

# Commissioning and Investment Briefing Note

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The Greater Manchester VCSE Leadership Group is a collaboration between VCSE leaders in Greater Manchester.

Secretariat: Voluntary Sector North West, 3rd Floor, Swan Buildings, 20 Swan St, Manchester M4 5JW

<https://www.vcseleadershipgm.org.uk/>

The Commissioning and Investment Group is a VCSE Leadership Sub Group, Chaired by Alison Page (Salford CVS) and Paul Martin, LGBT Foundation, with strategic support provided by 10GM..

<https://www.vcseleadershipgm.org.uk/wp-content/uploads/Commissioning-Framework-2021.pdf>

## GM VCSE Leadership Group Commissioning and Investment Working Group Briefing Note

### Effective commissioning and the role of the Voluntary, Community and Social Enterprise (VCSE) sector

This briefing note outlines how changes in the way public sector organisations approach commissioning will affect Voluntary, Community and Social Enterprise (VCSE) organisations. It also explores long- and short-term challenges in the commissioning ecosystem.

Collectively these issues need to be addressed by all parts of the system, including commissioning and procurement managers. This note is designed to highlight issues and opportunities for those involved in commissioning services, as well as wider audiences involved in providing services to GM communities.

### Key messages

1. The VCSE sector is part of the solution to tackle the systemic and societal challenges faced by people and communities across Greater Manchester, as community-led organisations offering social value and flexibility in approach.
2. There are existing and novel stresses on VCSE organisations currently delivering contracts. Effort must be made to reduce these pressures and reduce their impact.
3. The future of commissioning must be longer-term, fairly funded, and with inbuilt contractual flexibility. A three-year norm for contracts would provide a healthier system. Grants and funds should be established to encourage VCSE organisations to develop novel solutions.
4. The VCSE must be included as key system-shaping and delivery partners, with an equal place at decision-making tables; and use made of greater flexibilities and freedoms to enhance and support rather than reduce VCSE sector participation and leadership.
5. The VCSE sector and its allies must continue to challenge existing systems and lobby for fair treatment at every opportunity, to create the space that works for the sector and the communities of Greater Manchester

### 1. The Unique Value of the VCSE sector

The VCSE sector is a distinct partner that can offer unique thinking and processes that are flexible, as they are less bound by large organisation hierarchies. As a sector, GM VCSE organisations are well networked and experienced in collaboration to best meet the needs of the populations they operate within – sharing resources and skills to deliver holistic, person-centred support to individuals.

The VCSE sector, by its nature, delivers significant social value alongside any specific focussed activities. The sector recruits locally; procures ethically; provides local opportunities; is led by and accountable to the local community; and its values and activity are driven by the aim of reducing inequity.

The VCSE Sector contributes extensive skills and leadership in community development, coordination, and engagement activity all of which are essential in the co-design of services to ensure optimal use and outcomes for local people. Moreover, the VCSE sector is embedded within, and best placed to deliver services that reach, communities that are often underserved and experiencing greater health inequity; as illustrated in the following case study.

#### Case study - improving reach into underserved communities and the value of GM VCSE providers

**Led by** VCSE based GM BAME Mental Health Collaborative, made up of six partner organisations

**The context** - Formed during COVID, the collaborative worked to ensure that the diverse communities across Greater Manchester were accessing mental health services as well as the key COVID messages that were coming out of the health system. By combining VCSE community reach and expertise, black and minority ethnic communities most hit by COVID were supported to access the services they needed.

Building on this partnership and through innovative commissioning this work has been extended through the Culturally Appropriate Mental Health Fund. Relationships and partnerships that accelerated during COVID, are continuing to deliver appropriate mental health services to communities that are often underserved.

#### Key points

- A longer term partnership between the commissioners and VCSE organisations is meeting the joint aims of increasing health equality by serving the mental health needs of diverse communities in GM.
- Building long term partnerships and innovative commissioning models has a multiplier effect on positive and inclusive health impacts.
- This success can only happen with the additional social value and community connections that smaller VCSE organisations can bring – this is key to commissioning that reduces health inequality.
- Sustained relationships enable the work of VCSE partners to be developed and longer-term work guarantees that the insight and lessons learned during a contract are not lost.

#### Case study - VCSE and Primary Care Network (PCN) Partnerships

**What is it?** Test and Learn Sites have been funded to explore how the VCSE sector and PCNs can build lasting relationships that help them work together to tackle health inequality.

