



# National Coalition for Independent Action

Report of LVSC and NCIA event

## Is competition killing us? Commissioning and the independence of the voluntary sector

29<sup>th</sup> May 2012, Resource for London, Holloway Road



## Notes of 'bigger picture' presentations and discussion (by Tim Brogden)

### **Lin Gillians, LVSC:**

Commissioning isn't going away – how can we get engaged in the commissioning process? The voluntary and community sector is there to serve its users, but where do you draw the line? For some of us the grants process worked well, but if you were outside the grants system it was hard to break in. Organisations that got grants continued to get grants. Whether campaigning and commissioning are compatible and how to retain independence are interesting questions.

### **Colin Rochester, NCIA:**

Is competition killing us? If not it is doing a serious amount of damage:

- Increasing competition, and in any competition there are losers – valuable work will be lost.
- The winners find themselves bound into onerous terms of engagement.
- Voluntary sector organisations become sub-contractors to large private concerns, taking all the risk and getting little in return.
- Engagement in commissioning damages all of us by making organisations compete against each other.
- We are becoming not more business-like, but more like businesses.
- We are focussing on being service providers rather than on fighting for service users.

**James Rees, Third Sector Research Centre: See presentation slides on page 18.**

### **Dexter Whitfield, European Services Strategy Unit:**

Commissioning = contracting. The basic stages are:

- Planning/needs analysis
- Assessing options
- Procurement
- Contract management
- There is vested interest in a close relationship between client and contractor.
- More time is spent on contracting: this is managerial rather than strategic time.
- All of this exists because of the creation of a market, which is a mixture of private, statutory and voluntary sectors.
- In house services are being run down through more outsourcing.
- Increasingly services provided by the voluntary sector will be affected – market and competition don't stand still – there is a need to look at how this will affect the sector in 15 to 20 years.
- The open public services white paper extends commissioning through public funding of market services, leading to more intense competition.
- There will be an increase in the need for risk management, and increasing transfer of staff between sectors.

- Some councils have become 'commissioning councils', e.g. Barnet. The structure of local government is changing as more councils do this.
- Commissioning leads to the commercialisation of the voluntary sector. Public sector values will be pushed out.
- Competing in a market creating divisions between small and large organisations.
- Consortia are being set up, with implications regarding competition for contracts, organisations becoming service agencies more than voluntary sector organisations.
- Loss of independence: large organisations may have more scope, but for small organisations it is very difficult to keep contract obligations separate from their other aims.
- Financialisation, e.g. payment by results, is being extended into more and more services.
- Commissioners are fixated on outputs: inputs, quality, outcomes hardly feature anymore.
- Government is moving into a system of tariffs.
- Contracting brings high transaction costs and costs of bidding.
- There are issues of employer responsibilities and maintaining staff terms and conditions, e.g. in TUPE situations.
- All of this is taking place in the context of financialisation, privatisation and marketisation of public services.
- There will be hard choices for the sector. There is a need to argue for an alternative.

## Questions

- 1) **Do any minimum training levels/quality standards exist for commissioners?**
- 2) **How can the notion of co-production be embedded into commissioning processes?**

1) **James:** it is difficult to know who commissioners are. Some are in former PCTs, some in local authorities. Commissioning expertise is in upheaval, constantly moving from one place to another. There is a question about the professional status of commissioners – we know they are out there but where/who they are? You can get into a commissioning role with very little experience or expertise. This is set to change with the establishment of the National Commissioning School.

2) **James:** there is a sense that co-production is sliding off the agenda – this government is less interested in this type of involvement.

2) **Dexter:** co-production is sliding off if it ever was on the agenda! I don't think you can co-produce as service users. When local authorities are so bad at engaging people in commissioning how could they co-produce?

1) **Dexter:** some people taking on commissioning roles are officers pushed into it with very little training. The basic response is to bring consultants in – consultants are enthusiastic outsourcers.

- 3) **Questions about quality of commissioning and quality of knowledge of commissioners – is there any general awareness after NHS reform of 20/30 years ago- is there a comparative study there? Is this process refinable or is it conceptually flawed?**
- 4) **Work Programme: cautious about using this as a model. It was a market created by welfare reform and sanctions on people, there have been allegations of fraud. To study it is to give it credibility. Legal advice: commissioning by value – there was some good creative thinking in work in Portsmouth looking at the value of advice centres.**
- 5) **Developing an alternative strategy – how do you do it and how do you market it?**
- 6) **Campaigning – what does commissioning mean for organisations that have a campaigning arm but are not necessarily campaigning organisations?**

3) **Dexter:** yes commissioning is conceptually flawed – there are alternatives.

