How community sector organisations can be ready for commissioning
Acknowledgements ................................................................. 2
Foreword ................................................................................. 3
1. Introduction .......................................................................... 4
2. What is commissioning? ......................................................... 5
   2.1 Introduction ....................................................................... 5
   2.2 Children’s Trusts and commissioning ................................. 6
3. Understanding the national and local landscape ................... 9
   3.1 Introduction ..................................................................... 9
   3.2 Understanding national policy and national indicators .......... 9
   3.3 Local structures, processes and plans ............................... 10
   3.4 Local partnerships .......................................................... 11
   3.5 Understanding the importance of your organisation in commissioning ................................................................. 12
   3.6 Added value .................................................................... 12
   3.7 Considerations for your organisation .................................. 14
4. Getting involved in commissioning ........................................ 15
   4.1 Introduction ..................................................................... 15
   4.2 Influencing and shaping commissioning ............................... 15
   4.3 Engaging children and young people ................................ 16
   4.4 Developmental commissioning .......................................... 17
   4.5 Delivering commissioned services .................................... 19
   4.6 Grants or contracts? ......................................................... 19
   4.7 Dealing with scale .......................................................... 21
5. Recommendations .................................................................. 23
   Further support ..................................................................... 24
Kindle partners ..................................................................... 24
This publication draws on a vast range of literature, which we have cited in the document.

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Foreword

‘Commissioning’ is a word that is increasingly heard by those who work with children, young people and their families. This publication has been written specifically for community organisations to help them understand commissioning and seize the opportunities that this process affords. These include the opportunity to use their local knowledge to shape services for children and young people as well as being funded to deliver those services.

The Kindle Partnership believes that it is important that grant funding is not wholly replaced by contracts for many of the formal and informal services delivered locally and we urge voluntary and community organisations to understand and get involved in this agenda to maintain this funding.

Kindle is an umbrella partnership of national charities supporting the community sector and children and youth services. We are working with the Commissioning Support Programme (CSP) to produce guidance for local authorities and their Children’s Trust partners to help them appreciate the contribution voluntary and community organisations can make and how they can get involved in local commissioning.

David Tyler

Note to reader

To assist you in reading this publication and getting involved in commissioning, this document has been structured in the following way:

Throughout the publication we provide lists of further reading.

It is important you are familiar with the terms used in commissioning and public policy. We have highlighted these words in bold. See the online glossary at: http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/pages/glossary.aspx

References are referred to in footnotes.

This publication draws on and refers to a number of key resources, references, policies and glossary terms. Full details and links to of all of these are available online at: http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/default.aspx

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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).
This publication provides an introduction to commissioning for small and medium-sized voluntary and community organisations working with children and young people. It focuses on these organisations because, due to their size and capacity, they may face challenges that make being involved in the process of commissioning particularly difficult. However, because of the nature of voluntary and community organisations, they can make a significant contribution to the aim of commissioning, which is to improve outcomes for local children, young people and families.

The commissioning process may be unfamiliar to many working in voluntary and community organisations. Section 2 of this document explains what we mean by the word ‘commissioning’ and illustrates the many contributions that voluntary and community organisations can make to the commissioning process.

Section 3 explains the way that national policy relates to regional priorities and other factors and how this affects local commissioning.

Section 4 will help you understand the opportunities for your organisation to become involved in the commissioning process, as both strategic and delivery partners, by providing practical steps and considerations for your organisation.

This publication concludes with some recommendations in Section 5.

Additional information on the Commissioning Support Programme website supports this guide, which includes a dedicated forum for community organisations.

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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 working with 0–19 year-olds, but including up to age 25 depending on needs. Other ‘third-sector’ organisations, however, might also benefit from this publication.
2. What is commissioning?

2.1 Introduction
Commissioning aims to improve outcomes, in this case for children, young people, and families, and is based on the overarching five Every Child Matters (ECM) outcomes, which state that all children should be able to:

- be healthy
- stay safe
- enjoy and achieve
- make a positive contribution to society
- achieve economic well-being

This means shaping the types of services needed locally, the places and the ways that they are delivered, and who delivers them.

