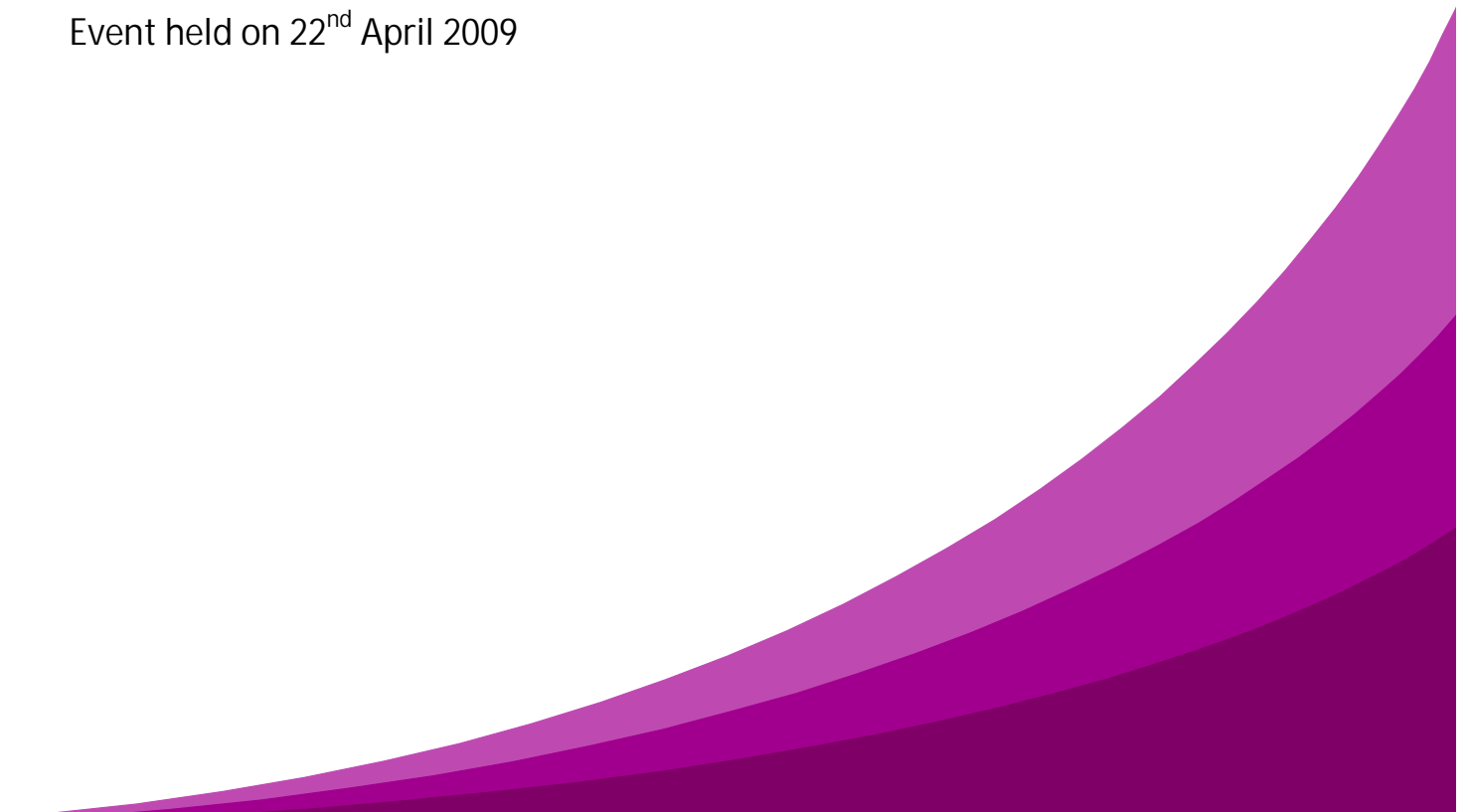


Time for Change – Introducing Voluntary Organisations to Healthcare Commissioning