4) **Dexter:** Portsmouth sounds very interesting.

5) **Dexter:** I have set out my alternative strategy ideas in documents in my book 'In Place of Austerity'. The tradition of community action is setting out the alternative – alternative ways of transforming public services that involve staff and service users.

6) **Dexter:** Campaigning – it is very difficult for smaller organisations to be in the right position to take on contracts. Pressure is put on – once you're in a contract the financial risks are incredible. For community organisations these financial and legal concerns will outweigh their other concerns and their principal focus will be on the contract. It is easier for larger organisations with broader remits and different funding streams.

6) **Colin:** there is evidence from earlier research that organisations lose focus on campaigning when they take on contracts- smaller organisations use more resources managing contracts, which detracts from campaigning.

6) **Lin:** getting funding for campaigning work is quite difficult. Some small organisations do campaigning and manage contracts very well.

4) **James:** work programme and being a model – we shouldn't hold it up as something to replicate, but studying it doesn't necessarily imply this. The government has been explicit about it being an example of the way to commission services, so we need to be aware of it and study it. Portsmouth sounds very interesting and exactly what we should be looking at. Brighton claims to be doing intelligent commissioning.

6) **James:** campaigning/advocacy – most organisations we've studied have been larger, mostly national organisations, and they cite one reason for going into things like the Work Programme as being to further their knowledge base to feed into campaigning.

- 7) **Can we distinguish between different public services and where they should best be delivered, e.g. by the state, by the voluntary sector..?**

- 8) **Commissioning and contracting out based on quality – are there examples? Does the TSRC have any plans to do a literature review of past commissioning?**
- 9) **PFI, PPI – your take on whether that has achieved cost and quality improvements?**
- 10) **Would it add value to look at the relationship between the voluntary sector and private sectors as competitors, as well as the relationship between the state and the voluntary sector?**

10) **James:** good insight, e.g. in the Work Programme the private sector are the prime contractors so there is a need to do interviews with primes and with voluntary sector sub contractors.

7) **James:** I agree there are questions about what are public services: which are core areas and what are contested?

8) **James:** Literature review: yes, we do want to do this. Australasia has some good examples. UK commissioning is a more recent thing, but we will look at this too.

8) **Dexter:** There is evidence base on value – savings in Manchester of 6 to 8% through outsourcing (25% is a myth). The implications on equalities/job losses etc and the knock on costs probably mean the effect of outsourcing is negative. A study in strategic partnerships by the National Audit Office also found 6 to 8% savings. Also a study of outsourcing of 50 strategic operations, planning, IT etc found a contract failure rate of 22.7%. Local authorities generally ignore this issue.

7) **Dexter:** PFI, PPI – cost is not a major factor when entering into one of these contracts, what is important is getting it off the balance sheet. It is common knowledge that private finance costs more than keeping it in the public sector.

## Notes of 'on the ground speakers and discussion (by Ruth Cohen)

### **Nursel Tas, Derman**

Derman, a charity for the wellbeing of London Turkish and Kurdish speaking communities, started 21 years ago, focused on health advocacy and counselling. It now provides a range of services including counselling, welfare rights, domestic violence outreach, educational advocacy and more. The main commissioner is the health service. Derman has been struggling because of cuts. One strategy they have adopted is to set up consortia with other organisations.

#### Impact of commissioning:

- The statutory bodies commissioning have greater power than before: they set up a different service specification each year, change monitoring and evaluation requirements.
- Commissioners don't want to deal with lots of providers, but want one organisation to provide across the board. Instead of funding BME organisations which are culture-appropriate they are now saying anyone can be culturally competent with a small amount of training.
- Competition between smaller and larger organisations is unfair: larger organisations can offer smaller unit costs. The process is not transparent and smaller organisations are threatened.
- The effect is greater instability of service provision, greater infrastructure costs and a challenge to the voluntary sector ethos, such as having to charge for services re personalised budgets.

#### Suggestions

- Commissioning should aim to provide more alternatives and choice, not fewer.
- The process should be transparent and involve service users and voluntary organisations.
- Contracts should be longer term.