The Commissioning Support Programme describes commissioning as:

‘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.’

Procurement is the narrower process of purchasing services once they have been planned. It is defined as: ‘The process of acquiring goods and services from third parties’.

Services may be funded through grants as well as contracts or other means, so even if you do not have any contracts, we recommend you read on.

For further information on Every Child Matters, see:

» Glossary: Every Child Matters, Change for Children Agenda (Children England)

Commissioners may work within different processes or frameworks but the most important thing to understand is that, while these models of commissioning may be described differently, the basic stages in any commissioning process are:

- **Understand** – local needs, resources and priorities, and agree on the desired outcomes. This involves gathering the views of service users (children, young people and their families) so that services can be configured most appropriately to address those needs with available resources. It also involves

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talking to local community organisations and service providers, who will have valuable information and insight to contribute, and should draw on other needs assessments such as the Joint Strategic Needs Assessment.

- **Plan** – map and consider ways that the desired outcomes can be achieved effectively, efficiently, equitably and sustainably. This way the most appropriate provision can be commissioned no matter who delivers it. Providers should be involved at this stage to add their expertise and insight into what types of services and service configuration may be most appropriate in response to needs.

- **Do** – take action to secure delivery of the desired service(s) from the most appropriate provider(s), using contracts, grants, service-level agreements or other suitable means.

- **Review** – continuously monitor service delivery for performance against expected outcomes and hold providers to account.

(There is a role for voluntary and community organisations at every stage in this process – see section 3.5.)

### 2.2 Children’s Trusts and commissioning

Every Child Matters and the legislation associated with it (Children Act 2004) made it necessary for every local authority to bring local partners together to improve outcomes for children. Third-sector partners were expected to be included in these co-operation arrangements in line with local circumstances. This is the basis on which your local Children’s Trust has been established. Every local area must have a Children’s Trust in place although it may be called something different in your area. From April 2010 every local area will also need to have a Children’s Trust Board that includes representatives from the organisations that work with children and young people to achieve better outcomes. Central government guidance will state that at least one representative of the third sector should be on the Children’s Trust Board so they can directly influence strategic decisions. This guidance is expected to be published in March 2010.

All Children’s Trusts aim to improve outcomes for local children and young people. The Children’s Trust Board will produce a Children and Young People’s Plan (CYPP), which means they will go through the commissioning stages ‘Understand’ and ‘Plan’ (see above). The Children’s Trust Board will also monitor and review the CYPP, but the individual Children’s Trust partners will deliver the Plan as part of their normal job. In this way the Children’s Trust Board will set the framework (the CYPP) through which the individual partners can commission together or individually.
To find out more about commissioning and how it relates to your work, read:

» Need help with commissioning and procurement? (NAVCA Local Commissioning and Procurement Unit, 2009)
» Effective Practice in Commissioning Children’s Services (PA Consulting Group on behalf of the DCSF, 2007)

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. Through this partnership, HCA have been able to improve both the profile and people’s understanding of the local voluntary and community sector. They have demonstrated the importance of commissioners and statutory organisations involving them as equal partners to ensure that outcomes for children, young people and families are improved, and are not threatened by ineffective local decision-making or commissioning processes.
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 voluntary sector 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. One-day events were held in August and November 2009 and are scheduled for February 2010. So far the seminars have proved very popular and additional events are being planned.
3. Understanding the national and local landscape

3.1 Introduction

Commissioning is a process designed to assist Children's Trusts to improve outcomes\(^4\) for children and young people in their local area. There are many opportunities for voluntary and community organisations to benefit communities through the commissioning process. It is important for your organisation to develop its knowledge, skills and abilities to engage with the commissioning process\(^5\) and work in partnership.

3.2 Understanding national policy and the national indicators

In the last decade, changes in government policy and subsequent legislation have dramatically changed the landscape for all people working with children and young people.