Questions and Answers from:

- Voluntary Sector North West
- Greater Manchester Centre for Voluntary Organisation
- NHS North West

Event held on 22nd April 2009



On the 22nd April 2009, VSNW organised 'Time for Change - Introducing Voluntary Organisations to Healthcare Commissioning' with the Transforming Community Services team from within NHS NW. The day proved highly productive and a huge amount of questions were generated for the panel session held during the morning session. It was agreed that we would compile responses to these questions from VSNW, NHS NW and GMCVO who have played a key role in this process. This document simply provides the answers to the questions and serves as a starting point for those who want to know more. We have since followed up these with 'Conversation With Commissioners' across all of the sub regions and will be outlining the next steps shortly.

The question responses are by:

- Richard Caulfield, Chief Executive, Voluntary Sector North West
- Neil Walbran, Health Partnership Officer, Greater Manchester Centre for Voluntary Organisation
- Liz Matthews, NHS North West

RISK

1. Do we need innovation?

VSNW: I believe we need innovation at all levels: within the sector we need to look at delivery models that will allow us to access the resources necessary to make a real difference in our communities. That will mean more collaboration and more formal partnerships – but it is possible!

I also think we need to see more innovation and risk taking from the NHS – I would like to see PCTs still using grants to drive innovation and support local activity and I am hopeful that the outcome of other work VSNW have been involved in with NHS NW may lead to some greater opportunities.

GMCVO Health Partnership: Innovation from the third sector has been acknowledged as an enabler of efficiency gains. As well as this it addresses existing and emergent health inequalities and maintains a fluid and dynamic response to public health needs. Without innovation there is a real danger of creating a closed-ended system which is unresponsive to change.

NHSNW: In the current climate where we face an economic downturn, we need to look at innovative solutions to make the most of our finite resources. The requirement to innovate was included in 'High Quality Care for All', Lord Darzi's response to the Next Stage Review of the NHS, published in June 2008. In this report, the duty to innovate was given to Strategic Health Authorities. Coupled with this duty is the funding of innovation nationally, to distribute regionally. In the North West, this equates to approximately £2 million in the current financial year. The Innovation fund asks for innovative ideas, particularly demonstrating cross sector working, with special attention to Long Term Conditions and End of life care. Please see NHS Northwest's website www.northwest.nhs.uk

There are many examples of best practice contained on the Institute for Innovation and improvement's website, www.institute.nhs.uk which might give you further ideas.

2. How will we really share best practice and pitfalls?

VSNW: We need to work closely together and be willing to spend time sharing information. There should be Health & Social Care Networks in each PCT area funded to do exactly this.

GMCVO Health Partnership: There has to be a system within each PCT area, sub-region and region which enables true and effective representation from the third sector's providers. This works best with investment from statutory partners but often needs pump-priming with third sector funding.

NHSNW: Refer to the Institute for Innovation and Improvement's website which provides national examples of best practice. We need to collect and share more local examples of best practice, and the local health and social care networks should lead on this.

3. Community responsibility – what happens to community members when services are decommissioned?

VSNW: We can't get away from the fact that services will be decommissioned if new ones are to be commissioned: however services should be monitored and reviewed appropriately and funders should behave in line with the compact. Decommissioning should not come as a surprise to an organisation – it should be the outcome of a longer process.

GMCVO Health Partnership: Turn this around. What happens to community members when a third sector organisation or project folds as its grant comes to an end? If we want service stability through the sustained funding which the contract culture brings then some services in both sectors will face decommissioning. The transition process between a change in providers should be a question of commissioning best practice. Any organisation which can't produce a robust transition plan as part of its tendering process should not be considered.

NHSNW: Every commissioner should have an exit strategy attached to any plans relating to decommissioning, which should provide sufficient time for community groups to respond. I would expect conversations between commissioners and providers to give sufficient opportunity for other options to be explored prior to decommissioning, or before any changes to services being commissioned. It would be probably useful to check out the arrangements with commissioners relating to changes to service specification and decommissioning, which ought to be laid out clearly and understood by both sides.