### **Tania de St Croix, Voice of Youth**

Tania is part of a small group of youth workers and young people who set up Voice of Youth a year ago. They don't normally go for commissioned funding.

The workers came from an established youth work agency, in many ways a good organisation, but increasingly dominated by the current 'outcome culture' with its emphasis on measuring, targeting, pathologising etc; all this got in the way of good youth work. With commissioning there was also an increasing emphasis on 'business' approaches, seeing other organisations as competitors, worse conditions for new workers (often freelance or agency), more hierarchical management.

VoY is a worker co-operative whose central principles are equality and democratic involvement. It was set up by three young people and three experienced youth workers, who all have equal voices and, where paid, all get the same hourly rate. They want to keep small and avoid developing bureaucracy, so they don't apply to some funding sources.

### Disadvantages

- They are very small scale, there is not enough funding for full time workers and they put in a lot of voluntary time. Hopefully this will change.
- There is no commissioning of open access youth work, they have to go along with external requirements to some extent.
- The organisation doesn't fit into established boxes: not a charity, nor social enterprise, nor Cameron's idea of a co-op.
- Training available isn't what they need – it's very business oriented.

### Advantages

- They have freedom to decide things together and young people have a lot more say over projects.
- They decide what to do, not commissioners or higher managers – their youth work is the best it's ever been. Workers are poorer but less stressed, able to focus on the work itself.
- Little bits of money go further.
- They get a lot of solidarity from people in other organisations.

### **Josie Soutar, Sheffield Alcohol Support Services**

SASS is a long standing service whose board decided in 2010 not to tender for a local authority contract which hitherto provided 90% of its funding. Although this was very difficult at the time, since then they have made up a lot of the shortfall from other sources and are able to provide much more the kind of services they want to. They are the only local organisation providing alcohol/drugs support in Sheffield – those commissioned are all national.

They do run some commissioned services. It can work, but you need to think carefully:

- Why? Only tender if it fits in with your core aims and service ethos.
- Have you got the capacity? Often organisations have difficulty delivering what they've promised to. Read the contract – are the outcomes do-able?
- Think about innovation and don't be scared to put it into your tender, so you are effectively tweaking what they are asking for.
- Is it a grant or a contract? Local authorities aren't always clear about the difference.
- Don't be scared to negotiate at contract stage (e.g. you shouldn't have to hand back savings you make).
- Look at the size of the contract compared with other funding – it can be dangerous to be over-dependent on one contract.

Finally, 'commissioning is not necessarily evil'. There are some good commissioners who are really keen to get better services. Cultivate a good relationship with commissioners so you can tell them when there are problems.

### **Joanna Kennedy, Zacchaeus 2000 Trust**

Z2K, based in Westminster, provides debt advice and advocacy for people on low incomes, whose problems are often caused by the benefits system. They also campaign on poverty-related issues.

They now employ 10 people and also use volunteers. Funding is almost entirely from trusts, foundations and donations; her experience of public funding is almost entirely negative, based partly on her own previous work in legal services.

If the organisation is to grow they will have to think about commissioning, but campaigning is crucial to Z2K and they find other organisations unwilling to do this because of their dependency on statutory funding.

Their only (small) source of public funding is that they are subcontracted to a Work Programme provider to provide debt advice. This has been shambolic: loads of admin and bureaucracy, but highly inefficient and no clients! Also other campaigners have thought they shouldn't do it, so it has caused disagreements.

Joanna criticised Westminster's approach to commissioning advice services. Apart from their unwillingness to examine properly what services already exist, they have decided only to fund generalist, not specialist advice. They also prefer outreach services because they don't want to fund infrastructure. The services commissioned won't meet the needs of Westminster people.

### **Discussion/questions**

- The 'on the ground' and 'bigger picture' points need to be more integrated.
- (For Tania) What are the personal difficulties, financially and re involving young people to a much greater degree? Tania: re financial issues, all the workers and young people have other sources of income: another job, an educational grant or benefits. But also their previous jobs weren't that secure or well paid anyway.
- One speaker advocated a systems thinking approach, to help us develop our own plans for the future and our own structural/organisational change. Another mentioned work in the advice sector using systems thinking, another described a community advocacy project where advice agencies are working together in relation to commissioning.
- There is a struggle between charities and organisations which are really public sector providers. Also the sector doesn't accept that some economies of scale are good.
- (to Josie) When they went for alternative funding was it to do the same thing as before, or something different? Also re collaboration: are mergers always bad, or can there be gains? Josie: you need to think about duplication,



we often don't look at others already doing something we want to do. They found gaps that fitted in with their core aims, so they were working well with other services, not just going for the money.