Although voluntary and community organisations have a new landscape to navigate, this has not changed the important contribution that they make to the lives of children, young people and their families, and their communities. Understanding the contribution that your organisation makes to local people and places and how this relates to policy is critical for all organisations wanting to be involved in commissioning or procurement. These processes are designed to meet the outcomes defined by policy and funding will be structured around them.

Policy documents are often large and not sector specific; we therefore recommend that you use briefings that have been written for the voluntary and community sector (VCS) and contact your local CVS, CVYS or national umbrella organisation (such as those involved in this publication) for further support.

**Relevant policies and briefings can be found at:**

\[ http://www.commissioningsupport.org.uk/about_commissioning/policy_and_legislation.asp \]

To measure how policy aims are being met, the Government created a set of national indicators (NIs).

**The national indicators can be found at:**

\[ http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/media/p/1235.aspx \]

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4 Commissioning services for children and young people should be based on outcomes, although sometimes it is still based on outputs.

5 Commissioning, contracting and service delivery of children’s services in the voluntary and community sector (VCS Engage, undated)
Local strategic partnerships must report against all of these NIs as well as choosing up to 35 as priorities for their area, which are known as the ‘designated’ local priority targets.

3.3 Local structures, processes and plans
The diagram below gives one example of how these different elements may connect and support commissioning for better outcomes.

To find out more about progress towards local targets, you need to refer to your:

- **Local Area Agreement (LAA)**, which is the primary vehicle for central government to agree targets with the local strategic partnership – essentially the local authority and other key local agencies, such as the primary care trust and the police. LAAs include the designated targets drawn from the National Indicator Set (NIS) (up to 35) and an unrestricted number of local non-designated targets, which may or may not be drawn from the NIS

- **Local Children and Young People’s Plan (CYPP)**, which needs to include all LAA targets relevant for children and young people

- **Local Compact**, which is an agreement between local government and the local third sector.

Local compacts are based on the national compact, an agreement between central government and the national third sector that aims to improve their relationship and partnership working. To find out more about the
compact and how it relates to commissioning and voluntary and community organisations, read:

Commission for the compact:

» Compact Commissioning Guidance (2009)
» Compact Commissioning Guidance Q&As (2009)

The refreshed national Compact (2009) and local compacts are available at http://www.thecompact.org.uk

It will be helpful if you are aware not only of current plans, but also of local consultation dates so that your organisation can advocate the needs of local children, young people and families that you work with and help support commissioners to improve outcomes. Your local Children’s Trust third-sector representative or CVS\(^6\) or CVYS\(^7\) representative should be aware of these dates and promote local consultation events.

### 3.4 Local partnerships

Local plans are written by local partnerships, and commissioners will be working in consortia with these partnerships (see figure opposite):

- **a Local Strategic Partnership (LSP)** is a partnership working for all local people, which produces the LAA
- **Children’s Trusts** are responsible for producing your local CYPP – the strategic document – and should be closely linked with the LSP as both the LAA and CYPP are working towards the same priorities where children and young people are concerned.

The Children’s Trust (including its sub-groups) and the LSP are required to have a local third-sector representative. These representatives usually come from an umbrella organisation such as a CVS or CVYS or a large third-sector organisation such as Home-Start, Barnardo’s, or Action for Children. It is important that you know who this representative is as they should be working with all local third-sector organisations and are able to represent the sectors’ needs at meetings and consultations. If this representative is not listed on your local authority website or Children’s Trust, then contact your local CVS or CVYS.