4. How can we best protect current contracts and deal with contraction?

VSNW: PCTs should remain compact compliant but we must be aware of an impending reduction in spending. We need to ensure we are as efficient as possible and not incur unnecessary costs.

GMCVO Health Partnership: We're constantly told that this isn't about protecting organisations' interests but about services for people. In that case - look for the efficiency gains which the third sector can provide which sidestep contraction. Who are your local small providers and how do they maintain people's health locally? Consider sub-contracting or invoicing their services to enhance your own.

NHSNW: Increasing productivity and improving efficiency are very important to ensure that taxpayers money is used responsibly. It is important for organisations to be able to demonstrate the value they are adding, through contracts and by monitoring key performance indicators. This isn't just about activity being undertaken, but the experience of those who come into contact with services, the improved outcomes that are obtained as a result and improvements to services in the community. If you can demonstrate that you provide a valued, quality offering that improves health outcomes, your services will be demonstrating their worth.

5. How should we manage territory issues?

VSNW: We cannot pretend there is not competition within the sector. VSNW believe in strong local voluntary action that is driven and governed locally. If we look at effective collaboration we could tackle some of these issues

GMCVO Health Partnership: If the question relates to competition, there is the option of partnership delivery through effective consortiums. The Health Partnership would support local and sub-regional consortiums and would work to resolve some of the territory issues that way. If the question relates to service users accessing a service from outwith a funded area, then third sector providers face the same dilemma as any provider in turning people away. There are also transport and access issues to consider especially for specialist and overburdened services.

NHSNW: There is always a balance to be struck between competition and co-operation. This will depend on the services being provided and the environment and landscape in which services are operating.

6. How can we make commissioners realise they need to invest in not just the service but also the internal capacity development required to deliver this?

VSNW: We must apply the compact and make the case for full cost recovery – and organisations like VSNW have got to ensure that the NHS understands this throughout its structures.

GMCVO Health Partnership: By making the case for investment in local third sector infrastructure support. Where local providers are further down the line in their capacity to deliver, you will also see a history of investment in local infrastructure.

NHSNW: It is important for full cost recovery to be obtained. This means that each provider needs to be able to understand their true working costs for each service line. Sometimes specific support is going to be needed to support start up, or infrastructure costs. The more people can explain and define costs, the greater the chances of full cost recovery in my opinion.

7. Some areas have preferred provider registers which commissioners use how does this fit with the concept of working consortia?

GMCVO Health Partnership: If you like, with a register such as this you have a ready-made potential consortium of providers all with the same performance standards in place. I think it fits perfectly with the model presented.

8. Do we expect this process might all change again if there are political changes?

VSNW: Quite possibly – but not quickly.

GMCVO Health Partnership: If the Conservatives win the next election then their plans for the third sector are outlined in [A stronger society: Voluntary action in the 21st Century](#) which places an emphasis on social enterprise delivery and a reform of commissioning structures. GMCVO is holding a focus group on the Paper on 1st June with Nick Hurd MP, Shadow Minister for Charities.

NHSNW: The local infrastructure to support third sector has been signed up to by all parties, I think everyone appreciates the vital role that the voluntary sector plays in society. It is hard to predict any changes, but I am sure that between us, we'll remain up to date with policy changes and will give

everyone the opportunity to participate in conversations to explore any implications of policy changes.

9. What is the role of the voluntary sector North West how does this apply across the region?

VSNW: Our role is to ensure that the sector is represented at the regional level (see www.vsnw.org.uk) and we are working with NHS NW to influence PCT activity.

10. Some of our services operate at a sub-regional level, if not beyond, are there commissioner network meetings or forums and do they welcome presentations?

VSNW: We are currently working on events in October to try and bring the PCTs together.

