

Modernising Commissioning

A response from the West Midlands

1. Introduction

Regional Action West Midlands (RAWM) has been in existence for 10 years providing a voice for and increasing the influence and strategic input of the Voluntary and Community Sector (VCS) in delivering the social and economic aspirations of the West Midlands. There are over 14,500 registered VC organisations in the West Midlands with a significant paid workforce of 51,000 and volunteer workforce in excess of 435,000 collectively providing an economic footprint valued at £1.3bn. As a significant partner the VCS has much to offer the public and private sectors in improving commissioning processes and facilitating maximum reach.

Given the importance of the Green Paper and the role of the voluntary and community sector it is disappointing to note the timescales and the message such an approach sends around valuing partnerships. Whilst we welcome the opportunity of consulting on the Green Paper, our concern is that we have not had the opportunity usually afforded to fully canvass comments to provide a comprehensive and inclusive VCS response.

The response provided here has been the combination of 14 consultation events and seminars held over the past 10 weeks on the future role and contribution of the wider VCS (civil society organisations) to the localism agenda.

2. New Opportunities

2.1 Across the West Midlands there was strong support for a 'mixed economy' approach to service provision based on the belief that not all services should be commissioned. It was felt that the driving force for effectiveness and efficiency was in some instances ignoring the specialist nature of high dependency services and / or other services if removed further disadvantages entire communities or a cohort of beneficiaries.

2.2 We believe that in the West Midlands 'new' opportunities should not be restricted to 'new businesses or new providers of old services' but should also include new approaches to delivering existing services. There is recognition that some large organisations can be less flexible and responsive therefore rendering their services inaccessible to beneficiaries and given their size they are better able to demonstrate economies of scale over and above the smaller more local organisations. This level of hidden inequality needs to be addressed innovatively through improved commissioning practices thus opening up new opportunities for small to medium sized organisations.

2.3 New and inclusive commissioning practices should also require greater opportunities for partnership delivery and in this greater clarity and transparency as to who, when and how much payment is made with regards to identified and agreed results – the practice of inappropriate top-slicing is to be discouraged. Given the prevailing level of commission values, small and medium organisations are unlikely to be prime contractors and therefore reliant on being able to be sub-contracted at a more local level, this can leave VCS organisations vulnerable to the fortunes and practices of larger organisations.

2.4 The development of delivery consortia should be encouraged as a means of opening up new opportunities for small and medium organisations to better direct their own fate and better able to demonstrate value and effectiveness. The Government is keen to encourage the transfer of skills from the private to the voluntary sector; not all parts of the VCS welcome this, but there is no doubt the sector could benefit from cross-sector partnerships, especially in the face of 25-30% funding cuts. Cutbacks have thrown up some attractive and interesting opportunities for many groups such as Community Asset Transfer; but the sector will be challenged by the personalisation agenda which has the potential to cause cash flow problems severe enough to put some organisations out of business. The sector has already seen VCO's give up DWP sub-contracts over payment issues. Although there is a gradually developing stream of loan finance, this money obviously has to be repaid; the combination of loan finance, payment by results and cash flow will create a very risky environment for many VCOs. One of the safest options is to work in consortia, but not all groups are geared up for this and need to make significant adjustments, something they may not have the time or resources to do.

2.5 While it has been acknowledged that there are too many groups doing the same work in some areas and they should collaborate or even merge for sustainability, this is not appropriate for all organisations. However these are new structures in themselves and need time to establish themselves and Government could be really creative by ear-marking at least 1% of the commission value to be set aside for capacity building / community development / developing infrastructure.

3 More accessible

3.1 Considerable partnership work has been undertaken in the West Midlands around increasing accessibility within the overall procurement process. This work initially led by the West Midlands Economic Taskforce and then delegated to a partnership which included the VCS agreed that given the plethora of different PPQ that we need standardisation is required. However given the enormity of this we focussed on a single area. The area chosen was the construction and new build sector which naturally lent itself to partnership working and would address a key economic target for the region.