To find out more about local area agreements and local strategic partnerships, and how they relate to your work, read:

» Why LAAs? Factsheet 7 (Children England, 2008)
» Beyond Every Child Matters: Local Area Agreements and your outcomes (Children England and VCS Engage, 2008)
» What are local area agreements? (NAVCA, 2008)
» Local Area Agreement – what’s it got to do with me? (NAVCA)
» Improving Local Partnerships (NAVCA)
» How Your Council Works (NAVCA, IDeA and NEP, 2008)

\(^6\) Local Council for Voluntary Services or Voluntary Action Council
\(^7\) Local Council for Voluntary Youth Services
3.5 Understanding the importance of your organisation in commissioning

The local voluntary and community sector normally plays a vital role in local commissioning across the whole commissioning cycle. Examples include:

- giving evidence about local need and the views of local children and young people
- providing detail of existing formal and informal provision for children, young people and their families and any specific gaps
- sharing experience of what works and what does not work
- influencing the shape of future services and where they should be delivered
- ensuring a level playing field for voluntary and community organisation bidders, such as grant funding being used where feasible, undue risks not being passed on to community organisations and the value of investing in building the capacity of voluntary and community organisations
- bidding directly or partnering with others to deliver services
- establishing an ongoing role for local people in the review of services.

To successfully participate in local commissioning, it is important that you understand what your organisation can contribute and decide whether and how your organisation should be involved.

3.6 Added value

Voluntary and community organisations working with local children, young people and families can contribute to a range of national policies as they work with individuals and communities. This is important for commissioners because it means that your organisation may bring additional benefits to the delivery of children and youth services that may also be of value to the wider community. These may include some of the following:

- good local knowledge and trusted relationships with local people
- access to people or communities that other providers find difficult to reach
- ensuring the services are well networked
- employing local labour and supporting the local economy
- helping to spread risk through multiple small-scale delivery
- service delivery on a more intimate and person-based scale
- flexibility and responsiveness to changing local circumstances
- freedom from institutional pressures
- strong track record of self-help and user involvement
- significant contributions to other local priorities such as community empowerment, community cohesion, creating a sense of belonging, the well-being of local people, reducing isolation, building a thriving third sector
- a holistic, multi-purpose, one-stop approach to tackling local issues
- a focus on intergenerational practice
value for money through economies of co-location of services and adding volunteer support

- involving local volunteers in delivery, thereby breaking down barriers with local young people and encouraging community responsibility for children and young people.

There will no doubt be other examples that your organisation could list and we therefore strongly suggest that your organisation spends some time identifying evidence of this added value and its contribution to local children, young people, families, communities, partnerships and networks.

If you want to know more about community organisations, read:


» Every Organisation Matters: Mapping the children and young people’s voluntary and community sector (Speaking Out, 2008)

To find out more about ways to demonstrate the impact of your organisation, read:

» The ‘Change Check’ tool from bassac: http://www.bassac.org.uk


» Love Your Tender (Children England, 2009)

» Measuring Your Social Impact: A practical introduction (Bev Meldrum, The Tool Factory)

One of the most significant benefits of voluntary and community organisations is their relationship with local people. It is therefore important that organisations involve local people, especially children and young people (see case study 3), in assessing their local impact and making a case for their involvement in commissioning. To do this, it is essential to develop appropriate policies with young people to ensure that they are protected and their involvement reaches its full potential.

To find out more about how to involve children and young people more generally, read:

» Principles of Youth Participation (NCVYS, undated)

» Engaging Young People in your Community Organisation Toolkit, (Community Matters, 2007)

To find out more about how to involve children and young people in collecting, analysing and using evidence, read:

» How to Involve Children and Young People in Research (Participation Works, 2008)

» Exploring the Field of Listening to and Consulting with Young Children (DCSF, 2003)
Perhaps the best way to express the impact of your organisation's work is to provide evidence of how your work links with:

- the Every Child Matters outcomes framework
- local priorities
- any other relevant national priorities.

### 3.7 Considerations for your organisation

Before proceeding to the next section to find out how your organisation can be involved in the commissioning process, it is also important to consider the implications of getting involved in delivering services.

