

Commissioning and Investment Spotlight

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

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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>

VCSE Sector Commissioning Spotlight

Changes that transform how partners will work together are taking place in health and locality systems. Meanwhile, the cost of living crisis, Local Authority cuts, and the need to deliver a balanced NHS budget continue to add pressure to a system already under strain. This document will bring you up to date with what is happening and what you can do to prepare.

Key Messages

- Major changes around **Integrated Care Systems, Place-Based Working and procurement** provide both risks and opportunities for the VCSE sector.
- Public sector organisations are moving to a more **collaborative model of commissioning** which should yield better results and be cost effective.
- VCSE organisations will have to **change the way they work with commissioners, and who they work with.**
- VCSE colleagues need to proactively engage with the public sector to **maintain relevance in new decision-making structures**, and to ensure system-wide awareness of **challenges facing the VCSE sector.**

1. System Changes

The way that the NHS designs and delivers services is changing.

The closure of Clinical Commissioning Groups and the creation of Integrated Care Systems has removed the distinction between NHS Commissioners and Providers. Acute Hospital Trusts are now funded directly, giving them a central role in commissioning decisions alongside locality Place-based Leaders.

New Provider Collaboratives and place-based Boards have been developed, and there are now greater flexibilities in procurement; this creates both opportunities and risks for the VCSE sector.

Provider Collaboration Provider Collaboration (in a strictly NHS sense) is where two or more public providers of NHS services work together at scale to benefit their populations.

In a system-wide situation, provider collaboration sees providers from multiple sectors come together to design a system that makes best use of the resources that they hold together. This is enabled with equal power sharing and collaborative practices.

Greater emphasis is being placed on 'taking a more strategic, place-based approach to commissioning' in the NHS. Some of the detail behind this is in the proposed introduction of the Provider Selection Regime (see below). Led by the Department of Health and Social Care, this is being introduced to allow increased flexibility and transparency in commissioning. Read more via this link <https://www.england.nhs.uk/commissioning/how-commissioning-is-changing/>.

Provider Selection Regime (PSR) represents a new set of rules to be used by Integrated Care Boards and other decision makers to

- ✓ Allow for flexible, proportionate decision making
- ✓ Support greater integration
- ✓ Enhance collaboration and create longer term, stable relationships
- ✓ Is planned to come into force by the end of 2023

A similar approach to PSR is being taken at Combined and Local Authority levels. The main objective is to encourage collaborative approaches to service redesign and to reduce the burdensome bureaucracy involved.

Where the VCSE sector has a place in decision-making boards, and is valued as a key partner in system design and delivery, there are opportunities for increased innovation and collaboration.

An additional opportunity comes in the requirement for public bodies to consider Social Value outcomes when they commission services – with VCSE organisations being in a good position to

deliver on social value – something that we should promote wherever possible.

However, where the VCSE is less embedded and valued within a system, the changes bring a greater risk of NHS in-sourcing and use of procurement practices that disadvantage or even exclude the VCSE Sector; particularly small to medium sized organisations.

To maintain a role in system shaping and service delivery; VCSE organisations may need to:

- ✓ Build new relationships in your local system, engaging more with Hospital Trust leaders, alongside other Place-based and GM leaders.
- ✓ Lobby for VCSE sector representation on Locality and other decision-making boards, and/or
- ✓ Influence your VCSE representatives on decision-making boards to make sure that your insight is included; and that you are able to access new opportunities.
- ✓ Make the most of opportunities where partners are prepared to use greater flexibilities to bolster VCSE activity; and share that good practice with colleagues.

2. New Language, New Practice?

There is a corresponding shift in the language that is being used by the system when it talks about commissioning. This comes as part of the move to a placed-based model in which commissioners '[align] their objectives with providers'. This approach is defined in the [The NHS Long Term Plan](#) and [NHS Five Year Forward View](#). These changes mean that you might see more terms like '**service re-design**', '**co-production**' and '**co-commissioning**'.

Service Re-design is an approach to improving the outcomes, the interaction between service provider and customers and the customer's experience by changing.

They all have similar meanings related to greater involvement of people, groups and organisations in shaping the services they use or deliver. A key

benefit here is the opportunity to enter conversations about a strategy or project earlier, providing more opportunity to shape it. VCSE sector expertise in co-production is a core strength, and we should see this shift as an opportunity to assert our place in design and strategy shaping activity.

However, it's important to note that some VCSE organisations have been burnt by a poorly-executed co-design piece before, with VCSE sector organisation spending time engaging with a project at the design and prototype testing stage, only to be beaten at the bidding stage when the project is put out to longer-term tender.

To influence and stay relevant, VCSE organisations should:

- ✓ Use the new language where it feels appropriate
- ✓ Use your co-production knowledge and experience to challenge your partners to adopt collaborative practices.
- ✓ Don't be afraid to remind your partners that the new approach doesn't always apply – sometimes contracting and procurement practices get in the way of true collaboration.

3. Raising Awareness of Challenges Facing the VCSE Sector

Current commissioning and procurement practices are significantly impacting the VCSE sector, and these systemic issues are being exacerbated by the cost of living crisis.

Issues affecting the entire VCSE sector include short-termism in contracts impacting on service and workforce instability; long term underfunding of contracts; delayed payments; under-funding of VCSE infrastructure; and growing delivery expectations on re-tendered contracts; and contracts not keeping up with inflation.

Through the VCSE Commissioning Framework, our statutory partners have committed to a more inclusive model of commissioning, and VCSE organisations have a key role to play in what comes next. Part of this must be ensuring that

concerns about the handling of contracts are heard by those commissioning and procuring contracts.

Risks flagged up by small- and medium-sized VCSE organisations include:

- Formulaic and pre-determined social value measures exclude many organisations and do not value embedded social value.
- A lack of coherent approach to social value and smaller organisations having limited resources to develop multiple approaches and measures.

In addition,

- Larger commissioning frameworks exclude smaller and medium sized organisations, and valuable diversity of providers is lost.
- The additional work that medium sized VCSE organisations do in representing the sector, and driving system change is not valued and resourced.
- Formal procurement processes still dominate rather than the innovative grant and other funding that allows smaller, expert organisations to deliver.

There are examples of VCSE organisations successfully putting pressure on commissioners for fair treatment; including through singular negotiation and collaborative approaches by groups such as the Mental Health Leadership Group; Alternative Provider Federation; Commissioning Sub Group; and Local Infrastructure Organisations.

Case study - improving reach into underserved communities - 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 the COVID 19 pandemic, the collaborative worked to ensure that the diverse communities across Greater Manchester were accessing mental health services as well as receiving 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.

As a sector, we must continue to lobby for fair treatment at every opportunity to create the space that works for us as well as the communities we represent and provide for.

Further helpful resources

[VCSE Commissioning Framework](#)

A general guide to working with commissioners - [VCSEs: A guide to working with government - GOV.UK \(www.gov.uk\)](#)

Up to date information on social value in contracts - [Charities will add social value to DCMS supply chains - DCMS blog](#)

A new programme for VCSE organisations to sign up to, which also aim to educate public sector commissioners on the benefits of working with our sector - [Launch of VCSE Contract Readiness Programme - GOV.UK \(www.gov.uk\)](#)