GMCVO Health Partnership: There is a Directors of Commissioning group for Greater Manchester which meets regularly. Presentations to this group would have to be arranged through the Greater Manchester Health Leadership Group where GMCVO represent the third sector.

PROCESS

11. Why can't the SHA and VS NW set up wellbeing hubs – across the NW?

VSNW: Unfortunately we have not got the capacity ourselves to do this. We will try and identify opportunities to facilitate the development of hubs and work with infrastructure organisations who may be best placed more locally to support the development of local hubs.

12. How can people be helped to get in the door?

VSNW: We will be doing all we can from our end to ensure you have the opportunities to promote your services and to be aware of potential opportunities. You must ensure you are engaged with any local networks and your relevant local infrastructure organisation.

NHSNW: We will be doing all we can to promote third sector opportunities to local commissioners.

13. The TCS is not a model driven by the Third sector – Why not?

VSNW: Ultimately this is an NHS initiative – but one that creates a huge opportunity for the third sector.

NHSNW: Transforming Community Services definitely has many opportunities for third sector partnership working and direct service provision.

14. Third sector getting sucked into becoming public service

VSNW: This is a problem for many in the sector. We do believe there is still a role for grants but the world is definitely changing, ultimately it is down to individual organisations to work out how involved they want to be in delivering public service contracts.

GMCVO Health Partnership: It's a question of maintaining a balance in funding. The third sector groups I have met who have gained public service contracts - and also safeguarded their independence and avoided mission drift - are the ones which have maintained an overall income on public service delivery of approximately sixty per cent and used other sources of income to deliver on their constitutional objects.

NHSNW: There will always be a number of opportunities for the third sector to work in partnership with the statutory sector.

15. Why cant/don't all contracts include social benefits and capital?

VSNW: This is an ongoing discussion – NHS NW are leading on a Social Value in commissioning for NHS across the country and that agenda is very similar. We will keep lobbying for this approach to be taken at the tables we represent the sector.

GMCVO Health Partnership: An Early Day Motion was signed by seventeen MPs at the start of this month. From Third Sector News: 'The motion says social enterprises have an important role in the promotion of social cohesion and sustainable development within communities and notes "the emergence of community benefit contracts which allow public bodies to legally insist on terms that bring extra benefits to disadvantaged communities such as work and training opportunities". Bob Spink, independent MP for Castle Point and the third sponsor of the proposal, said: "We are encouraging public procurement officers to use community benefit clauses." This would mean that officers would have to consider economic, social or environmental benefits when contracting out a service, said Spink.

16. Consortium could become a monopoly of the Third sector - how do we prevent this?

VSNW: I think there is a long way to go before we worry about that!

GMCVO Health Partnership: Unlikely, especially when we see large global organisations such as Serco North America as competitors. If this question means that we may all have to belong to a consortium then there are certain protections afforded by the consortium model, especially for smaller groups as associate members where they can be sustained as part of the supply chain.

17. How can you build long term trust with 3 year contracts?

VSNW: Three year contracts are an improvement on where we have been. It is vital that the way relationships and contracts are managed that trust is developed. Too often in the past contracts have been signed and then there has been no ongoing relationship until the end of the contract.

VCS organisations should insist that there are regular meetings with contract managers to ensure trust is developed.

GMCVO Health Partnership: How can you not? Contractual arrangements should afford the security of professionalism on both sides, as people come and go anyway. Commissioning best practice should be configured to involve the resourcing of productive relationship development.

NHSNW: It's important for contracts to be supported by conversations and sharing of ideas on both sides. Making sure that contract monitoring reports stay relevant and eye-catching will help.

18. How can commissioners become aware of what services the third sector can provide?

VSNW: There are some good examples such as the directories produced in Greater Manchester and in Halton & St Helens. Subject to funding we will be building up the story of the VCS as a provider and hopefully establishing some form of study tour. We will be watching the progress of the directories mentioned above to see how successful they are and sharing other good practice through our networks

GMCVO Health Partnership: The market offer from the third sector has to be presented to commissioners in a way which demonstrates its alignment with their required outcomes. Where our services are mapped within priority headings along care continuums the offer is clearer. The Health Partnership is currently creating a web-active version of its printed directory of this mapping.

