deliver a particular scheme. After 4 years of running the scheme, Socila Services decided the service needed to be a commissioned service
- The Women's Resource Centre
- Through info distributed via networks due to current climate
- West Ham event, publicity
- Email group
- Very little. My first time is October 2006 during Newham Council's Grants to Commissioning Conference at West Ham. I found it very confusing as it was my first time
- NVSC
- LBN Mailings
- None

4. Have you ever bid for or delivered services on behalf of public bodies, for example, Newham Council/the Primary Care Trust?

6 Yes

14 No (go to question 5.)

Are there any other factors that may deter you from bidding for services? (please specify)

- Ambiguity of Council's guidelines for example, we know of a case where the Council refused funding an arts project in schools because they felt the project should be funded by the schools themselves, however, similar project had been funded by the Council in the past.
- The general level of officialdom and bureaucracy. A small organisation does not have admin and financial staff so delivery (frontline) workers have to do this – and do less service delivery.
- We are all volunteers and very active in 'delivering' services but none of us are skilled or comfortable with filling out applications etc.
- We are a very small group of unpaid volunteers. This could produce too much admin for us
- Complexity of the bidding due to unfamiliarity with the process will be a major concern
- Insufficient support in the area of human resources, payroll, bookkeeping, accounting, legal protection of a small organisation against commissioner, service users, government bodies, employees.
- Expectation is on small organisations management to ensure litigation aspect of the organisation is covered with insufficient support
- Commissioners have high expectations of small voluntary organisations which can put them off bidding for contracts and make them feel left out
- Big organisations have always had small beginning therefore this needs to be put into consideration with the bidding services
- Jargon words need to be simplified for small organisations to understand
- Small organisation forum medium with summarised information of what commissioners expect should be available and accessible via internet, chat rooms, website access, postal services etc.
- We can't say as we are a new organisation and we have never gone through the bidding process, however, we are looking forward to bid for services in the future from the public services bodies like the Council or PCT
- That we are just not big enough to produce a project that the council/funding bodies will want - they seem to want charities to solely be about one issue and set up one big project to tackle that issue which is not what we do
- Groups controlled by disabled people need to be included in the commissioning intensions in the first place
- Lack of knowledge of the process or of what is involved
- Publicity re tenders
- Info on opportunities
- Groups ill informed about the commissioning process – need to be aware! More grass roots support
- Procedures
- Lack of expertise to put the bid together. Contract will only be won by big voluntary bodies due to their capacity and resource to put a bid together
- Following funding rather than following vision and mission be particularly

Bidding for services from Newham Council

7. Are you aware that the Council is planning on replacing most of their current grant funding streams with the commissioning of services?

16 Yes

2 No (go to question 8)

2 Not sure (go to question 8)

If yes, how have you become aware of this?

- Through Council officials and literatures
- Info via LBN website, NVSC, etc.
- From attending the Conference and from information sent from NCVO
- Via LA
- Vis NVSC
- Through a program you told us about at West Ham stadium a few months ago
- Not too much – Just limited knowledge as information obtained is limited
- Council, voluntary and private sector
- I've heard from people who consult different sectors (charities and government) that this is going to happen but I've only seen it happening in a trust before and not the council
- Letter from Council
- Word of mouth
- Through networks and event at West Ham
- West Ham event. No recent news/info
- Network
- During the Grants to Commissioning Conference hosted by Newham Council in October 2006
- Various

8. What (if any) preparations have you made for taking part in this process?

- Been to consultations and workshops to find out more about it
- Attended a meeting
- Wrote to LBN
- Tried to fill in the draft 'Expression of Interest' form and found it did not allow me to express an interest sensibly.
- Finalising our Business Plan, updating our policies and completing quality assurance system (PQASSO). Preparing to update local councillors on the work of the organisation by producing a publicity pack.
- None
- None
- None as yet
- None
- None to date
- No preparations have been made yet due to the limited knowledge of the commissioning process and to whom
- Ensuring that the management committee is aware of their roles and responsibilities – by information and training
- Getting policies and procedures in place
- Getting legal and litigation aspects in place by utilising PQASSO as a form of organisational assessment
- Accounting, bookkeeping and payroll aspect in place
- We are fully committed to taking part in the process and providing services to the community
- None
- The Council's intentions are still not clear. Things are very much up in the air and until we know what is happening we cannot prepare. We, alongside other disabled people's organisations, need to know that the Council/PCT wishes to commission work which we can tender for.
- Staff attending workshops through the WRC
- None

- Completed forms sent by Council
- None
- No preparations made by our organisations so far. At the conference, I understood that Newham voluntary sector consortium, The Black and Ethnic Minority Community Care Forum and Aston Mansfield would assist small organisations through workshops but no further updates after the conference.
- None
- I am not aware

9. How confident do you feel about engaging in this process

| Very confident (a) | Fairly confident (b) | Neither confident nor unconfident (c) | Fairly unconfident (d) | Not confident at all (e) |
|-----------------------|-------------------------|---|------------------------------|--------------------------------|
| 2 | 6 | 5 | 6 | 1 |

10. How confident do you feel about the response and support that you will receive from the Council?

| Very confident (a) | Fairly confident (b) | Neither confident nor unconfident (c) | Fairly unconfident (d) | Not confident at all (e) |
|-----------------------|-------------------------|---|------------------------------|--------------------------------|
| 1 | 2 | 8 | 6 | 2 |

The following is a list of requirements which, based on the Council's initial consultation in September 06, we believe may need to be met when tendering to deliver services commissioned by the London Borough of Newham. Please could you indicate which of these requirements you fully meet, which you partly meet but may need to work or get training on and which you do not yet meet.

| | Fully Met | Partly Met | Not Met |
|---|-----------|------------|---------|
| Equal Opportunities Policy and Procedures (inclusive of recruitment procedure) | 13 | 6 | 1 |
| Health and Safety Policy | 12 | 4 | 4 |
| Child and Vulnerable Adults Policy and Procedure (inclusive of CRB checks for all staff and volunteers) | 10 | 4 | 6 |
| Governing Document | 17 | 2 | 1 |
| Annual Accounts | 15 | 4 | 1 |
| Clearly defined roles and responsibilities for those delivering the project | 9 | 10 | 1 |
| Work plan which demonstrates a risk assessment and milestones to be achieved | 4 | 12 | 4 |
| An organisational structure chart showing how staff or project managers are accountable to trustees | 12 | 3 | 5 |
| Records from AGM (minutes and attendance list) | 8 | 8 | 4 |
| Procedure in place to review all policies and procedures | 8 | 11 | 1 |
| Organisational development plan of business plan | 4 | 9 | 8 |
| Records of all staff /volunteers/trustees in the company/organisation | 10 | 9 | 1 |
| Company/organisation registered with Companies House and/or the Charity Commission where appropriate | 15 | 1 | 4 |
| Procedures to address the training needs of volunteers, trustees and staff | 4 | 9 | 7 |
| Accreditation under a nationally recognised quality standard system (or working towards) | 2 | 6 | 11 |
| List of the full names of any professional associations or guarantee schemes of which the company/organisation is a member – where appropriate please indicate the maximum value of any one contract covered by the scheme. | 4 | 7 | 8 |

Basic list

50% Fully met

26% Partly met

14% Not met

Full list

48% Fully met

32% Partly met

20% Not met

Please return your completed questionnaire to:

Aston-Mansfield Community Involvement Unit

Durning Hall Centre

Earlham Grove

London E7 9AB

If you have any queries about completing the questionnaire please contact:

Amy White on 020 8536 3826