- Does service delivery fit with your organisation's mission, vision, values and charitable objectives (if applicable)?
- Are your management committee, trustees, staff, users and other stakeholders fully behind it?
- Can your organisation manage contracts or just grants? (If your organisation is unincorporated, have you thought about whether you want to change?)
- What is your organisation's view of forming or joining a delivery partnership? Who are your most likely partners? Have you approached them? (particularly relevant for competitive tenders)
- Would there be significant start-up costs for your organisation?
- Can your organisation manage the regulatory framework and the reporting requirements?
- Can your organisation manage its cashflow with the given payment arrangements?

To find out more about how to take part in commissioning without losing independence, read:

» Charities and Public Service Delivery (Charity Commission, 2007)

To find out more about voluntary and community organisation's relationships with local authorities, read:

» Servants of the Community or Agents of Government? The role of community-based organisations and their contribution to public services delivery and civil renewal (bassac, 2006)

It is important to understand fully what partnership and the delivery of services to achieve outcomes means and not to view commissioning simply as a source of funding for your organisation. However, most voluntary and community organisations, even small ones, will have something valuable to offer and should not miss an opportunity to be commissioned.
4. Getting involved in commissioning

4.1 Introduction
The previous section will have helped your organisation gain some of the evidence, knowledge and skills so that you are well placed to make a contribution at each stage of the commissioning process. This section aims to guide your organisation through some options for involvement at both a strategic (influencing and shaping commissioning) and delivery-partner level.

4.2 Influencing and shaping commissioning
Sections 2 and 3.5 of this document set out the different stages of commissioning and where voluntary and community organisations can make important contributions to the whole commissioning process at both a strategic and delivery level.

Although many voluntary and community organisations focus only on delivering services (through a procurement or tendering process, gaining funding to run a local service), you should remember that commissioning does not always include external tendering of services by commissioners; it may involve limited tendering to known organisations.

There are many benefits to being involved in commissioning at a strategic level. Voluntary and community organisations are in an excellent position to influence the design and shape of local services and the venues or locations from which they are delivered, for the benefit of local children and young people, (see examples in section 3.5). This could include a formal or informal role in monitoring service delivery and the views of children, young people and their families and feeding back your conclusions (and the evidence) to commissioners.

The influencing role is a logical extension of the sector’s traditional campaigning and lobbying roles. It uses many of the same skills and qualities – assertiveness, diplomacy, tenacity and knowledge – and has the same potential to effect change in society. If you want to influence service provision, you have every right to do so.

There is a considerable amount of national guidance that states and supports your right to influence service provision and work in partnership with the statutory sector, such as:

» Feeling Able to Influence Local Decision Making: understanding, barriers, facilitators and strategies for increasing empowerment (Department for Communities and Local Government, 2008)
» Principles of Representation (Department for Communities and Local Government, 2008)
» Third Sector Strategy and Action Plan (DfES, 2007)
» Sharing Without Merging: A review of collaborative working (bassac, 2005)
To understand what opportunities are available to become involved in all stages of commissioning you could:

- Contact your local Children’s Trust, commissioners and/or CVS and CVYS and ask them about how your organisation can become involved
- Work with your Children’s Trust third-sector representative, ask them what’s going on and get them to represent your organisation or user group needs
- Join a Children’s Trust sub-group
- Go to local consultation events and meetings
- Promote and publicise the successes and achievements of your organisation (including your added value), through a range of media so that these are recognised and acknowledged by your local Children’s Trust and/or commissioners
- Deliver services funded by the Children’s Trust
- Join with other voluntary and community organisations and/or local CVS/CVYS to do any of the above in partnership, i.e. join or start a task group, youth committee, area shadow board or district forum

**4.3 Engaging children and young people**

Voluntary and community organisations can play a critical role in helping commissioners to meet and talk with children and young people who use their services, and the staff and volunteers who work with them. Those organisations also have a clear role in supporting children and young people’s involvement, where appropriate, at each stage of the commissioning process.