NHSNW: There will be many opportunities in a number of different settings locally, sub regionally and regionally through directories, web based options and face to face meetings.

19. How can we educate/raise awareness amongst commissioners about the role and value of the sector?

VSNW: We have to use all means at our disposal. We will try and create opportunities for the sector to do this and we will consistently promoting the sector to staff within the NHS. We also hope all VCS organisations in the Health & Social Care field will engage with LIOs and networks working in this direction

GMCVO Health Partnership: By supporting commissioners in their understanding of the role and value. The Health Partnership will be encouraging commissioners to invoice local third sector provides in the design of services and also to adopt new models of commissioning such as the Sustainable Commissioning Model developed by the New Economics Foundation which uses outcomes-based commissioning.

20. How can Third Sector input at the beginning of the commissioning cycle? – Assessment and prioritisation (Third sector development department? Third sector partnership manager

VSNW: We have to ensure this is happening locally: the sector needs a voice locally and should be engaged in developing and shaping services as well delivering them. We need to keep lobbying where we are not involved!

GMCVO Health Partnership: What's needed are protocols whereby all local providers who have local reach and understanding of local need are involved in service design. These protocols would at once ensure service design is configured to enable improved local health outcomes whilst also affording protection for all stakeholders from collusion.

NHSNW: The third sector has a wealth of information directly related to the needs of the community. This will be valuable to link into the Joint Strategic Needs Assessments which outline the needs of the populations that PCTs serve. Joint Strategic Needs Assessments are mandatory and are joint documents between health and local government, and they need to be updated regularly. Many of these documents are on the PCT's websites.

21. At what point is appropriate to ask for money in the relationship/negotiations? What should organisations do if the money offered is considerably less than required?

VSNW: Point 1 is difficult to answer! In respect of point 2 I think we need to be firm and say that reduced costs either make a service unviable or should lead to a reduction in the expected outcomes. The VCS is not a cheap option and too often cuts are made to funding with no expectation of reduced outcomes.

GMCVO Health Partnership: There is a clause which when invoked enables advanced payment as part of the contractual arrangement after PQQ stage to cover costs incurred as part of the contractual process e.g. Human Resources legal advice. PCT's are permitted to make payment in advance of expenditure to a VCO. Para 2(a) Annex 16.1 of Government accounting provides for such advance payments for start up costs. If the full contract amount offered is considerably less than required then it's a question of negotiation. If as an organisation you are dissatisfied with the outcomes of the negotiation then it's up to your governing body to decide upon a course of action.

22. Where do we get practical information about the working of the PCT?

VSNW: Your local LIOs should be able to explain this to you

GMCVO Health Partnership: Seconded – especially if you have a designated health and social care development worker in your LIO.

23. How to find appropriate person/level within PCT to start dialogue?

VSNW: Your local LIOs should be able to explain this to you

GMCVO Health Partnership: Seconded – and if your LIO supports a local provider forum then your membership of this should lend credence to you opening such a dialogue.

24. Have PCT/DH/SHA commissioners got capacity to respond to third sector enquiries?

VSNW: This is where it is important that PCTS invest in local infrastructure – they can play an intermediary role and Health & Social Care networks can be an effective way of allowing partners to engage with a breadth of VCS providers.

GMCVO Health Partnership: Local PCTs need to work with their LIO to ensure there is a flow of productive engagement between the third sector and commissioners. The DoH has its own Strategic Partners Programme whereby it links nationally and regionally with the third sector. The SHA is well linked with its regional and sub-regional partners.

NHSNW: We are doing our best to increase the infrastructure to support the sector at the regional level. This is in direct response to organisations who are looking for guidance and support from the regional level.