**Why is it working?** Solutions to health inequalities have been developed by local communities, in partnership with the grassroots VCSE organisations that support them. Funding is available to run the projects as well as for external evaluation, to facilitate the sharing of good practice and learning.

**What is the impact?** Communities who face the most barriers accessing PCN provision have designed solutions to remove these barriers with resulting improvements to access for services – for example accessing maternity care for women with East African background with support of Afrocats.

The sector has shown what it can achieve when it is properly resourced. Going forward there is real potential that the VCSE strengthens its delivery and provides significant outcomes for the health system. For this to happen organisations need supporting through the cost-of-living crisis, a clear

role in delivering against system priorities, and the flexibility and funding to engage in the co-design process. With these things in place, the sectors unique abilities will continue to flourish. If they are not provided, the sector's insights and abilities will be lost to the health system. The sector is ready to work to ensure that does not happen.

## 2. Changes in structures, and the approach to commissioning and procurement

The implementation of Integrated Care Systems and greater place-based working has led public sector bodies to reframe their approach to commissioning. Changes in how commissioning and procurement will take place must be communicated effectively with partner organisations. There needs to be a strong understanding of why this change is happening and what it means for VCSE organisations.

The new Government procurement intentions to be lighter touch, and supporting economic growth through creating a single, transparent system could be positive for the VCSE sector – for example with more penalties for late payment in the supply chain and allowing a wider definition of 'value for money' that includes quality of provision and other factors beyond charges and costs. Similarly, the proposed Provider Selection regime in health, which allows for flexible and proportionate decision making, aims to support greater integration, and enhances collaboration by creating stable long-term relationships also presents opportunities for the VCSE sector.

However, there are risks in how these new structures and flexibilities are implemented for VCSE sector organisations, particularly in times of financial pressure. In health, the closure of Clinical Commissioning Groups and the shift in responsibilities towards Acute Trusts has meant prior strong relationships between locality and GM commissioners and VCSE sector have either been lost or have altered. The risk of VCSE organisations missing out on opportunities when not recognised as a potential partner; or when not fully represented in the decision-making spaces should be addressed. Parts of the relationship between statutory and VCSE bodies are still fundamentally one involving contracting, purchasing and funding.

The ask of GM partners in the light of greater flexibilities in procurement is to,

- Ensure the good standards of practice outlined in the VCSE Commissioning Framework are adhered to.
- Ensure VCSE leadership voices are included in the city region decision making forums as equal partners, with VCSE impact assessment undertaken when considering funding cuts.
- Build a GM commissioning process both within and outside of procuring health services that supports a wide market of suppliers, establishes longer term contracts, enshrines prompts payments and includes valid measures within a GM a value for money definition that will genuinely impact on reducing health inequality e.g. connections at grass roots levels with communities, proven ability to coproduce solutions with communities.

## 3. Commissioning pressures and impact

All parts of the commissioning system are facing additional pressure due to the Cost of Living Crisis and the subsequent shrinking of budget and resources. In particular, systemic issues are amplifying the problems faced by VCSE Sector organisations. Longstanding issues with payment and contracts include undervalued contracts, late payment, under payment, partial payment, contract short-

termism, lack of clarity over the use of grants and contracts, and contract extension without regard to inflation all make VCSE involvement difficult. Some of these issues have been worsened by contracts not keeping pace with inflation or uplifts not always being passed on to partners, where these are made available to commissioners. More specific issues have been highlighted with the way that management or infrastructure costs are viewed by commissioning bodies. These costs should be seen as an essential part of the scoping by the commissioning body, as they can ensure that the contract will be delivered and the partner has the capability to realise delivery.

Beyond financial issues, there are systemic problems with the process –

- When commissioning takes place through large frameworks smaller VCSE organisations, who do not have the infrastructure or resources to respond, can be excluded from delivery. Blended and diverse commissioning models could enable smaller organisations to carry out targeted work that helps tackle entrenched inequality.
- Formal tendering for existing services without recognising the importance of social return on local investment means that experience and relationships are lost.
- Local VCSE sector organisations are participating in service design and testing, but then not being rewarded longer-term contracts, meaning that their time and energy is wasted.