3.2 The outcome of this was the Midlands Procurement Framework for Jobs and Skills http://www.advantagewm.co.uk/Images/Toolkit_tcm9-28525.pdf which has received national awards. The procurement framework provided a standard PQQ making it easier for all organisations irrespective of which sector to access the framework and opportunities.



The framework was written in plain English and included reference to social clauses which supported cross sector partnerships and joint delivery. Also the framework was constructed around COMPACT principles enabling timetables and realistic schedules to be advertised.

3.3 The framework now offers a real opportunity for working with commissioners in applying the framework and a template for shared learning and experiences. It also enables smaller and more medium organisations to effectively compete particularly through the social clauses routes. As a common framework there is also far more flexibility as all partners have shared understand and appreciation as the framework was endorsed by all 33 local authorities within the West Midlands. The sector endorses this approach and would advocate that this is used in priority service delivery areas such as health and social care services.

3.4 There is some concern that the shift to localism might enable organisations and local authorities across the region to opt out of a central co-ordinated approach heralding a return to the plethora of PQQs and differing quality standards. Whilst the framework does not work for everyone it is a clear attempt to facilitate greater accessibility and proactively level the playing fields. Government needs to be proactive in setting enforceable guidelines which encourage the development of common procurement frameworks as an increasing number of organisations work across local authority geographical boundaries or in more than one local authority geography.

4. Value

4.1 How to record and account for value within any contractual arrangement has been a long and contentious issue for the VCS. For this reason the VCS welcomes government's commitment to ensuring commissioners take full account of factors such as social action and social capital.

4.2 Successful delivery of services is dependent upon marshalling and working within prevailing social, economic, political and environmental conditions. However despite the various tools and methodologies little attention is given to recognising this fact. With government support commissioners working alongside VCS and private sector organisations should be encouraged to explore ways of financially compensating or weighting conditions so that VCS organisations delivering services in challenging communities are not adversely impacted.

4.3 It should also be noted that recognising value in the commissioning process has the potential to support and build consortia and develop robust supply chains bringing together a diverse and greater number of small to medium organisations. Commissioning based on value is an investment in localities which is closer to achieving localism agenda. Such investments require greater collaboration than commissioners and providers, it requires the engagement of local strategic partnership bodies (LEPs, LSPs) and strategic delivery bodies such as Health and Well-being forums and groups to continue value-added and more by association achieve effectiveness.



4.4 The engagement of strategic partnership bodies also encourages the VCS to play a strategic role in shaping and influencing decision-making processes and ultimately the delivery of services and in this achieve the outcomes contained within the draft reviewed COMPACT:

- Civil Society Organisations' independence is recognised and valued
- Effective and innovative policies, programmes and services incorporating social value
- Well managed programmes and services
- Minimised impact of ending funding and
- An equal and fair Society.

5. Citizen and Community Involvement

5.1 It can be argued that the part of the voluntary & community sector Government is interested in are only those VCO's that are prepared to actively participate in public services delivery. It is these organisations that are likely to receive public funds at any level, hence the drive to make them more efficient and effective. This approach in itself can lead to inequalities, inequalities that reduce the variety and range of organisations and therefore the groups and communities that are supported.

5.2 RAWM is the lead agency for the National Empowerment Programme in the West Midlands entitled 'Every Voice Counts' www.evcwm.org.uk. Every Voice Counts has over the past 3 years compiled a comprehensive range of empowerment activities and tools highlighting how citizens and communities can effectively engage in the *no decision about me without me* agenda. This objective is welcomed by RAWM and the many organisations engaging in this agenda.

5.3 Whilst building citizen and community involvement takes time, once involvement has been secured there is greater opportunity for the commissioning process to be better informed from the outset from the development of JNSA through to drafting the commissioning documentation and finally delivery. Citizens and Community involvement in the co-design and co-production of services will suit many however it is important that we do not inadvertently create inequalities through representation and NIMBYISM.

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