25. How to work with smaller Third Sector organisations, giving confidence/capacity & knowledge?

VSNW: Again I believe that PCTs need to invest in good local infrastructure services AND provide grants programmes that helps smaller groups develop

GMCVO Health Partnership: As part of the supply chain the smaller groups as associate members of a local/sub-regional consortium would be afforded the opportunity to either grow to a procurement-ready status or maintain their small localised effectiveness.

NHSNW: Smaller organisations can often play a vital role through partnership working with other organisations, or through providing the knowledge that they hold or putting people in touch with members of the community who are traditionally hard to reach.

26. How can organisations help each other around monitoring Quality Assurance?

VSNW: There are increasingly more and more programmes coming out supporting groups with quality standards and monitoring processes. Ensure you are aware of what the LIOs in your area are doing and of your support needs. Again, networks are a good place to share good practice and provide peer support.

GMCVO Health Partnership: There are dedicated posts in some LIOs across Greater Manchester which are concerned with quality assurance and performance. These need to be rolled out to serve a wider audience

27. Start up funding?

VSNW: We will always shout for grant funding opportunities to be maintained.

GMCVO Health Partnership: Through safeguarding smaller grants for start up funding we are safeguarding innovation and maintaining a responsive approach to health needs.

NHSNW: There needs to be a sensible mixture of funding sources and amounts to stimulate innovation.

EQUALITY AND DIVERSITY

28. How to ensure that commissioners will adhere to equality & diversity good practice when commissioning

VSNW: We will have to continue to monitor them! We can also use the Compact to ensure compliance.

GMCVO Health Partnership: There are challenges which can be made to service specifications which have not undergone an Equalities Impact Assessment. More details are available through the Public Law Project at NAVCA.

NHSNW: Through sharing of best practice, contractual arrangements and the duty to provide Equality Impact Assessments which NHSNW takes very seriously.

29. Have you got a clear investment strategy into third sector – particularly BME?

NHSNW: We have a strategy that actively looks to voluntary sector support to consult on any plans round Equality and Diversity, and plans to keep it central to thinking in health. This includes BME.

30. How do commissioners prefer to work 'hard to reach' communities, or communities within a particular equality strand? Do they prefer mainstream organisations reaching out or specialist services?

NHSNW: I think it depends on the community, the topic, the service being provided and the patient group being served. It will also depend on the provider landscape.

31. What help is there for BME organisations?

VSNW: There is increasing support from specialist BME infrastructure – recent Big Lottery funding has ensured there will be sub-regional BME Networks across the region and further resources for the regional network 1NW. Furthermore there should be increased awareness of the needs of BME organisations within generalist's networks and these services should also be reaching out to support BME groups.

32. When do you think there will be transparent commissioning that doesn't favour internal PCT/NHS providers?

NHSNW: Increasingly, through contractual arrangements and through the World Class Commissioning programme that expects PCTs to manage and develop the market, there will be opportunities for providers which have not traditionally provided services in the NHS. In addition, many voluntary sector organisations work in partnership with NHS providers.

33. Practical problems re: commissioning – very short timescales, no central place for advertising?

GMCVO Health Partnership: Agreed. These are two issues highlighted in our research report Commissioning: Possible. The good news is that the report is being used to influence commissioning practices to become more third sector friendly.

NHSNW: This is included in World Class Commissioning competency 9 which looks specifically at contracting services. This competency expects PCTs to ensure that opportunities are made clear to the market, including third sector organisations.

34. Will NHS North West or PCTs have a doorway for information on appointments for commissioners?

NHSNW: We will pursue this in partnership with PCTs. We'll keep you informed of any news in this area.

35. How will the diversity of Voluntary Sector be represented and consulted?

VSNW: we have to ensure that in our consultations and information dissemination we reach the widest possible audience. We continue to work with a range of equality groups and infrastructure organisations to gain the widest possible input into our work. We will never totally succeed but will always keep trying to reach the maximum number of groups!