- Poor governance is often seen as the Achilles heel of the voluntary sector. How to change this, even if it is only a perception? It was suggested that we are better governed than the private sector, also that we should publicise the fact that with the Charity Commission etc we do have to work to strict rules. There was discussion of whether trustees really have the option not to pursue commissioned funding given their legal responsibility to maximise resources; on the other hand they also have a responsibility to ensure they are delivering their charitable objectives, so can say no to commissioning on this basis.
- One speaker described her youth work organisation, which is a different model from others: a private company with a voluntary sector arm. They charge what people can afford, and any profit goes into the voluntary arm, which supports other organisations in the field. While theoretically private sector, it is based on voluntary sector values.
- Josie was asked about the process of the original decision to withdraw from commissioned funding. She said their relationship with the commissioner had already gone sour and effectively the commissioner had decided against them before the tender came out. In fact the organisation wasn't able to deliver what was in the contract. The process was difficult; the board took the decision and staff were angry about job losses and TUPE. But they wouldn't have an organisation now if they hadn't done what they did.
- It was pointed out that the promotion of a 'business' model or organisation ignores that businesses are often just as bureaucratic as public/voluntary sector organisations, and most successful businesses are small.

### **Closing summary: Colin Rochester**

- We have been looking at the model of commissioning and how it is not the same as the reality on the ground. Crucial are the skills of commissioners which have moved from knowing about needs and services to just knowing about procurement.
- Who decides what is wanted? There is a shift away from users or staff towards those doing the procurement.
- The top down rather than outward looking model of organisations being held up by government is already discredited in the business world.
- What are the strategies for dealing with this? We might completely reject commissioning; go into it but be very hard-nosed; or look for possibilities of working collectively. Overall, there are different views on

whether we can get something out of commissioning or have to challenge/confront it.



## Notes from open space sessions (facilitated by Tassos Stevens, Coney)

### **Bold – initial questions(s) covered by session**

Normal – headline notes from session

(in brackets) comments added to notes by others

### **Forget commissioning altogether and do it our way**

#### **Different model of commissioning – cheesecake instead!**

#### **If you got rid of commissioning, what would you replace it with?**

- Sub-contracting is unfair, unjust and plain wrong. Contracts should allow no opportunity for organisations to sub-contract at reduced rates.
- Grants for smaller amounts, contracts for larger amounts.
- Smaller organisations do need to be and feel included.
- Most commissioners are 'out of touch'
- Central money devolved to locally-based, needs-led grant programmes. Areas of higher need get a greater share of resources (how it used to be?)  
(but make sure it's accountable)
- The state should provide the essential services.
- This is where we should look at what other countries do.
- Communism.
- What would happen if we refused to participate?  
(nothing – we have no power. The private sector would take over)
- How did change happen in the past? Gradually, over generations, through strange alliances, e.g. progressives with Christian conservatives, by necessity – how bad does it have to get?

#### **Whistleblowing: what checks and safeguards can we put in place to identify and address poor/bad commissioning?**

- How can you report/complain when it will cost you money?
- Independent audit/review of standards? CQC?
- Indicators of poor practice: constant re-commissioning, very few submissions, high staff turnover/sickness levels.
- Peer review.
- Service user satisfaction integrated into contracts.
- Low expectations: choosing the best of a bad lot.
- Undercover bosses, commissioners should do the job for a week.

#### **Apart from opting in/out, what can we do to subvert the ethos/discourse of commissioning?**

- What caused the dysfunction in the first place?  
Complication  
Whose subverted discourse?  
Knowledge gap at government policy level
- Finding a 'champion' in power?
- Wait for the right time to affect those with the power to change?

- A crap TV programme dealing with real issues, or a soap storyline?
- Attention to/training in communication?
- Lessons from Occupy?

**Is there too much pressure to work collaboratively or merge?  
Are local consortia worth a light?**

Headline notes:

- Yes, too much pressure.
- Local authorities are forcing mergers by matching similar bids and offering joint funding.
- Funders are socially engineering the market place.
- Ask us what we think the problem is and we'll give you solutions and say how it should be done.
- Mergeritis/consortia working is a sop – people are encouraged to do it and don't get the funding anyway.