**To find out more about how to involve children and young people in the commissioning process, read these:**

- How to involve children and young people in commissioning (Participation Works, 2008)
- Commissioning positive activities for young people (INLOGOV and LGiU for NYA, 2008)
Case study 3: Engaging young people in commissioning, Middlesbrough Children’s Fund Core Team with children and young people, Action for Children and Time Out of the Box

Middlesbrough Children’s Fund involved staff, parents and young carers in the process of decommissioning and commissioning their Young Carers Service. During two away-days the children and young people decided to set up a Young Carers Commissioning team with ten young people and elected a chair. They worked closely with the staff to design the expression-of-interest form, scoring criteria and format, service description, specification and the questions they would pose at the presentation stage. The elected Young Carers interviewed four organisations and were fully involved in the final selection process – by being allocated 25 per cent of the total score – and took part in the celebration event for the winning service provider.

Involving, listening and acting on the voices of parents, children and young people throughout brought a number of benefits to the commissioning process and those involved. Their engagement positively changed the shape of the service by meeting needs set by staff, young carers and their families and providing a seamless transition between organisations and services. For the children and young people, they were able to experience and understand the whole decision-making process of commissioning. They expressed a sense of achievement and ownership, which increased their self-esteem and confidence, communication skills and social networks.

4.4 Developmental commissioning

Some small and medium-sized community organisations may feel that they need more support to take part in commissioning than other potential providers. Recognising this, some local authorities have adopted a developmental commissioning approach⁸ as they appreciate that in return for their support, voluntary and community organisations may add value that other providers cannot.⁹

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⁸ Public Services and the Third Sector: Rhetoric and Reality, Eleventh report of the session 2007-08 (Public Administration Select Committee, 2008); Evaluation of the National Programme for Third Sector Commissioning: Baseline report (Office of the Third Sector/IDeA, 2008); Compact Code of Good Practice on Community Groups (Commission for the Compact, 2003); Engaging the Voluntary and Community Sector in Children’s Trusts (DfES, 2005); Commissioning Framework for Health and Well-Being (DoH, 2007)

Developmental commissioning is based on partnership working and aims to help develop the capacity of third-sector partners by providing support, training, resources, advice and information on all aspects of the commissioning process to help organisations become ‘commissioning-ready’ and increase their capacity to be commissioned. This approach also suggests that the third sector should be involved in all stages of the commissioning process and this has been done successfully in some local authority areas.

Case study 4:
Working with commissioners to support local voluntary and community organisations, Northamptonshire Voluntary Youth Action

By adopting a developmental approach to commissioning, Northamptonshire County Council have sought different ways to involve voluntary and community organisations in decisions (strategically) and service delivery. Working closely with Northamptonshire Voluntary Youth Action (a local infrastructure organisation), they set up a formal partnership committee that includes a range of local voluntary and community organisations – from small to large, urban to rural, and specialist to generic providers.

Through this committee, commissioners are able to reach out to a wider group of organisations, involve them in decisions and inform them of important consultation and contract renewal dates. This gives those involved in the committee direct information on the local commissioning process and provides a vehicle for the voices of other voluntary and community organisations as well as local children and young people. The committee are currently working with young people and the commissioners to design a toolkit to help commissioners to engage with young people. In return, county commissioners are also working to meet the needs of the sector, especially smaller organisations, by helping them develop the skills to contribute to the commissioning process.
4.5 Delivering commissioned services

Once commissioners have agreed strategic outcomes and priorities, identified resources, and consulted and decided on a service specification, they will decide how to provide the best services. These decisions are based on securing the best provider of a service to meet the agreed outcomes and priorities. What is decided on will vary locally and can be via in-house provision, spot purchasing, grants, and small and large contracts to external service providers. Commissioners might also choose to fund innovative solutions that might achieve better outcomes and pilot these though a developmental commissioning approach and the use of grants. At this stage, commissioners can also choose to decommission services.

Where services are to be procured from external providers, the process may vary between different authorities and different services. These processes could include:

- procuring the service from a specific known provider
- limited tendering where a number of known organisations are invited to bid in competition
- open competitive tendering, where a service is advertised and tenders are invited.

Your local authority’s ‘Third Sector Commissioning Framework’ is a good source of information on the local commissioning process and the different routes open to delivering services.