GMCVO Health Partnership: The Health Partnership works closely with Greater Manchester Voluntary Sector Support based at GMCVO which employs a Diversity and Access Coordinator to ensure this.

NHSNW: This will take time and attention but by getting closer to the priorities and aspirations of PCTs, the third sector will be in a greater position to be able to tap into expertise into the health sector.

36. There are huge challenges for BME populations in the region. How are commissioners going to develop intelligence for effective and efficient commissioning for BME sector?
NHSNW: Through the Joint Strategic Needs Assessment, PCTsx have a duty to understand about the needs of their population, this includes BME. Many sources of information exist, some of which are best known and understood by the third sector.

MISC

37. How will you ensure transparency of commissioner/provider split within the PCTs?

NHSNW: Each PCT has been asked by NHSNW to provide a self assessment review, which covers over 100 questions covering all aspects of the provider commissioner split, from finance to governance, from boards to risk assessment. We have had a number of workshops and have provided direct feedback to PCTs so far on their arrangements for commissioner and provider split.

38. Tendering gateway for all tenders?

GMCVO Health Partnership: e-tendering is on the increase which supports this move, as do links between provider and commissioning websites.

39. Will the monitoring process be less time consuming and consistent?

NHSNW: There needs to be a balance between having an accountable set of governance arrangements in place versus having too much paperwork. The amount of monitoring will need to be appropriate for the size and value of the contract.

40. Should the commissioning relationship be more than a personal relationship and more of a process?

GMCVO Health Partnership: Again it's about maintaining a professional balance between the two which is productive to all stakeholders.

NHSNW: Yes. There needs to be a contract or agreement in place so that both sides are given a description and understanding of what to expect.

41. How to manage capacity growth? i.e. How to handle bidding for something that's a bit bigger than your own organisation

GMCVO Health Partnership: See question 24, but again make use of your LIO.

42. Neil spoke of 'over mainstreaming' many Voluntary Sector organisations who have and do develop in response to needs, gaps, barriers. Is there a danger of losing the creativity & innovation through turning these responses into consortia/partnerships?

GMCVO Health Partnership: Not in a place like Greater Manchester where there is such a diverse range of community health needs – there could never be enough consortiums and partnerships.

43. How do Community Foundation Trusts fit in? If PCTs are providers how can they make decisions about commissioning services?

NHSNW: This will happen through a transparent split between commissioner and provider, which I have described above.

44. Contract: Does the paperwork significantly grow with the amount of money commissioned?

NHSNW: There does tend to be much more formal processes in place as the contract covers a larger volume of activity and as it increases in value, but this offers protection and clarity on both sides.

45. How does the hub ensure each organisation has an equal voice? i.e. smaller and large organisations, lack of confidence & strategic aims

GMCVO Health Partnership: If this question means the hub of any consortium then it's up to the board of the hub/managing agent to ensure representation and organisational support in development from associate to full membership.

46. We have been awarded money to run a counselling service in the North West specifically helping Blind and partially sighted people at point of diagnosis and beyond – is there a point of access for all PCT's that we can use to access commissioner in the NW?

NHSNW: PCTs work differently, as it depends on the local infrastructure in place. My advice would be to start with the commissioners in the area for which you have funding in the North West and begin to build up a relationship with commissioners.

VSNW (Voluntary Sector North West) is the regional voluntary sector network for the North West. The purpose of VSNW is to ensure that the voluntary and community sector (VCS), in all its diversity, takes its full part in shaping the future of the North West.

VSNW works with 150 members which

- work across the region directly supporting and delivering services for individuals, or
- are VCS infrastructure organisations (LIOs) that work with local voluntary and community groups.

VSNW members provide community services, regenerate neighbourhoods, support individuals, promote volunteering and tackle discrimination. The 40 generalist LIOs in membership of VSNW have a membership of 6,780 VCS groups and are in contact with 19,800 local voluntary and community sector groups in the North West – just under two-thirds (63%) of the region's VCS groups.

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