More points from the discussion:

- In the context of commissioning joint working is put forward as a method for enabling small, local organisations to come together to bid for a contract. The national organisations have contracts departments – contracting is like water off a duck's back to them. Coming together to fight off predators in a consortium is not a good strategy. A company in Bedfordshire was formed to bid for contracts but never won any contracts, so it collapsed.
- Funders constantly pressurise organisations to form partnerships – it's a way of funders saying we are funding twice as many organisations for the same money.
- LAs also use the consortium model as a way of saying they are consulting.
- A lot of it is about risk aversion – Boards not wanting to take risks, so they bid together.
- There is also a problem with organisations that bid on behalf of groups of organisations and then bid for things on their own and say they are delivering it on behalf of the consortium.
- There's less money around, so sometimes putting together similar ideas into one bid is the most likely to succeed. The danger of too much merger and collaboration is that things are spread too thinly.
- In this society we have a right to set up our own new organisations – no one can stop the setting up of associations – anyone can set up a community group.
- Decisions (for organisations) need to be strategic – often merger is considered at times of crisis. Need to look at the best outcomes for the organisation as a whole – stakeholders, users, board and staff etc.
- What organisations are we talking about? At borough level we might be the only user led organisation – who would we merge with?

- For some organisations it's very important to have a clear and separate identity, even if that means they stay small.
- Mergers in theory are a good idea, but it's not an easy process.
- Better to see organisations coming together than closing.

### **Is the choice agenda killing choice?**

- There needs to be an actual choice, e.g. a hospital.
- For real choice you need information.
- The government wants genuine choice to force producers to improve quality, but this won't work in reality.
- We don't even have it in the private sector.
- It is often competition between organisations offering the same thing (Starbucks v Cafe Nero).
- For meaningful choice you need to be able to exercise it a number of times and at low risk.
- What is the criteria?
- Big brands are pushing out smaller providers.
- You only have real choice when you have enough resources and information.  
(and if there's a level playing field and people have equal access to information)
- Paradox – too many voluntary organisations, never enough businesses.
- There has to be spare capacity.
- Commissioners need to realise that choice is expensive, you can't save money that way – you can't have cuts and choice at the same time.
- Need to stand up for REAL choice, with the resources to provide it!

### **The myth of the level playing field**

It remains a myth.

### **Is it time to put up and shut up?**

#### **Does the voluntary sector play the victim too much?**

- Contract terms are prohibitive - we should negotiate or walk away.
- It's not an either/or – staff, volunteers and trustees have the right ethos to deliver services to clients.
- We need to change as a sector too.  
(into what?)
- We should play the game to achieve OUR aims.
- Sustainability means we need to diversify.
- Are we as a sector strong enough to fight the battle against corporatism? If not we're just chasing our tails.  
(should we give up then?)
- Survival in order to support beneficiaries is our catch 22 – we don't want our beneficiaries to suffer.

### **Caucussing: how do we learn or re-learn to develop solidarity?**

- It's much more difficult now we're fragmented by competition.
- There is a need for safe spaces with anonymity, at least to start with.
- People are too busy doing the day to day work to get together around issues.
- Divide and rule/less clear fights and/or enemies than before.
- An informal consortium can be a caucus – it could be based on self-interest, not ideology.
- Could we write time to network into contracts (without defining the kinds of networks)?
- Find where we and our users have common interests and start with these – it doesn't have to be perfect. E.g. some CVSs have started to do this about cuts.  
(You can't force it. It happens when people are engaged/angry enough to need it).  
(Same old faces and dogma at conferences – too much ideological 'comradeship' – don't exclude the non-left).

### **How can we encourage services that are user led rather than policy-led in the commissioning process?**

#### **Can we work together to make sure we have needs-based commissioning?**

- There is a power imbalance – the system is not designed to be user-led.
- There should be multi-disciplinary partnerships to develop complementary and integrated services.
- Are user-led organisations the voice of users in consultations? How do you cover all bases?
- Shouldn't all VCS organisations be user led?
- Can VCS organisations act as brokers between users and commissioners?