To find out more about being ‘commissioning-ready’ visit:

» http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/default.aspx

» Before Signing on the Dotted Line (NCVO, 2006)

There are opportunities for community organisations to gain funding for their activities, but each of these carries different implications, and each organisation needs to assess these for itself.

4.6 Grants or contracts?

For many services, grant funding may be the most appropriate means of procuring the service and it will be important for voluntary and community organisations to argue the case for grants where this is appropriate. Examples would include smaller scale services with low monetary values, services delivered by smaller organisations where a contract could be a significant risk, services requiring substantial community added value or services designed to be shaped and led dynamically by the provider and service users.

Grant funding comes in two forms:

- Grant-in-aid is usually given to an organisation to support its overall activities and is likely to be deemed ‘unrestricted’ in use – a strategic partner may fit into this category.

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Grants are usually more service specific, with more detailed control. The funds are treated as 'restricted' and are likely to be of lower value than grants-in-aid.

All grants are different from contracts in that they are not deemed a business transaction and so are not liable for VAT.

It is important for your organisation and its trustees to consider carefully the implications of the tendering process and taking on a contract. The Kindle partners believe that the legal implications of contracts make them inappropriate for unincorporated organisations.

**Proportional contracts/guides to contracts**
- Love Your Tender (Children England, 2009)

Although procurement regulations can seem very onerous, it is important to remember that they are meant to provide a level playing field for cross-state trading within the European Union (EU).

How a service will be tendered will usually depend upon its total monetary value. Local authorities must adhere to EU thresholds, but this only applies for services that are procured through a contract (not grants), and then only if the budget exceeds a given threshold.

To find out more about EU regulations of public services, read the frequently asked questions here:

To find out about the EU rules and thresholds visit:

**Tenders**
- Part A Tenders are listed on the free Tenders Electronic Daily service: http://ted.europa.eu
- Part B Tenders are listed on your local authority website and other websites. Some may charge; others are free. These links will help: http://www.navca.org.uk/localvs/lcp/briefings/wheretenders.htm
- Funding central website lists all funding opportunities, free of charge: http://www.fundingcentral.org.uk/Default.aspx

To whittle down the number of potential suppliers a Pre-Qualification Questionnaire (PQQ) may be used. This will focus solely on the technical aspects of your organisation's standing as a supplier, not on the actual service to be supplied. It could therefore ask questions about your financial turnover, quality standards, staff turnover, internal policies and procedures and legal standing.

For sample PQQs and other commissioning-ready resources, visit:
- http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/default.aspx
4.7 Dealing with scale

Ideally, a thorough commissioning process will have identified the ‘state of the market’ and will have a good idea of the size and capability of potential providers. Good commissioning frameworks will have commitments to using different methods to secure suppliers, for example, both grants and contracts.

Contracts can often be large in financial size, services required and geographical reach. People may see this as excluding small and medium-sized voluntary and community organisations. However, there are different ways of dealing with scale for service delivery including growth, collaboration and brokerage.

Growth

Rapid and large-scale growth can be risky and unstable. It may also be unattractive to commissioners and procurement departments. However, planned and steady growth can be achieved by different means. Some areas use a developmental commissioning approach (see Section 3.5) to help small and medium-sized voluntary and community sectors grow. Also, ‘Futurebuilders’ is a government-backed fund to help with things such as development grants, loans and investments.

Collaboration

Organisations may choose to collaborate in order to influence or apply for contracts together. Collaboration can take many forms, from informal and formal partnerships right up to a merger. It can often involve forming consortia of smaller organisations to deliver services. A ‘consortium approach’ can benefit voluntary and community organisations, in particular small and medium-sized organisations, as it enables them to share the work and the risk, access larger contacts and exert more influence throughout the whole commissioning process.