If the systemic and short-term challenges affecting the VCSE sector are not addressed, the VCSE Sector will be forced to reduce in size and capability. This is something we are already seeing at GM and locality level. The overarching risk is that the enduring, and sometimes worsening, health inequalities in Greater Manchester are not addressed and communities continue to miss out. It is vital to explore new models of working together as illustrated below, as well as considering if changes to commissioning can provide any new opportunities for effectively delivering services that reduce inequality in health outcomes.

#### 4. The future of commissioning - creating a healthy commissioning system

A healthy commissioning system will work for both commissioners and organisations delivering contracts. This would see a range of provision and choice in the market, reflecting the diversity of the community it serves and is delivered for and by communities. Commissioning and procurement processes need to support this by adopting the recommendations within the VCSE Commissioning Framework, namely

**Recommendation 1:** Embed the importance of the VCSE sector

**Recommendation 2:** Invest strategically in the infrastructure required for building VCSE & community capacity

**Recommendation 3:** Better knowledge, understanding and access

**Recommendation 4:** Accessible procurement and a strategic approach to grants

**Recommendation 5:** A core focus on co-design and co-production

**Recommendation 6:** Embed Social Value

**Recommendation 7:** Develop and implement evaluation framework

**Underpinning:** Ensure tackling inequalities is at the centre of all decision making

Structural, system and procurement changes could prove to be beneficial and help support a strong commissioning environment. However, change carries risks that need to be addressed. These changes are taking place in a challenging economic climate that can also not be ignored.

Infrastructure support from both commissioners and VCSE Infrastructure Organisations to smaller VCSE organisations (e.g. training, communication, grant application) will ensure that the market remains strong,

There is commitment within Greater Manchester in all parts of the system to work differently. The examples below show what can be achieved when collaboration is integrated with co-production and adequate resourcing. The good practice in this work now needs to move from pilots and short-term work and be built into business as usual; utilising existing agreements like the GM Accord and GM Commissioning Framework to shore up commitment and positive action. Future developments, such as a GM Fair Funding protocol, could be used to provide the focus and clarity to make sustainable changes in commissioning that will really impact on inequalities and the health and wellbeing of the Greater Manchester communities.

#### Case study – Education, Skills and Work

**Led by** VCSE Commissioning Leadership Group and GMCA

**The context** – Recognising that existing commissioning and procurement practices were deterring VCSE provider participation in Education, Skills and Work (ESW) activity, GMCS have begun work with VCSE sector colleagues to develop a Community Grants Programme to be managed by an external agent on behalf of GMCA. In the first place the Grant Programme will support the delivery of Multiply and UK Shared Prosperity Fund People and Skills activity, but it is hoped that further phases will be developed over time.

#### Key points

- Co-design between commissioners and VCSE sector to develop routes to market that support VCSE participation.
- Support the VCSE to access funding to deliver to the communities they represent and support.
- Increase participation from people who have been underrepresented on programmes.
- Increase the voice of residents in programme design.
- Increase numbers of VCSE organisations delivering on the ESW agenda.

#### Case Study – Mental Health System Influencing Role

**Led by** – NHS Integrated Care, GMCA, VCSE Commissioning Leadership Group

**The context** - System-wide collaboration across VCSE and Statutory Services is understood as crucial within Mental Health Commissioning, to ensure co-design and delivery of models and services that meet local need. As a result, Mental Health Commissioners have funded a Regional Mental Health System Influencing Adviser for Greater Manchester for a number of years, which straddles the VCSE and Statutory sector, providing capacity, system leadership, and creating opportunities and solutions.

#### Key points

- Investment in the role as been crucial in building constructive, challenging, and supportive relationships

- Longer term, established relationships have led to improved service provision and collaboration across the system.

#### Case study - Violence Reduction Unit

**What it is?** Partnership working between Greater Manchester Police (GMP), Greater Manchester Combined Authority (GMCA), the National Probation Service as well as health, education and youth justice services and the VCSE sector to address the underlying causes of violent crime.

**Why it is working?** Young people and community stakeholders co-design the solution that need to happen, with VCSE alliances that are rooted in localities. Funding is available for these locally designed solutions to be implemented.

**What is the impact?** Violence reduction work is more effective as communities shape what is needed – from opening young people’s support services when and where needed to ensuring there is more equitable access to services; such as mentoring.

#### Further helpful resources

[Greater Manchester VCSE Commissioning Framework](#)

[VCSE Contract Readiness Programme](#)

A new programme for both commissioners and VCSE organisations to sign up to, which supports beneficial partnership working and supporting the VCSE sector to access the public sector market