### **Are public and voluntary sector organisations utilising the global good practice models from outside the UK?**

- Nobody wanted to discuss this. Is this a symptom of parochial thinking or lack of transferability of international practice?  
(maybe it feels too overwhelming to bring it in – the system is so complex just here in the UK).  
(look to users in your own area first!).
- Does austerity mean less time and resources to spread the knowledge base?
- Are we just too cynical about how anyone can deliver services better/cheaper/more cost effectively than us?  
(no, but there is fear of challenging yourself too much, especially when busy).

(I believe this is the situation regarding the need for service users to be listened to).

- What about countries and cultures where there is little or no tradition of commissioning? E.g. Eastern Europe, Latin America, sub-Saharan Africa – lots of good practice here.  
(See LSE publication on ‘Big Society’ coming out soon – good e.g.s from Eastern Europe).  
(Latin Americans would think we’re crazy for having to ‘re-learn’ solidarity. They never forgot how to caucus.).  
(David Cameron’s ideal is Somalia – no state services. His nightmare is Scandinavia).
- ‘Seeing the wood for the trees’ – outsiders can bring clarity of thought and experience.  
(if we are not listening to users’ needs, what are we commissioning for?).
- European context – Much funding and support goes untapped – massive wastage.

### **What public service shouldn’t voluntary agencies provide?**

- Accountability?
- Voluntary agency turning into public service agency?
- What is ‘mainstream’?
- Public service ethos – what happened to it?
- By what test do we decide:
  - Universal services – which populations? But leisure centres?
  - Too big/too important to fail?
  - Statutory obligation?
- What is the role of voluntary organisations?
  - Innovation
  - Statutory neglect
  - Part of civil society
- How to hold the state to account?
- Not everything is forever!
- The orthodoxy of ‘the state’ as burdensome.

### **Final thoughts from participants**

- It was positive that Third Sector Research Centre came and engaged, listened to people on the ground.
- Lots of ideas to take forward to NCIA’s national conference in the autumn.
- We all have similarities and differences – talking to different people opens your mind. But my mind hasn’t been opened to commissioning!
- We need to work together in the face of a threatening agenda.
- Today was highly political but not ideological – it wasn’t the same old faces and same dogma, but more pluralistic. No axes to grind.
- Who would go on a course to learn about how to commission, even if it was free?

- Commissioning is doing a lot of damage to independent voluntary action. To cope with this damage we need to find out allies in our local areas.
- What do we want to see instead? It would be good to do more thinking about that.





## Attendees

Abdul	Malik	The Forum for Health and Wellbeing
Alison	Blackwood	London Voluntary Service Council (LVSC)
Amanda	Charles	Charles Harrison Associates/CHAYPS - Challenge, Harness, Action
Andy	Benson	National Coalition for Independent Action
Barbara	Drozdowicz	Barking & Dagenham Council for Voluntary Service
Brid	O'Dwyer	The Prince's Trust
Carl	Allen	
Caroline	Hamilton	170 Community Project
Cliff	Askey	Lifeline
Colin	Rochester	National Coalition for Independent Action (NCIA)
David	Boot	NovaRes Health
Deirdre	Mcgrath	London Civic Forum
Deniz	Ombesh	Enfield Council
Dexter	Whitfield	European Services Strategy Unit
Elaine	Harrison	Charles Harrison Associates
Frances	Sullivan	NCIA
Gerard	Mitchell	Cardinal Hulme Centre
Glenn	Rose	
Huda	Al Amin	Mosaada Centre for Single Women
Ian	Perkins	Crisis
Ingrid	Gardiner	Equal Footing
Iyiola	Olafimihan	Disability Coalition - Tower Hamlets
James	Rees	Third Sector Research Centre
Joanna	Kennedy	Zacchaeus 2000 Trust
John	Davis	Citizens Trust
Josie	Soutar	Sheffield Alcohol Support Services
Laurence	Grant	Grant Moar Communities
Lin	Gillians	LVSC
Mark	Drinkwater	Voluntary Action Lewisham
Marva	Trenton	Lambeth Family Link
Maxine	Moar	Maxine Moar
Melaina	Barnes	NCIA
Michelle	Curtis	LVSC
Mustafa	Korel	Sheila McKechnie Foundation
Natalie	Ntim	Women's Resource Centre
Nicholas	James	Adult Training Network
Nigel	Gansell	Islington Pensioners Forum
Paul	Treloar	London Advice Services Alliance (LASA)
Phiroza	Gan-Kotwal	London Borough of Harrow – Third Sector
Rachael	McGill	NCIA
Ruth	Cohen	NCIA
Sandra	Beeton	AOPM
Shirley	Sorhaindo	
Tania	De St Croix	Voice of Youth
Theresa	Moore	Citizens Trust
Tim	Brogden	LVSC
Victor	Momodu	Community Barnet

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## The Commissioning Agenda – benefits and threats?