Large and small working together

Another type of partnership working is where a larger voluntary organisation with a track record in service provision (such as some national charities) bid for contracts with the intention of working with or sub-contracting the work to smaller community-based organisations that may bring added value in terms of grassroots operation (see section 3.5). The larger organisation may also be involved in building the capacity of smaller providers to form a network or hub-and-spoke structure, combining all the benefits and social value of both.

Both partnership approaches have potential drawbacks for commissioners and partners must work hard to convince them. Partnerships can take significant time and investment to set up, with no guarantee of contracts, but for many community organisations, they represent the best chance of being funded to deliver services.

To find out more about working in partnership with third-sector and other organisations, read:

» http://www.bassac.org.uk/our-programmes/collaboration/

» 1+1=3 Does Size Really Matter? (NCVO)

11 http://www.futurebuilders-england.org.uk/
12 Commissioners may be concerned that partners will struggle to provide a uniform service and lack a track record. They fear that they could be unstable and have unnecessary layers of overheads.
Case study 5: 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.
This document has shown that voluntary and community organisations have a lot to offer to the commissioning process and to achieving better outcomes for children and young people. Most organisations will find that some level of involvement in commissioning becomes a natural part of their work. The important thing is to make informed choices.

We have made five recommendations for voluntary and community organisations, which apply whether or not you decide to become involved with commissioning.

1. **Keep yourself informed**
   - Understand and keep abreast of your national and local landscape (policies, plans, structures and people).
   - Understand and show evidence of how your organisation is contributing to outcomes for children and young people as well as contributing to wider local priorities.
   - Identify your added value.

2. **Make an informed decision**
   - Consider the advantages and disadvantages for your organisation (staff, trustees and volunteers) and its users of being involved in the delivery of commissioned services.
   - If you get involved with commissioning or your local Children’s Trust, stay in control of the direction of your organisation.
   - If you do not get involved, consider your alternatives such as income generation through social enterprise and influencing delivery by other providers.

3. **Work with local and national networks**
   - Join or establish local networks with other voluntary and community organisations and local infrastructure organisations (CVYS or CVS).
   - Find out about provider forums and other local consultation events.
   - Find out who your local commissioners are and send a letter to the Director of Children’s Services so that they are aware of your organisation and the contribution you can bring to improving outcomes.
   - Share your experiences or get help from national organisations that can lobby and advocate your sector’s needs at a national level.

4. **Shape and influence commissioning**
   - Be involved in all stages of commissioning and share what you know about local people and places with commissioners and Children’s Trusts.
• Think about areas of greatest need and how and where services should be delivered to best strategic effect.
• Consider alternative ways to influence services, such as working through local forums or infrastructure organisations, calling public meetings or working with other local authority departments.
• Think about and discuss your organisation’s needs.

5. Work with others to deliver contracted services
• Think about what you can bring to a partnership or consortium and what you are looking for from others.
• Pick your partners carefully.
• Understand the legal and operational issues involved in sub-contracting.
• Be commissioning-ready before local tendering starts.
• Keep up the dialogue with commissioners.

Further support
We hope this document has helped you make the best decision, both for your organisation and for the children and young people in your local area. However, we appreciate that many organisations may be new to commissioning, that some commissioners are now having professional training, and that commissioning and Children’s Trusts are relatively new. Therefore, the implementation process will not be the same in every locality.

If you are struggling with any aspect, we suggest that you contact one or more of the following for help:
• your local CVS or CVYS
• a national umbrella organisation, such as those involved in the Kindle partnership that produced this publication (see below)
• Your local children’s services or commissioning department (especially if they have a third-sector development worker)
• the Commissioning Support Programme webpage, in particular the section for the third sector.

We also encourage you to join the dedicated forum for community organisations at http://www.commissioningsupport.org.uk/cs/groups/commissioning_and_the_community_sector/default.aspx to learn more about commissioning.

Kindle partners
ACRE: www.acre.org.uk
Bassac: www.bassac.org.uk
Children England: www.childrenengland.org.uk
Community Matters: www.communitymatters.org.uk
NAVCA: www.navca.org.uk
NCVYS: www.ncvys.org.uk