James Rees  
TSRC

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Hosted by: UNIVERSITY OF BIRMINGHAM UNIVERSITY OF Southampton  
Funded by: Cabinet Office BARROW CADBURY E.S.R.C. (Economic and Social Research Council)

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## What is commissioning?

**Procurement**

- Discussion and decision about whether to make or buy
- Purchasing
- Contracting

But how often are VCSOs involved in the full cycle?

**Commissioning**

Source: Institute of Purchasing Care

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## Changes since the 2010 election

"our vision is for public services that revolve around each of us"

Choice

Diversity of providers

Decentralisation

Competition?

- Remember the Big Society?
- Increasingly urgent push to reshape public services
- Deficit reduction / efficiency
- Diversifying and shaping the market
- Open Public Services White Paper (July 2011)
  - Hierarchy of commissioned services...

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## Underlying ideology

- Market primacy/Individualism
- Anti-bureaucrat and public servant
- Underlying scepticism to public realm
- Naïve (unevidenced) faith in alternative providers:
  - False division of providers by sector
  - False equivalence of providers

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## Benefits and Threats for sector

40,000 organisations have a funding relationship with the state in 2006–07 - only 25% of general charities

**Pros:**

- Experience, learning, reputation
- Opportunity for advocacy
- Delivering for users/beneficiaries

**Cons:**

- A risk environment: funding and reputation
- Independence and mission drift (nothing new)
- PbR and new commissioning environment seems more intense

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## Through the looking glass(es)

Public sector looks 'out' and sees

•Fragmented and confusing third sector  
•Lack of professionalism?

*Third sector not 'commissioning ready'*

•Bureaucracy and silos  
•Lack of understanding of what 3S offers

*Public sector not 'partnership ready'*

Third sector looks 'up' and sees

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## What sort of commissioning?

The how and why, and local variety, might be as important as the overall 'regime' of commissioning

- Early evidence from the work programme:
  - Commissioned on price; austerity
  - Experimental and reshaping the market
  - Risk dumping down the supply chain
  - Contracting and PbR not the main problem, but the inadequate resource/likelihood of gaming
  - Quality of frontline service and information sharing ??

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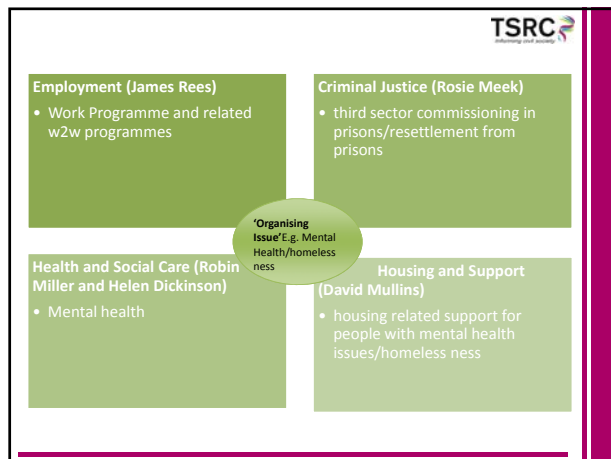
## TSRC research

- Partnership in public service delivery; and Work Programme (2011-12)
- Commissioning and third sector (2012-13)
- Real Times – longitudinal study of organisations and their environment
- ***Is commissioning working to bring in the appropriate range of TSOs and others to deliver effective and integrated services to service users?***

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Policy paper	Academic literature review	Outcomes-based commissioning	Housing and Support	Health and Social Care	Criminal Justice	Employment
James Rees Harry Clayton	Ross Millar	Tony Bovaird	David Mullins	Robin Millar and Helen Dickinson	Rosie Meek	James Rees
'Current issues in commissioning the third sector'	All policy areas except health	Outcomes based commissioning and Payment by Results	Focus on homelessness and mental health support needs	Focus on commissioning for mental health	Including: •mental health •reducing reoffending •reintegration •accommodation and homelessness prevention	With links to other fields: •mental health •homelessness support •other barriers to work

• Catherine Needham on personalisation and Angela Ellis Paine on volunteering



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## More info about TSRC research

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